



PRESS RELEASE

CBK LICENSES THE NINTH DEPOSIT TAKING MICROFINANCE INSTITUTION – U&I DEPOSIT TAKING MICROFINANCE LIMITED

The Central Bank of Kenya (CBK) has granted a licence to U&I Deposit Taking Microfinance Limited (hereafter referred to as U&I DTM Limited) to carry out community deposit-taking microfinance business. The licence has been issued pursuant to Section 6 (1) of the Microfinance Act, 2006 and Regulation 5 (3) of the Microfinance (Deposit-Taking Microfinance (DTM) Institutions) Regulations, 2008. U&I DTM Limited becomes the ninth deposit taking microfinance institution (DTM) to be licensed following the licensing of seven nationwide DTMs (Faulu Kenya DTM, Kenya Women Finance Trust DTM, SMEP DTM, REMU DTM, Rafiki DTM, Century DTM and SUMAC DTM) and one community-based DTM (Uwezo DTM). U&I DTM Limited, which is the second community DTM to be licensed under the Microfinance Act is a wholly-owned Kenyan company limited by shares, intends to operate within the Nairobi Central Business District (Starehe Division).

U&I DTM Limited has set up its head office cum branch along River Road (Asili Complex Building next to Kampala Coach Booking Office), Nairobi. The Applicant intends to begin operations with one flagship branch with intent to expand with time. Previously, the entity was engaged in credit only microfinance business before they transformed to a community DTM. The DTMs primary focus is the Micro and Small Enterprises (MSEs) as well as the financially excluded populations. The DTM also intends to target institutional-based employees in schools, colleges, restaurants, factories, and manufacturing industries situated in the Nairobi Central Business District (Starehe Division).

It is reported that micro, small and medium enterprises (MSMEs) and the informal sector represent over 90% of private businesses and contribute to more than 50% of GDP and account for about 63% of employment in most African countries. These enterprises thus form an integral part of the Kenyan economy by providing employment opportunities and contributing to economic growth and sustainable development. Despite these opportunities they face many challenges, including access to finance, which is often considered to be their most significant challenge. The Central Bank has thus been in the forefront in developing an all-inclusive financial system that reduces impediments to accessing finance, including MSMEs financing. The Central Bank has initiated, and will continue to support, reforms to develop effective legal, regulatory and supervisory frameworks that support innovations to enhance the development of MSME financing and growth.

The licensing of U&I DTM Limited to focus on MSMEs as one of its key niches thus reiterates the Central Bank's commitment to the development of an all-inclusive financial system that serves different market segments with appropriate products. This is in line with CBK's mandate to enhance financial inclusion and promote economic growth in Kenya, which are key tenets of Vision 2030.

CENTRAL BANK OF KENYA

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