



## **PRESS RELEASE**

### **CBK LICENCES THE FOURTH DEPOSIT TAKING MICROFINANCE INSTITUTION – SMEP DEPOSIT TAKING MICROFINANCE LIMITED**

The Central Bank of Kenya (CBK) has today granted a licence to SMEP Deposit Taking Microfinance Limited (SMEP DTM) to carry out nationwide deposit-taking microfinance business. The licence has been issued pursuant to Section 6 (1) of the Microfinance Act and Regulation 5 (3) of the Microfinance (Deposit-Taking Microfinance Institutions) Regulations, 2008. SMEP DTM becomes the fourth deposit taking microfinance institution to be licensed after Faulu Kenya Deposit Taking Microfinance, Kenya Women Finance Trust Deposit Taking Microfinance (KWFT DTM) and Uwezo DTM Limited, which were licensed in May 2009, March 2010 and November 2010, respectively.

SMEP DTM Limited evolved from the Small Scale Business Enterprise Programme (SSBE), a project of National Council of Churches of Kenya (NCCCK), which was started in 1975. The project started as a relief arm of NCCCK providing the poor in a number of slum areas with food and later small business grants. The project was then modified, developed and evolved into a microcredit company that was registered as a company limited by guarantee in 1999 still under the auspices of the NCCCK. The institution now boasts of 87,500 clients and an outstanding loan balance of approximately KSh. 1.1 billion. The transformation into a deposit-taking microfinance institution will enable SMEP DTM offer savings products to its clients in addition to the loan products.

The licensing of SMEP DTM progresses the financial inclusion initiatives of CBK. The Bank is focused on addressing entry barriers for unbanked and under-banked Kenyans to access financial services. The main barriers relate to transaction costs associated with financial products and accessing them through various delivery channels. Deposit Taking Microfinance institutions (DTMs) will particularly address these entry barriers in areas that have not been well served by mainstream financial institutions. The Central Bank expects that DTMs will offer demand driven, affordable and convenient products to their market niches.

**CENTRAL BANK OF KENYA**

**15<sup>TH</sup> DECEMBER 2010**