



## **PRESS RELEASE**

### **ACQUISITION OF CENTURY MICROFINANCE BANK LIMITED BY BRANCH INTERNATIONAL LIMITED**

The Central Bank of Kenya (CBK) announces the acquisition of 84.89 percent shareholding of Century Microfinance Bank Limited (Century MFB) by Branch International Limited (Branch) effective January 1, 2022. This follows CBK's approval on December 30, 2021, under Section 19 (4) of the Microfinance Act and approval by the Cabinet Secretary for the National Treasury and Planning on January 7, 2022, pursuant to Section 19(3)(b) of the Microfinance Act.

Branch was incorporated in Kenya on April 2, 2015 and is wholly owned by Branch International Holding Ltd, a company incorporated in Mauritius. Branch International Holding Ltd is owned by Branch International Inc (BI), a company incorporated in the State of Delaware in the United States of America. Branch is one of the largest mobile application based lenders in the country and brings financial services to the emerging markets by leveraging on the power of technology. Branch's total assets stood at Ksh.1.1 billion as at December 31, 2020.

Century MFB was licensed by CBK in September 2012, to carry out nationwide microfinance banking business. The MFB has two branches, one at the Head Office located along Moi Avenue, Nairobi and the other in Gikomba. It is categorised as a small microfinance bank with a market share of below 1 percent of the microfinance banking sector as at December 31, 2021. The institution's primary focus is provision of financial services to small holder farmers and small and medium enterprises (SMEs).

Since the first MFB became operational in 2009, the Kenyan financial sector landscape has transformed significantly. This has been underpinned by advances in technology, innovation and customers drive towards *Anytime Anywhere* services. In response to this changing terrain, CBK has been working with MFB's to transform their operations. All MFB's formulated transformation plans in 2020, to adapt to the *New Normal*. These plans are anchored on review of business models to be customer centric, leveraging on technology and innovation, and strengthening capital and liquidity buffers.

CBK welcomes this transaction that is a critical component of Century MFB's transformation plan. It will strengthen Century MFB and support the stability of the microfinance banking sector.

**CENTRAL BANK OF KENYA**

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