



## **PRESS RELEASE**

### **ACQUISITION OF DARAJA MICROFINANCE BANK LIMITED BY UMBA INC.**

The Central Bank of Kenya (CBK) announces the acquisition of 66.06 percent shareholding of Daraja Microfinance Bank Limited (Daraja MFB) by UMBA Inc. (UMBA) effective July 1, 2022. This follows CBK's approval on May 23, 2022, under Section 19(4) of the Microfinance Act and approval by the Cabinet Secretary for the National Treasury and Planning on June 10, 2022, pursuant to Section 19(3)(b) of the Microfinance Act.

UMBA is a fintech company incorporated in the State of Delaware, United States of America and has its headquarters in San Francisco, California. The company has operations in Kenya and Nigeria. In Kenya, UMBA operates a non-deposit taking credit business through its subsidiary UMBA Technology Limited. In Nigeria, it operates in partnership with a licensed bank to offer digital banking services.

Daraja MFB was granted a licence by the Central Bank of Kenya on January 12, 2015, to carry out community microfinance bank business within Dagoretti Division of Nairobi County. The MFB's Head Office and branch are located at Dagoretti Corner, Nairobi. The MFB's target market is Micro and Small Enterprises. It is categorised as a small microfinance bank with a market share of below 1 percent of the microfinance banking sector as at March 31, 2022.

The investment by UMBA will strengthen Daraja MFB's business model. In particular, it will support the digitalization of Daraja MFB as it moves to providing '*anytime anywhere*' services to its customers. This is aligned to CBK's vision of a microfinance banking sector that works for and with Kenyans.

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

**CENTRAL BANK OF KENYA**

July 29, 2022