



PRESS RELEASE

CBK LICENSES THE FOURTEENTH MICROFINANCE BANK – MUUNGANO MICROFINANCE BANK PLC

The Central Bank of Kenya (CBK) announces the granting of a licence to Muungano Microfinance Bank PLC (Muungano MFB) to carry out community based microfinance banking business. The licence has been issued pursuant to Section 6 (1) of the Microfinance Act, 2006 and Regulation 5 (3) of the Microfinance Regulations, 2008. The Microfinance Act provides for nation-wide microfinance banks that cover the whole country. It also provides for community-based microfinance banks that cover a specific administrative area.

Muungano MFB is a Kenyan owned company limited by shares with its head office and branch located at the EastEnd Mall, Kangari Township, Murang'a County. It is the first microfinance bank to set-up its head office and operations outside Nairobi. The MFB intends to target the rural small-scale farmers in Kigumo Sub County, Murang'a County through value chain financing. Their flagship products are designed to enable farmers to purchase assets, such as dairy cow breeds, quality feeds and appropriate storage.

The licensing of Muungano MFB, being an agri-focused MFB will enhance access to effective financial products for rural smallholder farmers to boost their crop production and income. This will in turn contribute to the Government's Big 4 Agenda of Food Security.

CENTRAL BANK OF KENYA

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