



## **KMRC WELCOMES NEW INVESTORS AS IT HOLDS FIRST AGM**

*International Finance Corporation (IFC) and Shelter Afrique okayed as shareholders*

**Nairobi, June 30, 2020** – The Kenya Mortgage Refinance Company (KMRC), the public-private partnership (PPP) firm formed by the government to make home loans affordable in Kenya, has today held its first Annual General Meeting (AGM), during which its board approved two new shareholders.

The meeting, held virtually, in line with government restrictions to stem the spread of COVID-19, saw KMRC's board formally approve the entry of two new shareholders; the International Finance Corporation (IFC), which is the private sector arm of the World Bank and the Company for Habitat and Housing in Africa (Shelter Afrique), a pan-African housing and real estate development financier. The other shareholders include the National Treasury and some 20 Primary Mortgage Lenders (PMLs); eight banks, one MFB (Micro Finance Bank) and 11 SACCOs (Savings and Credit Cooperatives).

The bank shareholders are KCB Group, Cooperative Bank, DTB, HF Group, NCBA, Absa Kenya, Stanbic and Credit Bank. Kenya Women Microfinance Bank (KWFT) is the sole MFB (Micro Finance Bank) shareholder while SACCO shareholders include Kenya Police, Mwalimu National, Safaricom, Ukulima, Bingwa, Imarisha, Unaitas, Imarika, Tower, Stima and Harambee.

Said KMRC's Ag. Chairman, Dr Haron Sirima, who represents the National Treasury on the board: "Today's AGM is a key and historic milestone for KMRC. With the facilitation and support of the board, we are now properly and fully equipped to play our role in revolutionizing the home loans market in Kenya, while making homes affordable for as many of *wananchi* as possible."

"From an operational standpoint, I can confirm that everything is now in place for us to start providing long-term finance to participating financial institutions, for onward lending to home loan borrowers at affordable rates," added KMRC Ag. CEO Johnstone Oltetia.

KMRC was established two years ago to support the Affordable Housing Pillar of President Uhuru Kenyatta's Agenda Four development blueprint, by providing secure, long term finance to Primary Mortgage Lenders (PMLs), who are then supposed to advance the same to individual borrowers. The idea is to address the shortage of long-term finance in the Kenyan financial market, while addressing the problem of asset maturity mismatch, which is responsible for the high cost and general inaccessibility of home loans to many Kenyans. It also seeks to refinance or purchase eligible home loans and invest in government debt securities or other guaranteed debt.

The AGM comes in the wake of the recent Budget Speech, in which National Treasury and Planning CS Ukur Yatani amplified the critical role KMRC is expected to play in response to the COVID-19 pandemic by "maintaining adequate liquidity among primary mortgage lenders (banks and SACCOs) in order to keep housing finance and the housing market functioning."

"This will avert potential credit crunch that would hurt lower income households and interrupt efforts to support affordable housing," said Amb. Yatani. KMRC is also expected to play a key role in the structuring of the proposed National Credit Guarantee Scheme to create "an effective backstop mortgage guarantee component to cover the losses incurred by lenders on future home loans." The CS further noted that KMRC had already raised Sh2 billion capital from its shareholders, while the National Treasury had mobilized Sh35 billion from development partners for its operations.

**ENDS...**

### **About KMRC**

Established in April 2018 as a Public-Private Partnership (PPP), under the supervision of the Central Bank of Kenya (CBK), Kenya Mortgage Refinance Company's role is to provide long-term funds to primary mortgage lenders (Banks, Micro Finance Banks and Saccos) in order to increase the availability and affordability of home loans to Kenyans by providing low interest, fixed rate, long term finance to mortgage financiers so that they can transfer the same benefits to individual borrowers, making home loans more accessible and affordable for Kenyans. A wholesale institution, KMRC's objectives include contributing to the growth of Kenyan capital markets through the issuance of KMRC bonds as a source of sustainable long-term fund, assisting in the standardization of mortgage practices in Kenya through enhanced capacity building to member institutions on the origination of mortgages and contributing to the growth of the mortgage market in Kenya through support to Primary Mortgage Lenders.

Additional information may be found at [www.kmrc.co.ke](http://www.kmrc.co.ke)

### **Media Contacts**

KMRC Corporate Communications

Irene Kadima, [lkadima@kmrc.co.ke](mailto:lkadima@kmrc.co.ke) | [Communications@kmrc.co.ke](mailto:Communications@kmrc.co.ke) +254 20 238 9235; +254 725 854 607