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Press Release

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KCB screens Green Loans Worth KShs. 615 Billion in 2023 as it Heightens Focus on Responsible Investments

Lender Becomes the first East African financial Institution to Assure its Sustainability Report

KCB Group screened loans worth KShs. 615 billion for environmental and social risks in 2023 as the Bank races to support projects with positive environmental impacts.

This constitutes half of the Group's loan book as at the end of last year, cementing KCB commitment to sustainable finance.

Additionally, KCB approved green loans worth KShs. 21.4 billion representing 15.5% of the total loan portfolio in 2023 and highlights its commitment to community-focused initiatives to create sustainable value for all its stakeholders. The green loans disbursed were directed towards projects in e-mobility, climate change adaptation and mitigation, energy efficiency, and renewable energy.

The details are contained in the 2023 KCB Group Environmental, Social & Governance (ESG) and Sustainability Report launched on Tuesday, highlighting the Group's progress towards its sustainability commitment.

KCB has become the first financial institution in Africa to assure its report through external auditors, ushering in a new era of transparency and ESG disclosures.

KCB Group CEO Paul Russo said: "We are increasing focus on sustainability and environmental responsibility. We are proud to announce the release of the first assured report, setting a new standard in ESG reporting in Africa. This report confirms that our key performance indicators and metrics accurately reflect the bank's performance, enhancing transparency and accountability. This is borne from a belief that by aligning business practices with sustainability principles, financial institutions can drive long-term value creation, enhance their reputation, and mitigate risks associated with environmental and social challenges."

KCB has also expanded its focus to encompass 14 Sustainable Development Goals

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(SDGs), enhancing its efforts to tackle a wide array of global challenges. A notable initiative includes the bank's calculation of its financed emissions for 2023, including Scope 3 emissions, by concentrating on its primary carbon-intensive sectors.

“In 2023, we made a bold commitment to address the climate crisis by allocating resources to climate action projects, aiming to create a tangible impact on our environment and communities. For financial institutions, embracing sustainability and ESG principles is not merely a moral obligation but a strategic imperative,” Russo added.

KCB's commitment to reducing its carbon footprint is further illustrated by its ambitious plans to offset emissions, which include planting over 300,000 trees in Kenya in 2023, with a target of reaching 1.2 million trees by the end of 2024. Furthermore, the bank achieved an 11.14% reduction in carbon footprint intensity per staff member and increased its installation of LED lighting by 50% to optimize resource usage.

“As we confront the pressing challenges of climate change, it is crucial that we all play our part. KCB's investments in green finance, reforestation, and sustainable development demonstrate that financial institutions can lead this effort. The government is committed to supporting such initiatives that align with our national goals of environmental conservation, climate resilience, and inclusive growth,” said Hon. Aden Duale, Cabinet Secretary in the Ministry of Environment, Climate Change and Forestry during the launch.

The Group's socio-economic initiatives underscore the vital role of ESG factors in fostering inclusive growth. In 2023, the bank supported 2,877 youth through entrepreneurship incubations under the 2jiajiri programme, creating 13,352 direct jobs. Additionally, KCB extended KShs. 115 billion in loans to women-owned businesses, empowering female entrepreneurs and advancing gender equality. The bank also disbursed KShs. 100 billion in loans to Micro, Small, and Medium Enterprises (MSMEs), which are essential drivers of economic development in the region.

KCB Group continues to lead the charge in climate action and sustainable development, demonstrating that financial institutions can play a pivotal role in addressing the world's most pressing challenges while fostering economic growth and social equity. This is buttressed by the bank's ambition achieving a target of 25% of its total loan portfolio dedicated to sustainable initiatives by 2025.

For further information, please contact Judith Sidi Odhiambo, Head of Corporate & Regulatory Affairs; email: jsodhiambo@kcbgroup.com

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About KCB Group PLC

KCB Group Plc is East Africa's largest commercial Bank and was established in 1896. The Group is headquartered in Kenya, with the country serving as the lead market with two banking subsidiaries namely KCB Bank Kenya and National Bank of Kenya. Over the years, the Bank has grown and spread its wings into Tanzania, South Sudan, Uganda, Rwanda, Burundi, and the Democratic Republic of Congo. Our subsidiaries KCB Bank Kenya and Trust Merchant Bank (TMB) also have representative offices in Ethiopia and Brussels respectively. Additionally, KCB Group owns KCB Bancassurance Intermediary Limited, KCB Investment Bank, KCB Asset Management, KCB Foundation and Kencom House Limited as non-banking businesses. Today KCB has the largest branch network in the region with 583 branches, 1,315 ATMs and over 1.1 million merchants and agents offering banking services on a 24/7 basis in East Africa. This is complemented by mobile banking and internet banking services with 24-hour contact center services for our customers to get in touch with the Bank. KCB has a vast network of correspondent relationships totaling over 200 banks across the globe, and our customers are assured of a seamless facilitation of their international trade requirements wherever they are.

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