



KENYA BANKERS ASSOCIATION

KENYA'S BANKS CHART WAY FORWARD TO PROMOTE SUSTAINABLE FINANCE AND BUILD INDUSTRY WIDE CAPACITY

Nairobi, 12 September 2013 -- The Kenya banking industry, through their umbrella body the Kenya Bankers Association (KBA), during a CEO Roundtable meeting held on 10th September 2013 approved a move forward to create a joint initiative that promotes best practice in sustainable finance. The KBA Sustainable Finance Initiative (SFI) would explore opportunities for industry alignment while building industry wide capacity in the area of environmental and social risk management.

In line with the country's long-term development plans as outlined in the Government's Vision 2030, the KBA member banks agreed to support efforts towards making Kenya's banking industry more globally competitive. With economic, social and political pillars, Vision 2030 reflects some of the main challenges that Kenya currently faces. These challenges include sustainable economic growth, financial inclusion, but also environmental degradation, climate change, social exclusion and resource scarcity. Therefore the proposed Sustainable Finance Initiative coordinated by KBA on behalf of its member banks would be tasked with developing recommendations, which will include proposals on capacity building and the creation of Sustainable Finance Guiding Principles that are customised for the Kenyan context.

During the CEO Roundtable, KBA Chief Executive Officer, Mr. Habilolaka said: "Kenya's banks are regional leaders of the financial services sector, we therefore are confident that the KBA member's commitment to promote a competitive financial system that drives sustainable economic growth through market-based solutions will not only develop the industry and bolster Kenya's role as a Financial Sector Regional Hub in line with the Kenya Vision 2030, but also it will promote better social and environmental practices in Kenya.

The CEO round table discussion was facilitated by KBA and UNEP Finance Initiative (UNEP-FI) and co-funded by the German and Dutch development finance institutions DEG and FMO.

On behalf of these organisations, Mrs. Yuki Yasui, Acting Head of UNEP-FI said: "We are proud to have consulted with the Kenya Bankers Association on financial sector sustainability since 2010. With a financial system that is amongst the most mature and largest in sub-Saharan Africa, Kenya's banking industry is well positioned to contribute to and gain from the country's long-term development plans. Not only the mitigation of risk, but also opportunities

including renewable energy will strengthen the banking business. We firmly believe that integration of environmental and social standards will be beneficial to the sector, the Kenyan economy and its society," she said.

Today's commitment by the KBA member banks to set up the Sustainable Finance Initiative is a first step in a process that will make Kenya part of a growing group of emerging countries where banks and governments are creating sustainable-finance frameworks and incentives. Other examples include China's Green Credit Policy, Nigeria's Sustainable Banking Principles, and Paraguay's Roundtable for Sustainable Finance.

Held in Nairobi at the Stanley Hotel, the CEO Roundtable was moderated by Steward Redqueen (www.stewardredqueen.com).

About the Partners

Kenyan Bankers Association is the umbrella body of the commercial banks licenced under the Banking Act, Cap 488. With a current membership of 43 financial institutions, KBA has endeavoured to reinforce a reputable and professional banking sector in a bid to best support Kenyans, who entrust their ambitions and hard-earned resources with its member banks. For more information about KBA visit www.kba.co.ke.

United Nations Environment Programme Finance Initiative (www.unepfi.org) is a unique global partnership between the United Nations Environment Programme (UNEP) and the global financial sector. Over 200 institutions, including banks, insurers and fund managers, work with UNEP to understand the impacts of environmental and social considerations on financial performance.

About the Sponsors

FMO (the Netherlands Development Finance Company) is the Dutch development bank. FMO supports sustainable private sector growth in developing and emerging markets by investing in ambitious entrepreneurs. FMO believes a strong private sector leads to economic and social development, empowering people to employ their skills and improve their quality of life. With an investment portfolio of EUR 6.3 billion, FMO is one of the largest European bilateral private sector development banks. www.fmo.nl.

DEG (www.deginvest.de), a subsidiary of KfW, is one of the largest European development finance institutions for long-term project and company financing. For more than 50 years, DEG has been financing and structuring the investments of companies in developing and transition countries in order to contribute to sustainable progress.

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