2025 GROUP SUSTAINABILITY REPORT

Transitioning Economies

For People. For Better.

Regulated by the Central Bank of Kenya

Inside the Report

Our sustainability theme focuses on **transitioning the economy** toward a more inclusive, resilient, and sustainable future.








About this report

This 2025 Sustainability Report presents **KCB Group Plc's Environmental, Social, and Governance (ESG)** performance for the period **1 January to 31 December 2025**. The disclosures integrate both **financial and non-financial information**, reflecting the Group's commitment to transparent and holistic reporting.

The information contained in this report relates to KCB Group Plc and it's subsidiaries, including entities where the Group exercises significant influence. These are the same entities as disclosed in our consolidated Financial Statements. Our regional footprint is illustrated in the about us section of this report.

Through this defined scope, we aim to provide stakeholders with a comprehensive and consistent view of our sustainability performance and initiatives, governance practices, and the value we create across the markets we operate in.

Reporting suite

During the reporting period, the Group reaffirmed its commitment to integrating sustainability into core business operations. Sustainability is considered in a number of documents across our reporting suite, and this provides clear cross-references to direct readers to specific sustainability-related information located within the 2025 report.

These can be found in the following links.

2025 sustainability report
Detailed sustainability performance, impact stories, and progress

2025 integrated report
A look at how we create value throughout the region. This report merges both financial and non-financial data.

Investor presentations
Quarterly updates on Group strategy, market position, and sustainability highlights.

Our theme

Our sustainability theme focuses on **Transitioning Economies** toward a more inclusive, resilient, and sustainable future by expanding access, driving impactful initiatives, strengthening partnerships, and delivering measurable outcomes. Through improved access to finance, knowledge, and opportunity, the Bank enables individuals, businesses, and communities to participate meaningfully in sustainable economic growth. This is complemented by targeted initiatives that address key social, environmental, and economic challenges, while strategic partnerships with development institutions, private sector actors, and community organisations that help scale impact and innovation. By aligning these efforts, the Bank seeks to strengthen sustainable development, support the transition to greener and more inclusive economic systems, and ensure that the benefits of progress are widely shared.

Reporting standards

In preparation of this report, KCB Group has referenced the following sustainability reporting standards and frameworks:

- **The International Financial Reporting Standards (IFRS) S1 and IFRS S2 issued by the International Sustainability Standards Board (ISSB) and adopted by the Institute of Certified Public Accountants of Kenya (ICPAK).**
- **The Global Reporting Initiative (GRI) Standards.**
- **The Central Bank of Kenya Guidance on Climate-related Risk Management.**

These standards guide our approach to sustainability disclosures, enabling greater comparability, transparency, and alignment with emerging international ESG reporting practices and local regulatory reporting requirements. We are committed to continuously improving our disclosures and implementation of the IFRS S1 and IFRS S2.

DIRECTORS' RESPONSIBILITY

The Directors are responsible for the selection, preparation and presentation of the selected KPIs in accordance with the reporting criteria. This responsibility includes the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance and design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error. The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected KPIs and for ensuring that those criteria are publicly available to the Report users.

Assurance and data integrity

KCB Group maintains a comprehensive system of internal policies, procedures, and controls designed to uphold the accuracy, completeness, and reliability of the sustainability information disclosed in this report. The Board retains ultimate oversight for sustainability matters, including the preparation and integrity of this Sustainability Report.

The Group is responsible for the selection, preparation, and presentation of all sustainability information contained in this report. Our reporting metrics and methodologies are carefully aligned with the nature of our business operations, relevant industry standards, and the evolving expectations of our stakeholders.

Recognising that credible ESG disclosures depend on robust and reliable data, we continue to strengthen our data management frameworks. Sustainability reporting has increasingly been integrated into the Group's core business reporting systems, enabling greater consistency and traceability of information. In areas where manual data sourcing or classification remains necessary, we are actively advancing digital and automated solutions to enhance data accuracy further, efficiency, and transparency in future reporting cycles.

Deloitte Africa provided an independent limited assurance report on selected sustainability key performance indicators (KPIs). The assurance statement and assured KPIs are listed and defined in Appendix 5.1.

About Us

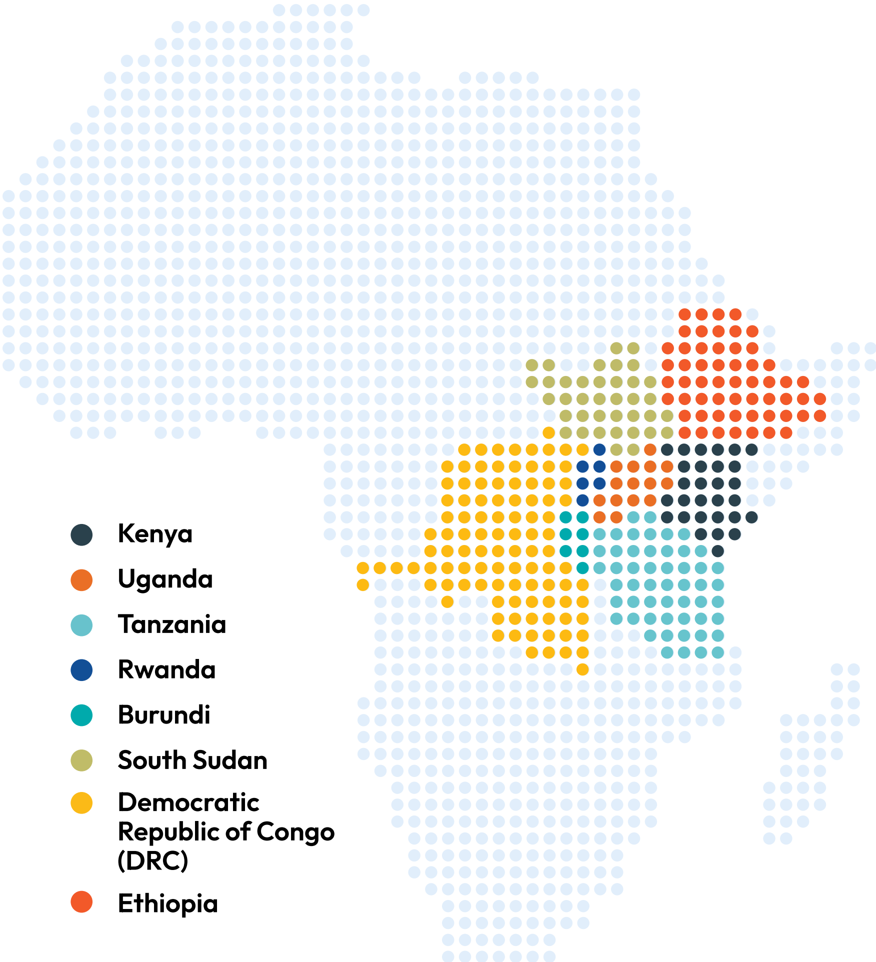
Est. 1896

KCB Group is East Africa's largest Commercial Bank in asset size, established in 1896 and headquartered in Nairobi, Kenya.

The Group has expanded its footprint to seven countries

Kenya, Uganda, Tanzania, Rwanda, Burundi, South Sudan, and the Democratic Republic of Congo (DRC), with representative offices in Ethiopia and Brussels,

and diversified its financial services to include Bancassurance Investment Banking and Custodial and Trustee Services.



11,252 workforce

This growth is supported by a diverse workforce of over 11,252 employees, reflecting the Group's strategy to balance the retention of experienced talent with the integration of younger professionals, ensuring a dynamic and resilient organization capable of driving sustainable growth across the region.

Our Sustainability agenda is fully embedded in the Bank's 2024–2026 Strategy, which is anchored on three agenda areas:

Transforming
signaling our commitment to continuous improvement and innovation in delivering sustainable financial solutions.

Today
emphasizing the urgency of action and our responsibility to address material ESG risks and opportunities in the present.

Together
reinforcing the importance of collaboration across internal teams, external partners, and the communities we serve.

KCB Group's sustainability and impact strategy is anchored in a robust ecosystem of global, regional, and local partnerships.

To advance this agenda, sustainability initiatives are driven through the Bank's dedicated sustainability function, and the broader institutional ecosystem. This integrated approach ensures alignment, accountability, and measurable impact across the organization.

KCB's associations & partnerships

KCB Group's sustainability and impact function is anchored in a robust ecosystem of global, regional, and local partnerships. These associations ensure that the Group maximises positive impact and minimises risk, while continuing to drive tangible change within the region.

Global sustainability frameworks & memberships

UNEP FI (United Nations Environment Programme Finance Initiative):
A signatory to the Principles for Responsible Banking (PRB), ensuring banking activities align with the SDGs and the Paris Climate Agreement.

United Nations Global Compact (UNGC):
Committed to the ten principles on human rights, labour, environment, and anti-corruption.

Net Zero Banking Alliance (NZBA):
A member committed to aligning lending and investment portfolios with net-zero emissions by 2050.

Kenya Bankers Association Sustainable Finance Initiative:
KCB is a key participant promoting sustainable finance practices across Kenya's banking sector.

International Finance Corporation (IFC) Performance Standards:
KCB adheres to IFC standards for environmental and social performance in projects.

Task Force on Nature-related Financial Disclosures (TNFD):
An early adopter integrating nature-related risks and opportunities into financial reporting.

IFRS / ISSB (International Sustainability Standards Board):
KCB has aligned its 2025 reporting with the IFRS S1 (General Requirements) and IFRS S2 (Climate-related Disclosures) standards

United Nations Principles for Responsible Banking:
A member committed to aligning lending and investment portfolios with net-zero emissions by 2050.

Forward Faster Initiative:
This initiative to accelerate sustainable finance and climate action in emerging markets.

CBK's Kenya Green Finance Taxonomy:
KCB complies with the Central Bank of Kenya's frameworks for classifying green finance and disclosing climate risks.

Industry and value-chain associations

Kenya Bankers Association (KBA):
A lead participant in the Sustainable Finance Initiative (SFI), frequently winning awards for sustainable finance and inclusivity.

Market Aggregators & Off takers:
Private sector partners that provide market linkages for smallholder farmers and MSMEs, ensuring they have a guaranteed buyer for their goods.

Conservation Partners:
NGOs and community groups involved in the Linda Miti afforestation initiative.

Sustainability highlights

Environmental

Green Lending

25.84%
Cumulative green finance portfolio

Kshs. 48.8B
Value of green loans disbursed

Kshs. 9.9B (2.7B LA)
Value of green loans verified by CAFI. Limited assurance conducted on 2.7 Billion out of the 9.9 Billion.

Green Climate Fund (GCF)

KShs. 69M
Approval of Technical Assistance Funding for MSME Climate Smart Technologies Concept note to unlock a funding proposal of Kshs. 12.5 Billion

Environmental and Social Due Diligence (ESDD)

KShs. 587.78B
Value of loan facilities assessed against environmental and social risks

Linda Miti Campaign

Trees Planted.
3,434,033
Trees planted in collaboration with 1,778 schools and other partners

Waste management

Recycled
71,530Kgs
Waste generated and recycled for KCB Bank Kenya limited

Clean Energy

Financed
KShs. 782.5M
Financed to support the clean energy programme in high schools and TVETs

Social

KCB Foundation Livelihoods Programmes

KShs. 1.12B
Amount financed for the programmes

16,549 LA
youths trained under the Workforce Development Programme in the year

265,300 jobs supported

67,090 businesses supported

Corporate Social Investments

KShs. 90.7M
amount disbursed for disaster relief, social and educational initiatives, environmental sustainability, and support for cultural and sports activities

LA: Limited Assurance

KCB Scholars Programme

99% of students under the programme completed high school education

280 LA
New students supported with scholarships in the year

4,261
Students were supported with scholarships across high school and tertiary education

Procurement

19.2B LA
Value of local procurement spend in the year

4.4B LA
Value of international procurement spend in the year

Mifugo ni Mali:

13,156
farmers supported

15 Farmer Producer Organisations (FPOs) supported in acquiring value addition equipment

Customer Excellence

14% LA
Customer Effort Score

70% LA
Net Promoter Score

Economic Development

KShs. 70.62B LA
Value of KCB MPESA loans disbursed in the year (Kenya)

1.85 LA
Number of Mobi loans disbursed in the year

Employee Diversity

7,928 LA
Employees who completed the anti-money laundering course

8,768 LA
Employees who signed the Staff Declaration forms

7,508 LA
Employees who completed the ethics e-learning course

1,256 LA
New permanent and pensionable employees

5,481 LA
Male permanent and pensionable employees

4,058 LA
Female permanent and pensionable employees

9,539 LA
Full-time equivalent (FTE) Group employees

1,204 LA
Full-time equivalent (FTE) Group employees belong to a union

Governance

Bancassurance

71,377 LA
Bancassurance policies written in the year

KShs. 10.05B LA
Value of Bancassurance premiums written in the year

Board Diversity

30% LA
Proportion of the Group Board that are women

Capacity Building

496,355 Hrs
Total learning hours at the KCB Learning Academy

2,438 Courses completed.

Customer Experience

1.7 Days LA
Group average of Customer Complaint Resolution

2.8 days LA in subsidiary average of Customer Complaint Resolution

Subsidiary Progress **Report**

Subsidiary: **Kenya**

KShs. 539.8 Billion worth of loans assessed for ESDD
KShs. 34 Billion worth of green projects identified in 2025
KShs. 69 Million approved Technical Assistance funding by GCF
KShs. 149 Billion loans to FLME customers and mobilised

3.3 Million trees planted

4.7% reduction in overall resource usage

8 solarized branches

265,300 Jobs supported

16,652 People supported through livelihood programme

4,837 Staff trained on ESG practices.
496,355 Total number of **learning hours.**
6,689 employees participated in the wellness program.

Subsidiary: **Rwanda**

Ksh 19.2 Billion loans assessed under ESDD amounting to 57% of total loan porfolio
Ksh. 8.7 Billion portfolio worth of green projects identified in 2025

10,000 trees planted

7% reduction in resource use

UBUMUNTU initiative
1450 residents accessed health insurance through this program

499 staff members completed e-learning training on climate risk management
“Your well-being center” which provides therapy sessions for descendants of BPR staff lost during the 1994 Genocide

Subsidiary: **Tanzania**

Ksh 15.8 Billion loans assessed under ESDD amounting to **64.2% of portfolio**

Ksh 3.6Billion worth of green projects under the Water Equity partnership to finance programs that improve access to clean water and sanitation.

6,050 Trees planted in 2025 in collaboration with the East African Community
Decline in electricity consumption across its branches compared to 2024

Pesa Smart Program for entrepreneurs: Offering training for business and investment to empower entrepreneurs.

Workforce composition of **55% male and 45 % female**
65.6 training hours completed per employee.

Subsidiary: **South Sudan**

2 Branches connected to hydro power grid - Nimule and Nimule Customs Branch
Connection of city power grid for Juba branches (JEDCO)

Enhanced rolledout of digital channels including Mobile Banking Platform to reduce paper-based transactions
Achieved a 42% reduction in use of paper across its branches

Subsidiary: **Uganda**

Ksh 12.8 Billion worth of loans screened for ESDD

Ksh 1.8 Billion worth of green projects recorded

14,037 trees planted clean-up at the Banda Farmers’ Market to reduce plastic pollution and improve local sanitation

Kyambogo Ultra Challenge run sposored to promote health, fitness, community sponsored participation and environmntal conservation
33% reduction in environmental water use across its branches

“Kyaddala ne KCB” a 120 day campaign to boost financial inclusion and encouraging a culture of saving.
Youth Platform Africa - enrolled 58 farmers to open accounts during the master agribusiness forum, focusing on agriculture for global impact

82 financial literacy sessions conducted in 2025 reaching **2,918 participants with 85% female** participation.

Subsidiary: **Burundi**

20 students recruited received full secondary school scholarships through **the KCB scholars Program**

6.84% reduction in fuel consumption across the Bank

195 youth taken through vocational training skills and financial literacy through the Iteze Imbere program

250 women received financial literacy training and gained access to the bank’s services

400 children received school kits from the Iteze program

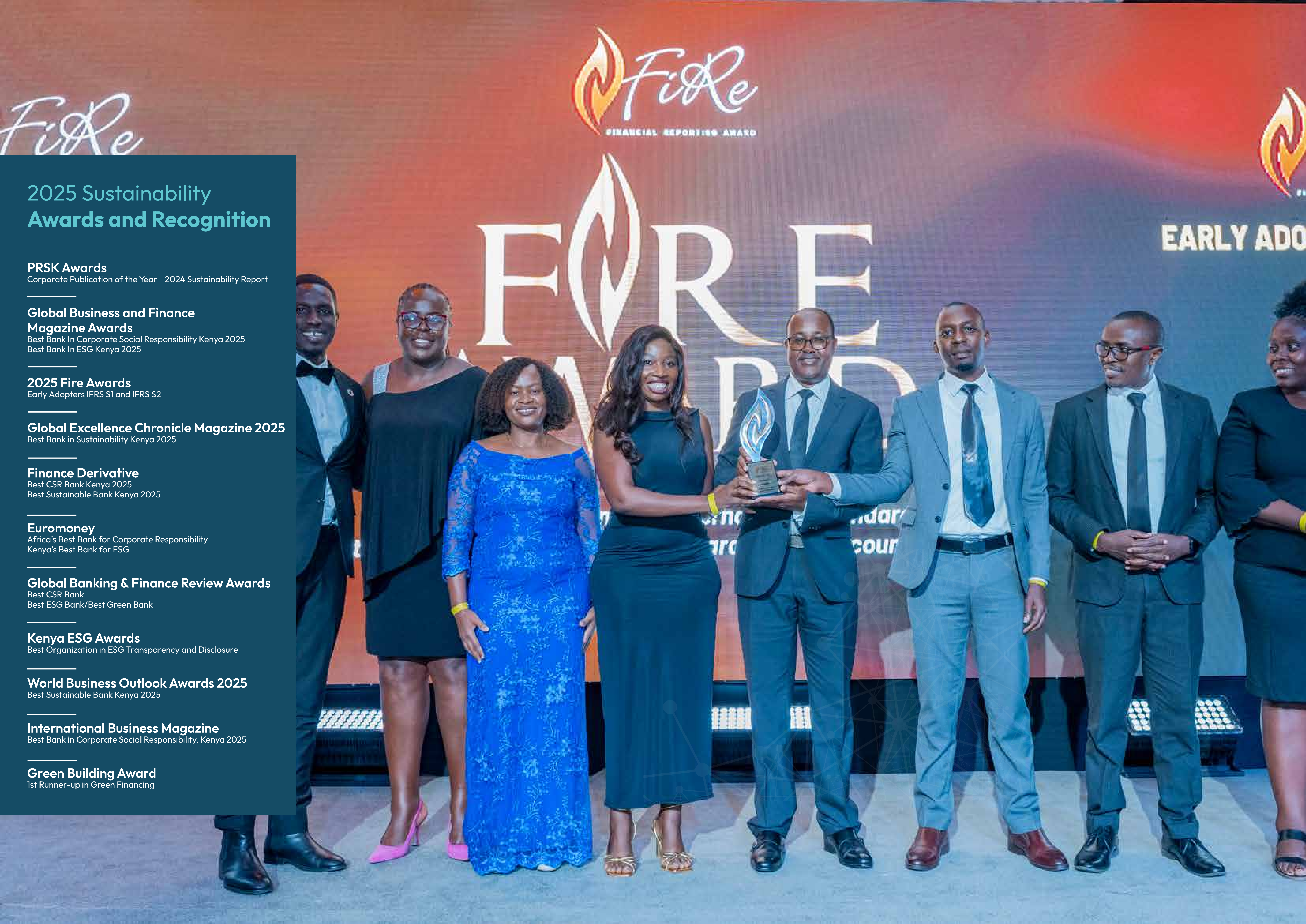
Provided 10 wheelchairs to children with disabilities through the Saint Kizito center

Subsidiary: **Democratic Republic of Congo**

Eau Congo:
Transformed 450 natural springs to potable water fountains supporting **250,000 residents** in Kwilu Province

EN AVANT LES ENFANTS:
More than 200 children supported with school fees and other basic needs

SOS Planete Congo:
Training for students on environmental and cultural education
Elan de Choeur:
Schooling for orphans affected by AIDS. The program has onboarded **356 students** from Kalembe Lembe paediatric hospital



2025 Sustainability **Awards and Recognition**

PRSK Awards
Corporate Publication of the Year - 2024 Sustainability Report

Global Business and Finance Magazine Awards
Best Bank In Corporate Social Responsibility Kenya 2025
Best Bank In ESG Kenya 2025

2025 Fire Awards
Early Adopters IFRS S1 and IFRS S2

Global Excellence Chronicle Magazine 2025
Best Bank in Sustainability Kenya 2025

Finance Derivative
Best CSR Bank Kenya 2025
Best Sustainable Bank Kenya 2025

Euromoney
Africa's Best Bank for Corporate Responsibility
Kenya's Best Bank for ESG

Global Banking & Finance Review Awards
Best CSR Bank
Best ESG Bank/Best Green Bank

Kenya ESG Awards
Best Organization in ESG Transparency and Disclosure

World Business Outlook Awards 2025
Best Sustainable Bank Kenya 2025

International Business Magazine
Best Bank in Corporate Social Responsibility, Kenya 2025

Green Building Award
1st Runner-up in Green Financing

Leadership **Messaging**

Group Chairman Statement

Reflections from Group CEO

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In this year's theme, **"Transitioning the economy"**, we place even greater emphasis on how, throughout our journey, we have remained committed to embedding sustainability into the core of our business operations and long-term strategy.

FCS Dr. Joseph Kinyua, EGH
Group Chairman

Group Chairman Statement

Our esteemed stakeholders,

It is my pleasure to present the 2025 KCB Group Sustainability Report. I do so with deep humility, conscious of the responsibility entrusted to us as a Group that supports households and enterprises across East Africa and beyond. Under this year's theme, **"Transitioning Economies,"** the report sets out how we are embedding sustainability within our strategy and day-to-day decisions; thus, ensuring we continue to advance growth alongside environmental stewardship, social inclusion, and strong governance.

Navigating a Complex Global Environment

The year under review was characterised by heightened uncertainty across global and regional markets, including persistent inflationary pressures, currency volatility, tighter liquidity conditions, and increasingly material climate-related risks. Against this backdrop, KCB Group remained focused on its purpose and on disciplined execution culture. We continued to support our customers, deploy capital responsibly, and deliver long-term value for all our stakeholders while contributing to sustainable development in the markets we serve.

Strategy Anchored on Sustainability

Our corporate strategy for 2024–2026, **"Transforming Today Together,"** reflects our shared ambition for a future-ready and sustainable institution. We, in this context, have been harnessing innovation and technology in the spirit of **Transforming** and redefining the future of banking business, we are acting **Today**, not tomorrow, to accelerate immediate action on environmental, social, and governance priorities. We have been

Group Chairman Statement(Continued)

working and collaborating **Together** with our stakeholders, recognizing that sustainable progress can only be achieved collectively. Guided by this strategy, sustainability remains central to our decision-making and the way we conduct business across the Group. In this context, we have embedded sustainability across every part of our business, from lending and digital innovation to operational efficiency and community investments. This ensures that Environmental, Social, and Governance (ESG) considerations remain firmly woven into our growth agenda, and that every step forward we take as a bank also contributes to the well-being of the societies we serve.

Our sustainability framework is aligned with our 14 priority United Nations Sustainable Development Goals (SDGs). In this regard, our focus is on quality education, health and well-being, economic empowerment, innovation, and partnerships, while promoting responsible resource use and environmental protection. These priorities guide how we design programmes and structure partnerships, and they reinforce our commitment to inclusive long-term socio-economic development.

Additionally, throughout 2025, we continued embedding ESG principles across our lending practices, internal operations, governance structures, and stakeholder engagements. By doing so, we reinforce our role not just as a financial institution, but as a catalyst for inclusive and sustainable economic development across East Africa and beyond.

Strengthening Governance, Risk Management, and Integrity

Strong governance continues to underpin our sustainability agenda. Our frameworks ensure that ESG considerations are integrated across risk management, credit evaluation, and corporate decision-making. In this regard, projects exceeding Ksh 50 million undergo mandatory environmental and social risk assessment, using our Environmental and Social Due Diligence (ESDD) toolkit, with oversight by the relevant Board committees.

To effectively play our role in the economic transitioning agenda, we recognize that it requires an institution built on resilience, strong governance, and ethical conduct. In this context, we have adopted a zero-tolerance approach to unethical behaviour, which reinforces the highest standards of integrity across the Group.

Looking ahead

As we look to the future, our vision remains clear. We will continue to scale sustainable finance, deepen climate risk integration, and expand financial inclusion initiatives across the region. On behalf of the Board, I thank all our stakeholders, especially you, our shareholders, for your continued support and trust. I also acknowledge our regulators, customers, employees, and partners for their collaboration as we deliver value and strengthen the Group's contribution to resilient, inclusive socio-economic development across the region.

FCS Dr. Joseph Kinyua, EGH
Chairman

14

our sustainability framework is aligned with 14 priority United Nations Sustainable Development Goals (SDGs).

50M

projects exceeding KShs. 50 million undergo mandatory environmental and social risk assessments using our Environmental and Social Due Diligence (ESDD) toolkit.

Reflections of **Group CEO**

At the center of this journey lies our brand purpose: **“For People. For Better.”** These words capture what we stand for and the responsibility we carry as a regional financial institution. They remind us that our work must always create value that uplifts people, strengthens communities, and supports a more inclusive and sustainable future.

Paul Russo
Group CEO

The year 2025 marked a significant year in the Group’s sustainability journey as we intensified climate finance, expanded financial inclusion, and strengthened our role as a driver for sustainable economic growth across East Africa and beyond. At the center of this journey lies our brand purpose: “For People. For Better.” These words capture what we stand for and the responsibility we carry as a regional financial institution. They remind us that our work must always create value that uplifts people, strengthens communities, and supports a more inclusive and sustainable future.

This purpose naturally shapes how we engage with our customers. Our commitment to a customer-focused approach pushes us to continuously design financial solutions that respond to evolving needs while also contributing to a fairer and more resilient society. In everything we do, we strive to balance three essential priorities: serving People, protecting the Planet, and pursuing sustainable Profits.

A year defined by resilience and transformation

Guided by our purpose as a catalyst for transition, the year 2025 became a defining chapter in our sustainability journey. It was a year shaped by resilience, innovation, and deliberate transformation.

Operating in a rapidly evolving economic and regulatory environment, we remain focused on our ambition to become a leading regional bank where sustainability is fully integrated into every dimension of our operations. This progress did not happen by chance. It was guided by our corporate strategy, “Transforming Today Together.” For me, this strategy reflects our shared determination to evolve as an institution while creating meaningful value for our stakeholders.

Kshs 48.8Bn
in green finance facilities

Advancing sustainable finance

One of the most tangible ways we translate this strategy into action is through sustainable finance. By the end of 2025, we had extended more than KShs. 48.8 Billion in green finance facilities. These investments supported renewable energy systems, climate-resilient agriculture, sustainable infrastructure, and environmentally responsible enterprises. Through these efforts, we are helping accelerate the transition toward a low-carbon and climate-resilient economy while supporting businesses that are building tomorrow’s solutions. Supporting clean energy in education had a significant impact on the transition to clean energy cooking systems. Through this initiative we supported 266 schools in adopting cleaner alternatives, backed by KShs 782.5 Million in financing.

For People. For Better.

Expanding financial and digital inclusion

As we advance sustainable finance, we are equally focused on ensuring that financial services remain accessible to everyone. Our digital transformation strategy continues to play a critical role in expanding financial inclusion across East Africa.

The objective of rolling out our revamped Mobile Banking App was to put autonomy back into the hands of our customers. Our platform is enabling seamless self-onboarding and wealth management, fostering a culture of financial planning.

Our digital inclusion plan revolves around supporting our 6,400 chamas and 225,000 active businesses, who are the cornerstones of our economy. For these vital actors, we offer more than simply banking; we give them the cash-flow lending and management tools necessary to move them towards growth.

Empowering women entrepreneurs, investing in our youth, and uplifting the most vulnerable

Financial inclusion goes hand in hand with creating opportunities for women. I am particularly encouraged by the progress of our Female-Led and Made Enterprises (FLME) initiative, which continues to unlock opportunities for women entrepreneurs throughout the region. Through this initiative, we committed KShs. 250 billion in financing, with 59.6% already disbursed by the end of 2025. Beyond the money, the programme also offers mentorship, digital tools, and financial literacy training, ensuring that women-led enterprises are equipped to grow sustainably and confidently.

While empowering women strengthens today’s economy, investing in the youth builds the foundation for tomorrow.

That is why youth empowerment remains a priority for us. Through the Livelihoods Programme, delivered in partnership with public and private vocational training centers, we continue to equip young people with practical technical skills and entrepreneurship opportunities.

We are equally focused on ensuring that vulnerable communities can participate meaningfully in the financial system. We supported 20,299 beneficiaries in 2025 through our Refugee Financial Inclusion Program - a program that allows refugees to open bank accounts using UNHCR identification, giving them access to credit, savings, and Sharia-compliant financial services. To date, KShs. 71.4 million in loans has been disbursed to refugee entrepreneurs, helping them build businesses and integrate more fully into the local economy.

Digital security has remained our top priority

As our digital platforms expand, fortifying our systems and customer data has become even more critical. During the year, we strengthened our cybersecurity framework through the deployment of AI-driven secure software development tools to help us maintain resilience and trust in an increasingly digital banking environment.

Driving impact through our regional subsidiaries

Our sustainability impact extends beyond Kenya through the contributions of our regional subsidiaries. We view our subsidiaries not just as business units, but as local accelerators for the Group’s sustainability agenda. Whether it is BPR Bank Rwanda and KCB Kenya significantly lowering its operational carbon footprint, or KCB Uganda using finance to transform the sugarcane value chain for smallholder farmers, our footprint is our greatest asset. Our goal is to have every subsidiary fully aligned with our sustainable business and green finance targets, ensuring a resilient East African economy.

Investing in our people

We appreciate that behind every milestone we achieve is a dedicated team of people who bring our purpose to life. That is why human capital development remains central to our strategy. During the year, the KCB Leadership Academy trained 854 leaders, including 91 heads of departments, strengthening leadership capacity across the Group.

Workforce diversity remained balanced, with 56 percent male and 44 percent female representation, while employee turnover remained low at 6.4 percent.

We also continued expanding employee well-being initiatives, including medical coverage, psychological support services, wellness campaigns, and flexible working arrangements. All these programs ensure that our teams remain healthy, motivated, and empowered to serve our customers effectively.

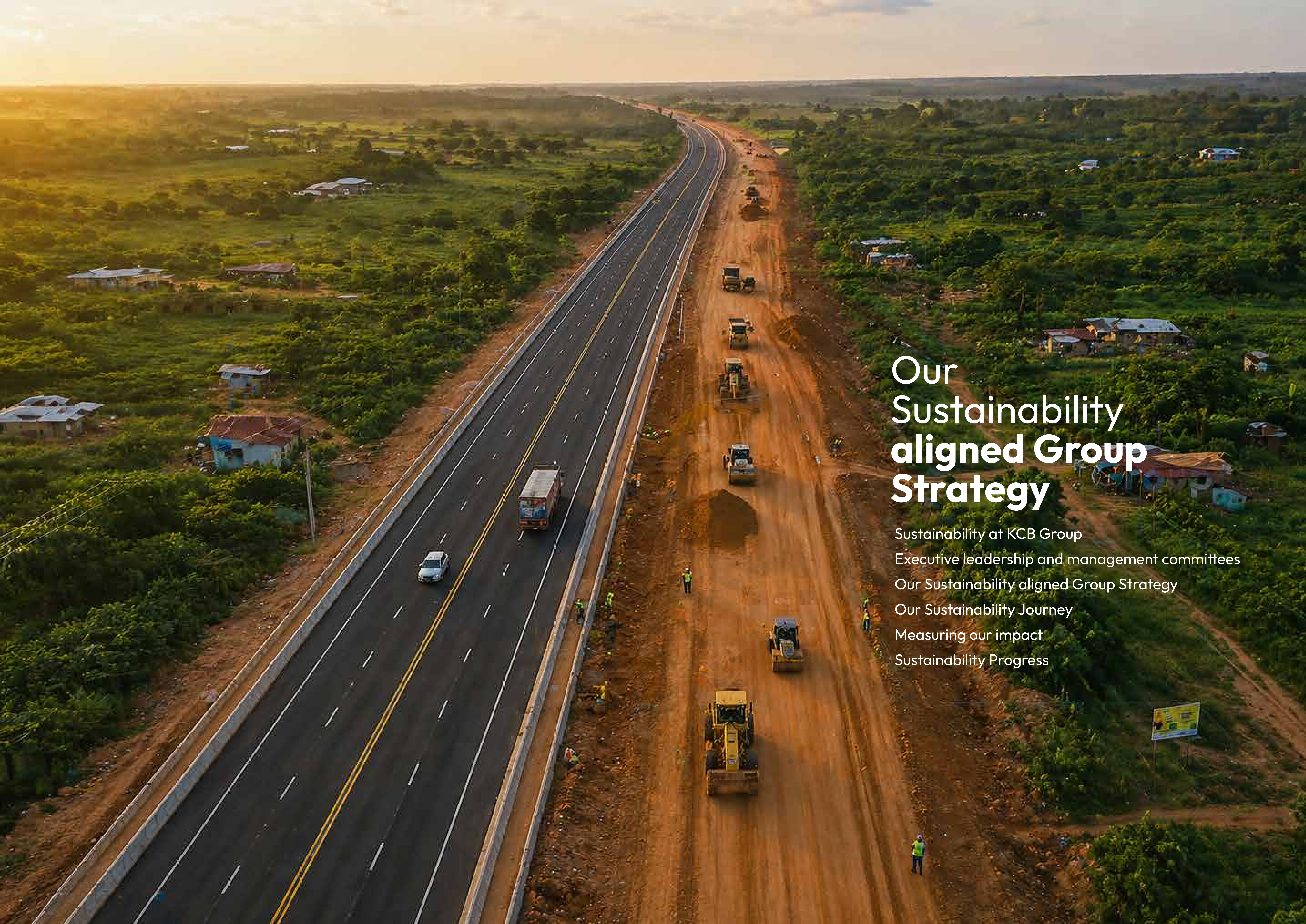
The Path for 2026

Looking ahead, I wish to assure all stakeholders that our commitment to integrate sustainability into our core being remains stronger than ever. We aim not only to deliver sustainable returns for our shareholders, but also to create lasting impact for the communities we serve. One way to achieve this is by continuing to scale climate finance, expanding financial inclusion, and strengthening ESG reporting frameworks as key drivers of long-term value creation.

We are also advancing the alignment of our sustainability disclosures with IFRS S1 and IFRS S2 standards, supported by independent assurance and enhanced ESG monitoring systems for some of the Bank’s key initiatives. These steps will further strengthen transparency, accountability, and the credibility of our reporting.

Our sustainability journey remains ongoing and adaptive, guided by the belief that financial institutions have a vital role to play in shaping inclusive and resilient economies. As we advance this agenda, I extend my sincere gratitude to our customers, employees, regulators, partners, shareholders and all other stakeholders for their continued trust and support. Our commitment is to continue building a future that truly reflects our purpose: **For People. For Better.**

KShs. 250 billion in financing, with 59.6% already disbursed by the end of 2025.



Our Sustainability **aligned Group Strategy**

Sustainability at KCB Group

Governance of sustainability

Overall strategic responsibility and oversight	**Group Board of Directors**				
Responsibility within area of expertise	**Strategy and Oversight Committee** Oversee integration of sustainability into the group strategy, products, digital and innovation agenda (e.g., green finance, sustainable digital products), including oversight of stakeholder engagements.	**Risk and Compliance Committee** Climate and sustainability risk oversight, including business ethics and systemic risk oversight.	**People and Remuneration Committee** Ensure executive scorecards and incentives include ESG/ climate KPIs consistent with the Board's approved strategy.	**Nominations and Governance Committee** Oversee ESG governance framework, board competence on sustainability, and ESG disclosure quality in the annual report.	**Audit Committee** Review accuracy and assurance of sustainability and climate-related disclosures (financial and non-financial).
Overall management responsibility	**Group CEO**				
Responsibility within area of expertise	**GROUP DIRECTOR STRATEGY AND INNOVATION** Drives sustainability strategy and monitors progress.	**SUBSIDIARY MDs** Responsible for the effective implementation and localization of the Group's sustainability Agenda.	**GROUP EXCO MEMBERS** Providing strategic leadership and oversight for the intergration of sustainability.		
Sustainability responsibility by management committee or team	**Head of Sustainability and Impact** Responsible for driving the development, implementation, and continuous evolution of the Group's sustainability agenda, ensuring alignment with business priorities, regulatory expectations, and global ESG standards.	**Group Reporting Committee** Central role is safe guarding the integrity, transparency, and decision - usefulness of the Group's disclosures to internal and external stakeholders.			

Governance and oversight

The KCB Board exercises oversight over risk management and internal control frameworks, including climate related and environmental and social risks, through established Board level committees such as the Strategy and Oversight Committee, Risk and Compliance Committee, People and Remuneration Committee, Nominations and Governance Committee and Audit Committee. As part of the Group's ongoing commitment to efficiency, effectiveness, and sustainable governance, the operating structure of the Board Committees was comprehensively reviewed in 2025.

This review was undertaken to ensure that the Committees continue to provide robust oversight and align with the Group's long-term objectives including broadening the mandates of existing committees to fully incorporate sustainability matters.

The revised Committee structure and mandates reflects a forward-looking approach, informed by global best practices. These changes strengthen the Group's governance framework, enhance oversight of sustainability and climate-related risks, and preserve the foundational focus areas of the previous Committees. This evolution underscores the Group's dedication to sustainable growth, resilience, and accountability to stakeholders

ESG considerations are embedded in enterprise risk management and long-term value creation

Executive leadership and **management committees**

Sustainability governance at KCB Group is supported by clearly defined roles and responsibilities across the organisation. The Group Chief Executive Officer is the responsible executive and policy owner, providing overall oversight for execution of the Sustainability agenda through EXCO across various groups. The CEO ensures that subsidiaries receive adequate support, endorses environmental policies and procedures, reviews progress of sustainability initiatives and allocates the resources required for effective implementation across the Group. Subsidiary boards support the KCB Group Board by overseeing strategy implementation within their respective entities and ensuring alignment with national regulatory frameworks.

Subsidiary Managing Directors, on the other hand, assist in implementing group strategy within their markets by supervising execution, customising requirements to local contexts in consultation with the Group Chief Risk Officer and relevant functional directors, and ensuring that subsidiary business and functions receive support from the parent company during implementation.

The Head of Sustainability and Impact and Head of Sustainable Finance serve as the contact persons for executing the Sustainability agenda. The Head of Sustainability and Impact coordinates effective implementation across subsidiaries, ensuring alignment with environmental legislation, guiding strategy integration with other Group frameworks, facilitating capacity building, engaging with state authorities on environmental approvals, monitoring strategy implementation progress, strengthening sustainability awareness and driving internal and external communications on the Group's sustainability programme. The Head of Sustainable Finance is in in-charge of the commercialization of sustainability which includes mobilization of funds to drive the sustainability agenda and developing sustainable products that will increase uptake of green facilities in the market.

The Group Shared Services Director has a role to integrate ESG principles into procurement and supplier management by establishing sustainability aligned supplier criteria, conducting ESG risk assessments, ensuring adherence to environmental and social standards, and promoting economic sustainability through support for local, women owned and SME suppliers.

Similarly, the Group Chief Risk Officer provides proactive monitoring and guidance on sustainability and climate related risks, offering independent oversight, reporting and escalation of high-risk areas associated with strategy implementation, while the Group General Counsel ensures that dispute resolution processes incorporate sustainability considerations, enabling outcomes that support both environmental protection and commercial interests.

Further reinforcing this framework, KCB Group Internal Audit division strengthens accountability by conducting periodic audits of sustainability reports to confirm compliance with national laws, international standards and the Sustainability Policy, ensuring the robustness of internal controls and reporting processes.

Group Sustainability Function

The implementation of KCB's sustainability agenda is coordinated through a dedicated sustainability function that supports the integration of ESG considerations across the Bank. The unit sits with the Strategy and Innovation Division led by the Group Director of Strategy and Innovation and reports directly to the Group Chief Executive Officer. It is responsible for monitoring sustainability initiatives, such as supporting environmental and social due diligence processes, green financing, tree planting, resource consumption monitoring, coordinating sustainability reporting; and strengthening external and internal partnerships. This structure ensures that sustainability is not managed in isolation but is embedded across lending operations, risk management, business development, community programmes and internal processes.The implementation of KCB's sustainability agenda is coordinated

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A Group-wide approach ensures collaboration across functions, enabling sustainability to be reflected in end-to-end business operations.

Credit and risk teams

They integrate environmental and social considerations within lending processes and apply the established ESDD framework.

Business units

Identify and develop sustainable finance opportunities in alignment with sector priorities.

HR and learning teams

Deliver ESG training and capacity-building programmes to strengthen organisational understanding and skills.

Regional subsidiaries

Across the Group's subsidiaries, Board-level governance provides oversight of sustainability-related risks and opportunities, with subsidiary Boards holding ultimate accountability for climate, environmental, and broader ESG matters. This oversight includes approving sustainability policies, monitoring sustainability-related risk exposure, and reviewing periodic performance updates in alignment with the Group's Enterprise Risk Management framework. Subsidiaries implement sustainability requirements in line with Group frameworks, including environmental and social due diligence and risk-management practices embedded within lending and operational processes.

This coordinated approach allows the Bank to embed ESG into daily practice and maintain alignment across its diverse regional operations.

Policies, standards and ethical conduct

KCB's governance practices are supported by a comprehensive set of internal frameworks that guide responsible financing, environmental and social risk management, and ethical conduct across the Group. These include the Environmental and Social Management System (ESMS), the Environmental and Social Due Diligence (ESDD) process, and related risk management practices that ensure assessment, categorisation and monitoring of environmental and social impacts. The Group's approach also incorporates its internal ecoefficiency agenda, the Sustainable Finance Initiative (SFI) Principles, and relevant regulatory expectations such as climate risk guidance issued to the financial sector. In addition, KCB applies exclusion criteria, international performance standards and environmental and social assessment requirements as part of its responsible lending processes. Broader commitments to sustainability are reinforced through alignment with global frameworks that guide ethical behaviour, responsible business conduct and long-term value creation.

Commitment to transparency and accountability

KCB maintains internal controls, procedures and oversight mechanisms that support the accuracy and reliability of sustainability information reported across the Group. These structures ensure consistency in monitoring ESG related activities, including environmental and social due diligence, climate risk assessments and progress on sustainability initiatives.

Our Sustainability **aligned Group Strategy**

KCB Group's sustainability agenda, which is anchored under the corporate strategy enabler "sustainable citizen", is built on a long-held conviction that our business success is inseparable from the socioeconomic resilience of the region we serve. As East Africa navigates the accelerating effects of climate change, digital disruption, demographic shifts and widening inclusion gaps, the expectations placed on financial institutions continue to evolve. As a result of this, sustainability is embedded at the heart of our business model by integrating Environmental, Social, and Governance (ESG) principles into how we lead, manage risk, lend, and report. Our four focus pillars enable the Group to balance between people, planet, and profits across its operations, while making financing and investment decisions.

Customer-Centered Value

KCB Group continues to strengthen its position as a customer-focused institution by designing solutions that respond to the needs of diverse segments — including MSMEs, youth, women-led enterprises, informal workers, schools, and underserved communities. The Group's approach emphasizes creating seamless customer experiences, simplifying access to financial services, and embedding inclusion across all markets. Through targeted financing programmes, partnerships, and digital channels, KCB enables customers to participate meaningfully in economic activity. Initiatives such as vocational training, enterprise support, and inclusive lending products demonstrate the commitment to ensuring customers have the tools, knowledge and capital they need to thrive. Customer journeys continue to be refined, with improved turnaround times, simplified onboarding, and enhanced service delivery driven by feedback, data insights, and process optimisation.

This customer-centred approach is closely linked to the sustainability agenda. By expanding access for marginalised groups, the Group advances financial inclusion and equity, while digital innovations and automated processes reduce operational friction, lower resource use, and enhance environmental sustainability.

Leveraging Our Group

KCB Group continues to build an integrated regional operating model that enhances collaboration, standardises processes, and strengthens delivery across subsidiaries. This includes reinforcing groupwide governance structures, aligning policies with global standards, and optimising risk and compliance mechanisms across markets. Centralised functions such as sustainability governance, risk oversight, due diligence, data management, and capability building enable subsidiaries to operate efficiently while maintaining alignment with Group expectations. The regional structure allows for coordinated execution of sustainability initiatives, harmonised credit and risk assessments, shared learning, and consistent implementation of environmental and social safeguards.

Operational efficiency remains a key priority. Continued digitisation of processes, improved data systems, enhanced internal controls, and strengthened oversight ensure streamlined operations and help the Group minimise its operational footprint. These improvements directly support sustainability objectives by increasing efficiency, reducing resource consumption, and ensuring responsible operations across all markets.

Digital Leadership

Digital transformation remains central to the Group's Strategy, underpinning customer experience, operational excellence, and financial inclusion. Through enhanced mobile platforms, self-service channels, agency banking networks, and digital lending solutions, KCB expands convenient access to financial services while supporting underserved communities and deepening market reach.
The Group continues to strengthen its digital ecosystem through innovation, cybersecurity enhancements, and automation of workflows across operations, lending, and customer service. Investments in data protection, secure payment systems, and digital onboarding reinforce trust and ensure customer safety.

Digital leadership also contributes meaningfully to the sustainability agenda. By shifting transactions to digital channels and automating previously manual processes, the Group reduces paper usage, lowers emissions associated with branch visits, and supports environmentally responsible banking practices. Digital inclusion initiatives such as youth empowerment programmes, refugee financial inclusion, and women-focused enterprise tools further ensure that digital transformation drives equitable growth and resilience.

Optimising Data

Data-driven decision-making continues to strengthen the Group's ability to deliver personalised services, enhance risk management, and support business growth. With improved data governance structures and integrated reporting systems, the Group uses analytics to understand customer needs, manage risk exposures, improve product design, and track sustainability performance. Advanced analytics support the refinement of lending decisions, the identification of sector trends, and the monitoring of environmental and social risks. Data-enabled tools allow business units to assess climate and nature-related risks, enhance due diligence, and support scenario analysis efforts aligned with emerging regulatory guidance.

Optimising data is also a key enabler of sustainability. Through improved ESG reporting systems, automated dashboards, and enhanced metric tracking, the Group strengthens transparency, improves operational efficiency, and embeds sustainability considerations into daily decision-making. Data insights help expand financial inclusion, assess impact across the SDGs, and ensure that the Group remains accountable to stakeholders while driving long-term value creation.

Key achievements across our strategic pillars:

Rolled out the new mobile banking platform across Kenya, Tanzania, South Sudan, and Burundi, delivering a modern, unified experience **Digital Leadership** **Customer-Centered Value** **Leveraging Our Group**	Rolled out PAPSS, enabling faster and more affordable cross-border payments. **Leveraging Our Group** **Customer-Centered Value**	Expanded MoPesa (KCB Bank Uganda and – MTN Uganda) partnerships. **Digital Leadership** **Customer-Centered Value** **Leveraging Our Group**	Multi-currency prepaid card offering, enabling instant transfer of funds across all 18 currency wallets **Customer-Centered Value**
Onboarded strategic Banking-as-a-Service (BaaS) partners including Pesalink, Pesapal, Kashia, EdTech platforms, and PSPs. **Digital Leadership** **Customer-Centered Value**	Deployed the Unified Agency Banking Solution (Gamma) to enhance operational efficiency. **Digital Leadership** **Customer-Centered Value** **Optimising Data**	Scaled the Buni API Platform, growing a community of 2,600 developers and innovators building solutions that address real-world customer needs. **Digital Leadership**	

We continue to embed our priority SDGs into the fabric of our business through collaborations with development partners and internal business teams. We aim to scale our social impact, enhance climate action, strengthen nature risk management, and promote inclusive economic growth by incorporating resilience, equity, and sustainability into our core operations, through this we are ensuring long-term value creation for future generations.

Sustainability Strategic Pillars

The Group's sustainability framework is built on four strategic pillars, each supported by key enablers that drive measurable impact.

Sustainability Advocacy

Promotes change management, culture building, strategy integration, and stakeholder engagement. This is enabled by innovation, through green and responsible finance solutions tailored to East Africa's unique needs.

Policy & Governance

Strengthens policies, governance structures, and risk and compliance mechanisms. This is achieved by embedding sustainability and climate risk considerations into governance and business decision-making.

Programs & Partnerships

To achieve sustainable finance, advance innovation, and deliver climate and nature solutions. Partnerships bringing together global financiers, development finance institutions (DFIs), and local actors to amplify impact.

Impact Reporting

Ensures transparency through robust data collection, monitoring and evaluation, and alignment with global ESG standards. This is achieved through reporting using international best practice sustainability reporting Standards and obtaining limited external assurance.

Enablers

Integration | Innovation | Partnerships | Accountability

Our Strategy ensures that KCB remains committed to creating long-term value for shared prosperity. We achieve this through alignment of our strategy to sustainable practices. We continuously seek to embed the best environmental, social, and governance practices as we endeavor to build a future-proof business. Our four strategic pillars, which anchor the delivery of our Purpose, are geared towards ensuring that KCB places its customers first and delivers sustainable returns to its shareholders. This enables the Group to balance between people, planet, and profits across its operations and value chain.

To provide direction, the Group conducts a three-year corporate strategy cycle. As the subject of sustainability is dynamic and rapidly evolving, KCB continuously reviews the environment for material changes that would necessitate a faster response than what was originally planned. These modifications are incorporated into the plans which are then updated on an annual basis.

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Over time, KCB seeks to be a key player in shaping a robust and sustainable financial ecosystem throughout East Africa. Our long-term direction includes:

Scaling green lending:

The Group aims to continuously develop tailored green financing solutions for MSMEs, households, and corporates in order to support the adoption of sustainable practices across key sectors. This will be enabled through strengthened partnerships with global climate financiers such as the Green Climate Fund, IFC, Proparco, BII amongst others, to mobilise capital at scale, product innovation and accelerate the transition to a low-carbon and and climate resilient economy throughout the region.

Implementing climate and nature risk management:

The Group has adopted a dynamic risk management strategy that aligns with the International Sustainability Standards Board's (ISSB) Risk Management framework to report on the financial impacts of sustainability-related risks and opportunities. In addition, we are in the process of aligning our scenario analysis and stress testing capabilities with the Central Bank of Kenya's Climate Risk Disclosure Framework.

Social impact:

The KCB Foundation leads and coordinates the Group's social impact agenda across the region, addressing critical socio-economic challenges through targeted interventions in unemployment, education, and sustainable agriculture.

Scaling partnerships and collaboration:

The Group aims to actively engage with development finance institutions, climate funds such as the Green Climate Fund, governments, private sector actors, and local communities to unlock blended finance opportunities, de-risk investments, and expand access to climate-smart solutions for undeserved communities, thereby maximizing our environmental and social impact.

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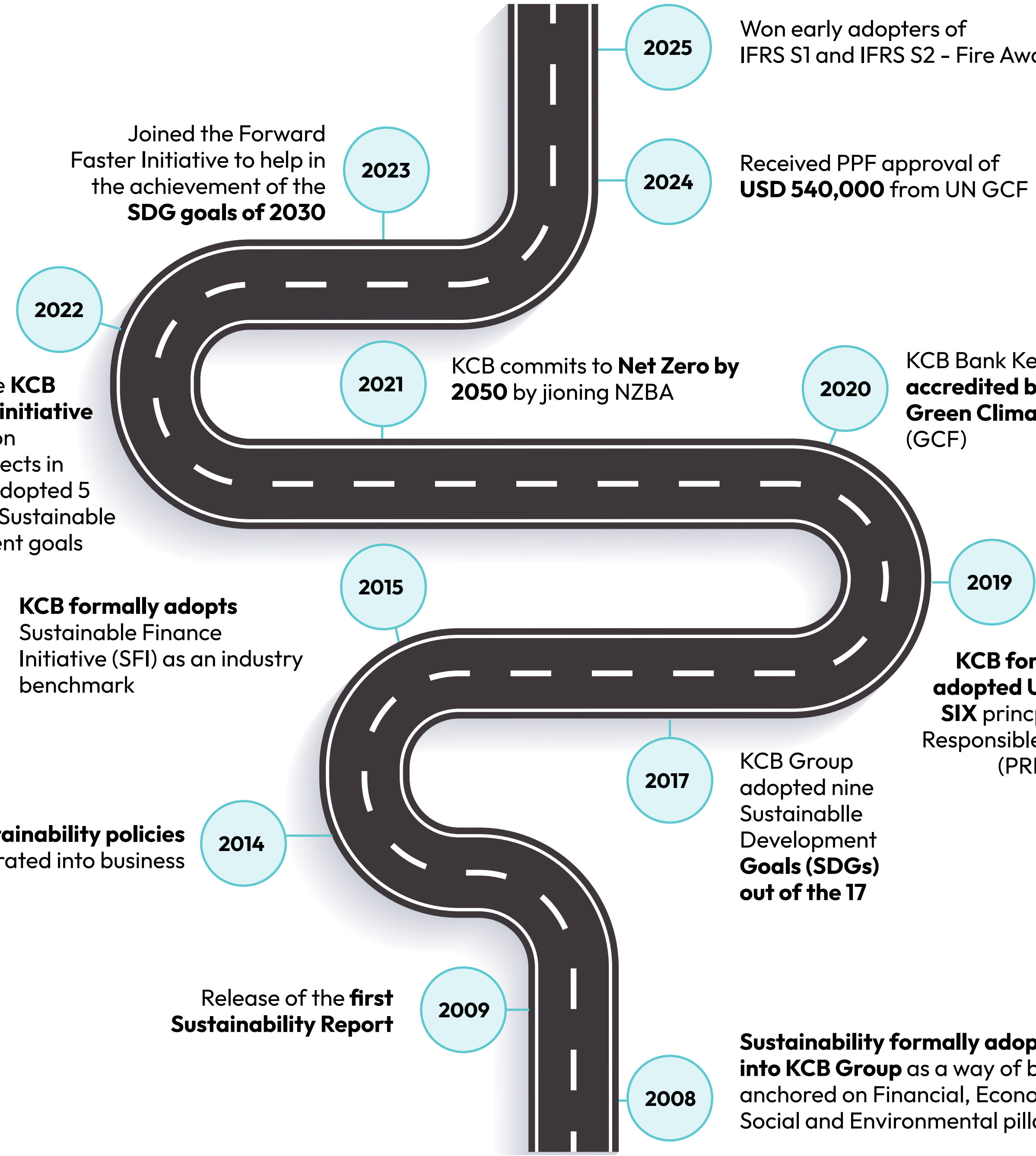
Our Sustainability **Journey**



As we move forward on our sustainability journey, our focus remains on building on the accomplishments made by the Bank while sharpening our response to emerging environmental, social and economic realities. Our approach continues to evolve in line with the shifting needs of our markets, placing greater emphasis on responsible lending, resilience, inclusive growth and long-term value creation. By strengthening how sustainability is embedded in our culture, decision making and partnerships, we aim to deepen our contribution to a more inclusive, climate aware and socially grounded financial system.

Measuring our **impact**

As a leading catalyst for sustainable development in East Africa, KCB Group maintains a comprehensive sustainability framework anchored in the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking, with particular emphasis on Principle 2: Impact Analysis and Target-Setting. Building on the foundational impact assessment conducted in 2024, the Group enhanced the application and interpretation of its impact identification framework.

The Group conducts an analysis of its environmental and social impacts based on its financed activities, with a particular focus on translating portfolio exposure into meaningful impact insights.

Our approach to impact Identification

The Group continued to apply a structured approach to identify and assess impacts across its portfolio, including:

- Analysis of portfolio exposure by sector and geography
- Identification of high-impact sectors based on level of financing
- Mapping of sectors to key environmental and social impact areas
- Consideration of impact interdependencies and trade-offs

Key Impact Areas

The analysis reaffirmed that the Group's portfolio is linked to several critical environmental and social impact areas listed below:

Environmental

- Climate stability and greenhouse gas emissions
- Resource use and efficiency
- Water management
- Biodiversity and land use

Social

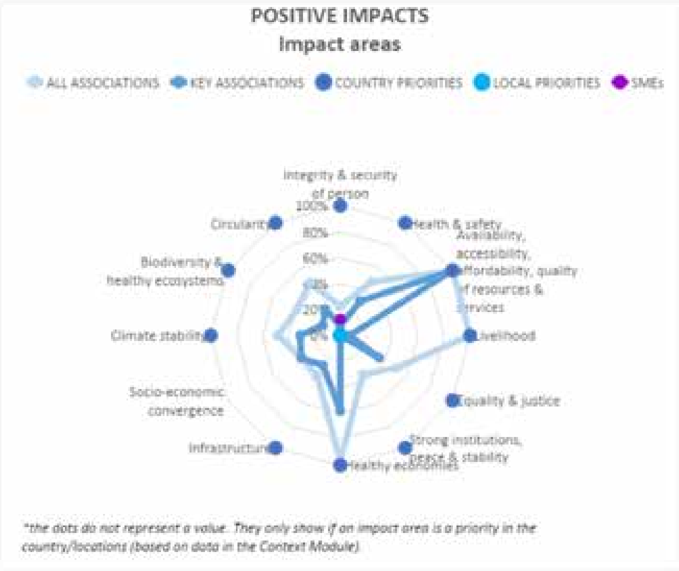
- Employment and economic participation
- Financial inclusion
- Access to essential services
- Community livelihoods and resilience

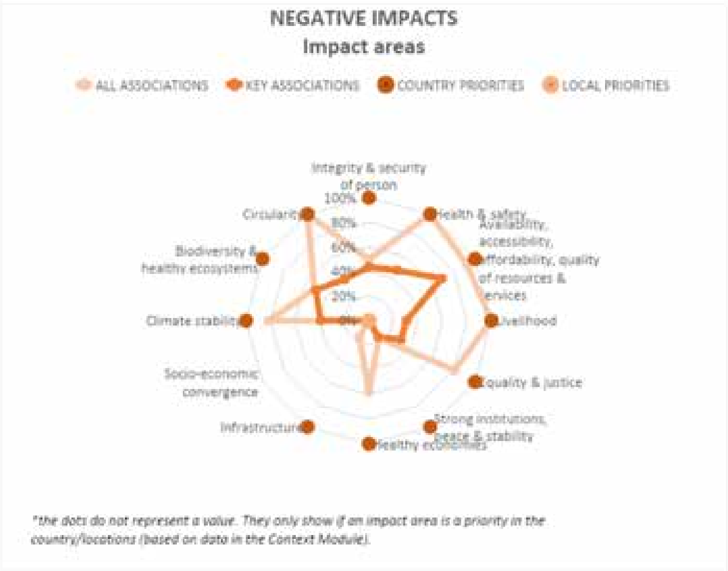
In 2025, a higher emphasis was placed on interpreting the findings of the analysis, enabling for a better understanding of how the Group's financing activities influence sustainable development objectives.

Kenya

KCB Kenya's financed activities showed a balance of positive and negative environmental and social impacts, with notable changes compared to 2024. On the positive side, the bank continued to enhance the availability, accessibility, affordability, and quality of resources and services, while supporting livelihoods as it had in the previous year.

A significant improvement was observed in the promotion of healthy economies, which became a major positive impact in 2025 unlike in 2024. On the negative side, challenges around circularity, equality and justice, livelihoods, and resource accessibility remained consistent with 2024, while health and safety emerged as a more significant concern in 2025. The key changes from 2024 included a reduction in negative impacts on biodiversity and healthy ecosystems.





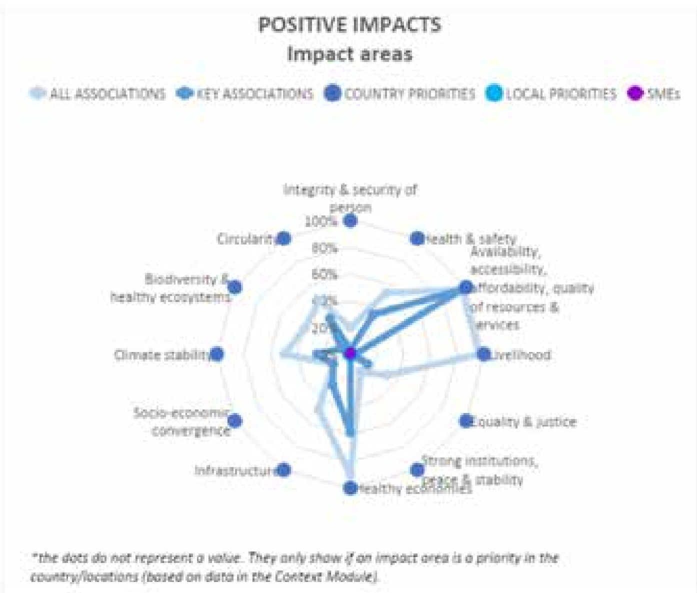
Uganda

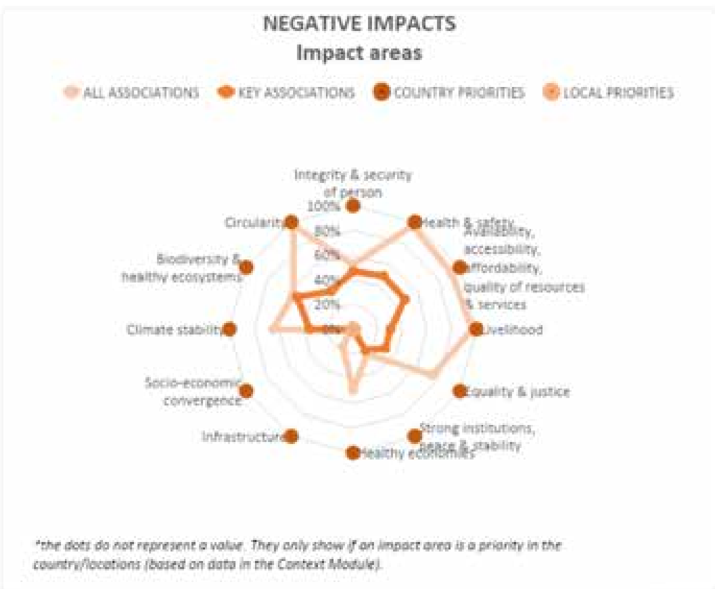
KCB Bank Uganda has actively implemented a number of social responsibility programs designed to address community needs and foster sustainable development. These initiatives cover education, the environment, economic empowerment, health, and financial inclusion, demonstrating the Bank's commitment to creating shared value and strengthening community resilience.

During the World Environment Day in 2025, the Bank led a major clean-up exercise at Banda Farmers' Market, reducing plastic pollution and improving sanitation while engaging traders and residents in collective action. To further encourage environmental stewardship, 50 indigenous and fruit-bearing trees were planted at Hillside Nursery and Primary School, raising climate awareness among pupils and teachers. The Bank also sponsored the Kyambogo Ultra Challenge Run, which encouraged healthy lifestyles, community participation, and environmental conservation, with each participant receiving a fruit tree seedling to reinforce tree-planting efforts. Additionally, the nationwide "Kyaddala ne KCB" campaign ran for 120 days to boost financial inclusion and a culture of saving, rewarding regular savers with incentives such as shopping vouchers, school fees contributions, plots of land, and electric bikes.

Collectively, these programs have made a tangible difference by improving local environments, promoting health and fitness, increasing financial literacy, and empowering communities to build resilience and sustainable livelihoods.

In 2025, KCB Uganda produced both positive and negative environmental and social impacts. On the positive side, the strongest impact remained the improvement in availability, accessibility, affordability, and quality of resources and services, which was consistent with the previous year. Livelihood support also continued at similar levels, while healthy economies emerged as a significant positive impact in 2025 compared to 2024. On the negative side, challenges around circularity, resource accessibility, and livelihoods persisted at the same levels as before, while health and safety concerns increased in 2025. At the same time, equality and justice showed improvement compared to 2024. Similar to KCB Bank Kenya, the key change from 2024 was the reduction of negative impacts on biodiversity and healthy ecosystems.



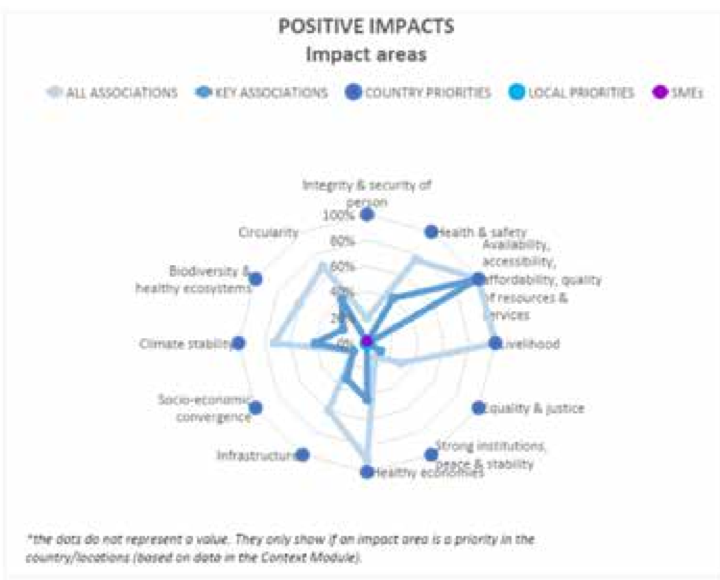


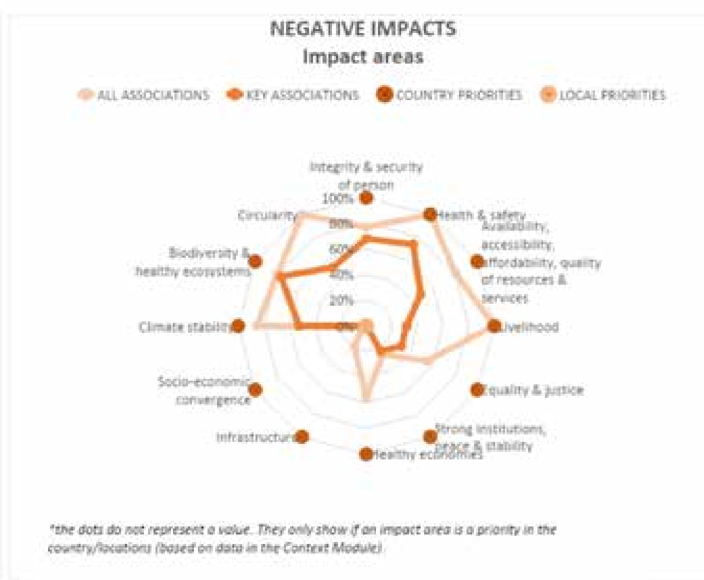
Tanzania

Education, entrepreneurship, financial inclusion, environmental sustainability, and community well-being are among the many social responsibility initiatives that KCB Bank Tanzania has implemented. Scholarships and financial assistance have made it possible for disadvantaged students to access quality education, through its Education Support Program, while the Pesa Smart Program has empowered entrepreneurs by offering business and investment training. Financial inclusion initiatives, such as SME and women-focused loans, have increased fair access to financing, strengthening small businesses and supporting women-led enterprises.

Environmental sustainability has been enhanced through tree-planting campaigns and clean water partnerships with Water Equity, which have improved climate resilience and community health. Donations to orphanage centres have helped vulnerable groups, while initiatives such as Miss Universe Tanzania have fostered women's empowerment. Collectively, these programs have delivered tangible impact by enhancing education and livelihoods, fostering economic growth, protecting the environment, and building stronger, more resilient communities. They have also reinforced KCB's reputation as a responsible corporate citizen, boosting stakeholder confidence and positioning the Bank as a catalyst for sustainable development across East Africa.

In 2025, KCB Bank Tanzania's strongest positive impact remained the improvement in availability, accessibility, affordability, and quality of resources and services, consistent with the previous year, while livelihood support continued as the second highest positive impact. A significant increase was observed in the promotion of healthy economies, marking a stronger contribution than in 2024. On the negative side, challenges around circularity, resource accessibility, and livelihoods persisted at similar levels, while health and safety concerns became more pronounced. Additionally, climate stability emerged as an area of increased negative impact compared to 2024. Consistent with other group subsidiaries, the key change from 2024 was the reduction of negative impacts on biodiversity and healthy ecosystems.



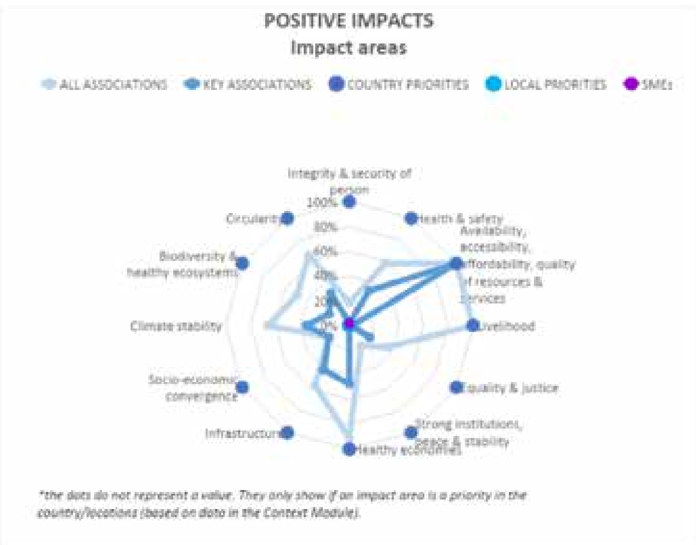


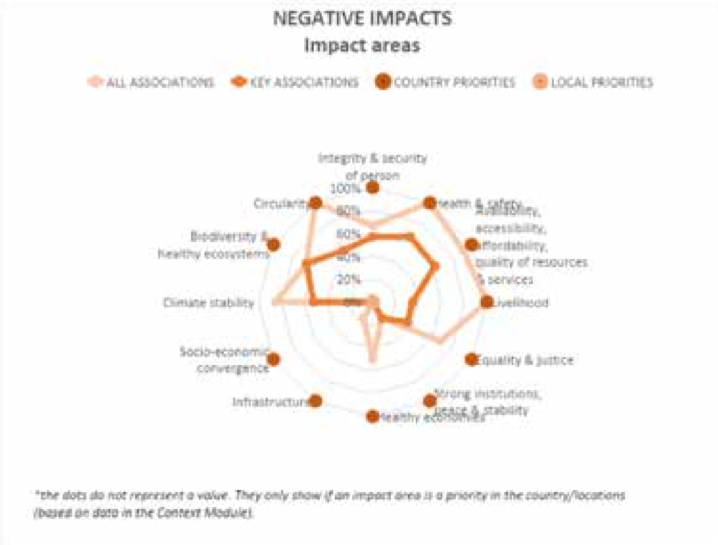
Rwanda

BPR Bank Rwanda has continued to demonstrate its commitment to social responsibility through diverse programs that benefit communities, promote health, empower youth, and improve staff wellbeing. Key initiatives include clothing contributions to Caritas on World Environment Day, breast cancer awareness campaigns, and the supply of houses and sewing machines during the Bank's 50th anniversary celebrations in Nkamba.

In order to to encourage wellness and environmental conservation, the Bank also organises biannual staff health check-ups and takes part in Kigali City's "Ride for Fun" bicycle initiative on car-free days through the IGIRE Program, launched in 2018. In 2025, the Bank addressed youth unemployment by equipping young people with business and vocational skills, enabling them to create jobs while 96 participants gained practical knowledge to become self-reliant. The UBUMUNTU Initiative, introduced in 2023, expanded healthcare access by providing health insurance to over 1,450 vulnerable residents of Kayonza District.

Other significant actions include supplying workspace and tailoring machines to a women's association in Nkamba, gifting cows to the Bank's first customer, and collaborating with Your Well-Being Center to provide therapy sessions. These initiatives have improved livelihoods, strengthened small businesses, increased community health and wellbeing, supported youth employment, and fostered social cohesion and mental resilience, underscoring the Bank's BPR Bank Rwanda Plc has continued to demonstrate its commitment to social responsibility through diverse programs that benefit communities, promote health, empower youth, and improve staff wellbeing. Key initiatives include clothing contributions to Caritas on World Environment Day, breast cancer awareness campaigns, and the supply of houses and sewing machines during the Bank's 50th anniversary celebrations in Nkamba.





Burundi

Through the Iteze Imbere Program (2jiajiri), KCB Bank Burundi advanced youth empowerment in 2025 by supporting 159 young people with vocational training in tailoring, welding, electricity, solar energy, auto mechanics, and industrial electro-mechanics. To guarantee sustainability, participants also received financial literacy training to aid their transition into entrepreneurship, and toolkits and equipment were provided to qualifying participants to enable revenue generation. This initiative promotes self-reliance and gives the youth employable skills.

Women's empowerment was strengthened through the Iteze Imbere Program , where 250 women across 10 cooperatives were supported with training in record-keeping, productivity improvement, and business development. In addition to facilitating micro-business startups, enterprise scaling, and improved cooperative structures, the program extended its influence to families by providing school kits to 400 children of the participants. This initiative promoted women's ability to start their own businesses, improved household resilience, and strengthened education access for children.

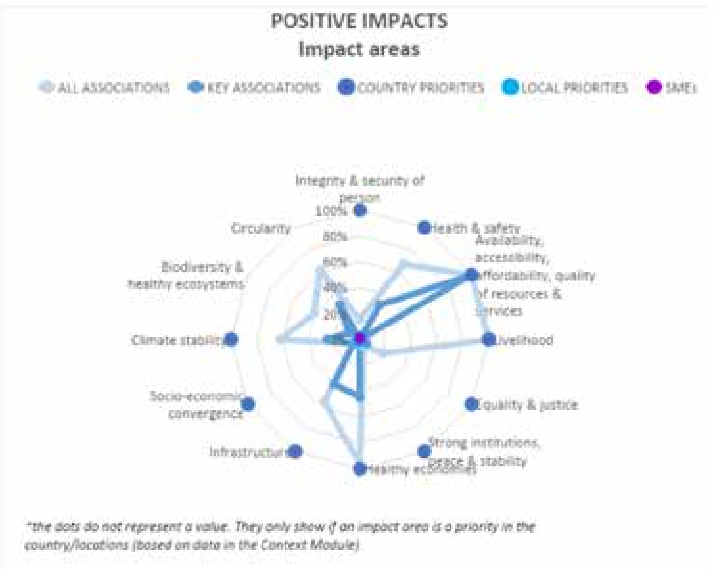
With the historic introduction of the KCB Scholars Program in 2025, educational equity was increased. By recruiting and awarding full secondary school scholarships to twenty talented youngsters from underprivileged families, KCB Bank Burundi established itself as a leader in promoting education and forming the nation's future talent pipeline. This milestone opened doors for high-quality education and laying the foundation for sustained social and economic transformation.

The Ubuntu Initiative, which supported children with living with disabilities at the Saint Kizito Center, helped to push inclusivity even further. With contributions from staff and the Bank, 10 wheelchairs were donated to ease mobility and empower these children with greater independence and dignity. This initiative promoted equality and ensured that vulnerable groups were not left behind in the path towards sustainable development.

> The Ubuntu Initiative, which supported children with living with disabilities at the Saint Kizito Center, helped to push inclusivity even further.

South Sudan

In 2025, KCB South Sudan created significant positive impacts, particularly in the availability, accessibility, affordability, and quality of resources and services, as well as in livelihoods and healthy economies, whereas moderate impacts were created in climate stability and circularity. However, the year also presents notable challenges: high negative impacts created in circularity, health and safety, availability, accessibility, affordability, quality of resources & services, and in livelihood-related. Moderately high negative impacts are created around equality and justice, integrity and security of persons, and climate stability.



Sustainability Progress

Measuring progress is essential to ensuring the Group delivers on its strategic objectives and sustainability commitments. To achieve this, the Group sets defined goals under each of its sustainability strategic pillars and has adopted 14 United Nations Sustainable Development Goals (UN SDGs). This approach ensures that the Group's sustainability performance remains aligned with internationally recognized standards and global priorities.

The 14 SDGs adopted below direct our sustainability investments and interventions, shape our strategic focus areas, program design, stakeholder engagements, and the measurement of long-term socio-economic and environmental impact.

Sustainability Advocacy

Strategic Goal	Achievement
Full alignment through change management, culture building, and strategy integration. Fulfilling 100% staff ESG awareness to global standards.	Alignment of business operations to the Group's adopted 14 SDGs. Trained 4837 staff on ESG matters. 76% completion rate on E-Learning.

Policy & Governance

Strategic Goal	Achievement
Strengthening ESG and compliance across group policies, procedures, and oversight structures. The Bank introduced committees such as Strategy and Oversight Committee, Risk and Compliance Committee, People and Remuneration Committee to have oversight on sustainability matters.	Strengthened sustainability governance by aligning Group policies with global standards, enhancing risk and compliance frameworks, and improving coordination to drive accountability and long-term value creation.

Impact Reporting

Strategic Goal	Achievement
Ensure full transparency and accountability by publishing annual, independently assured sustainability reports aligned to IFRS S1 and S2 standards covering 100% of Group operations.	Issued the first Sustainability Report with limited-assurance in 2024. Transparency and commitment showcased through our adoption of 14 of the 17 UN SDGs tracking progress through over 60 performance indicators.

Programs & Partnerships

Strategic Goal	Achievement
Expand the green lending portfolio to 25% of total lending by 2025, with a strong focus on financing climate-smart technologies for MSMEs. To scale innovative sustainable finance programs and strengthen strategic partnerships with global institutions, governments, the private sector, and communities to mobilise capital, drive climate-smart solutions, and deliver measurable impact.	Following the PPF approval, KCB Bank implemented Project Preparatory Funding activities to submit a Full Funding Proposal to unlock funding worth USD 96Mn for Climate Smart Technologies. Secured climate finance from PROPARCO, IFC and BII Ongoing partnerships with governments, DFIs, schools, and communities to scale climate action. In 2025, we started the solarisation of school's project, providing 100+ schools with solar power, improving education and lowering emissions.

Progress **against SDG's**

A comprehensive SDG dashboard serves as the cornerstone of our sustainability approach, enabling the Group to track and accelerate progress across its diverse portfolio. The table below provides a comparative analysis of the Group's performance in 2024 and 2025.

SDG	KPI	2024	2025
SDG #1 No Poverty	Number of MSMES lent to	**Kenya:** 73,672	**Kenya:** 74,586
	Value of Loans extended to group / Chamas	**KShs 189.6 Million** **Kenya** KShs. 174.8 Million **Uganda** KShs. 14.8 Million	**Kshs. 199.7 Million** **Kenya:** kshs. 176.28 Million **Uganda:** Kshs.23.4 Million.
	Number of groups/chama accounts	**118,652** **Kenya**: 118,321 **Uganda:** 331	**129,035** **Kenya** :128,856 **Uganda:** 179
	Number of Enterprises Supported (Youth-led, nano, and women-owned enterprises)	37,078	67,090 **Kenya:** 67,090
SDG #3 Good Health and Well-Being	Number of staff participating in health wellness checkups	**4,346** **Kenya:** 4,193 **Uganda:** 153	**4,871** **Kenya :** 4,650 **Uganda:** 211 **South Sudan:** 10
	Number of health-related trainings sessions conducted	**30** **Kenya:** 24 **Uganda:** 3 **Rwanda:** 3	**49** **Kenya:** 47 **Uganda:** 2
	Number of staff participating in wellness sports	**1,810**	**3048** **Kenya:** 3,000 **Uganda:** 45 **South Sudan:** 3
	Number of staff and their dependents insured on medical cover	**21,467** **Kenya:** 20,613 **Uganda:** 854	**21,435** **Kenya:** 20,142 **Uganda:** 962 **South Sudan:** 331
	Number of awareness campaigns on mental health conducted internally	**75**	**38** **Kenya:** 36 **Uganda:** 1 **South Sudan:** 1
	Number of staff taken through occupational health safety trainings	**1,584**	**7,713** **Kenya:** 7,270 **Uganda:** 406 **South Sudan:** 37
	Number of incidents of OHS happened and reported	**38** **Kenya:** 34 **Uganda:** 4	**68** **Kenya:** 51 **Uganda:** 7 **South Sudan:** 10
SDG #4 Quality Education	Number of school accounts operating with KCB	**161,306** **Kenya:** 160,947 **Uganda:** 359	**156,218** **Kenya:** 155,997 **Uganda:** 221
	Value of money operating in KCB accounts	**KShs. 15.7 Billion** **Kenya:** KShs. 15.3 Billion **Uganda:** KShs. 415 Million	**KShs. 11.88 Billion** **Kenya** Kshs. 11.85 Billion **Uganda:** Kshs. 30.4 Million
	Number of new scholarships awarded to female students under the KCB Scholars Programme during the year	639	120
	Number of new scholarships awarded to male students under the KCB Scholars Programme during the year	612	160
	Number of scholarships awarded to female/male students under the KCB Scholars programme during the year	4,262	4,261 **Kenya:** 4,241 **Burundi:** 20
SDG #5 Gender Equality	Number of females who were trained under the KCB Foundation Workforce Programme during the year	**5,710**	**8,379** **Kenya:** 8,255 **Uganda:** 60 **Burundi:** 64
	Value of loans disbursed under FLME	**Kenya:** KShs. 138.6 Billion	**Kenya:** KShs. 149.028 Billion
	Number of Women in Leadership Program Network (WILN)	**349**	**369** **Kenya:** 309 **Tanzania:** 26 **Uganda:** 34
	The proportion of women on the KCB Group Board	36%	30%
SDG#6 Clean water and sanitation	Number of schools accessing safe and affordable drinking water - from tanks donated to schools	Not Reported	154
	Total number of loans disbursed to projects under the water and sanitation sector.	Not Reported	**Kenya:** 1.1 Million
SDG #7 Affordable and clean energy	Number of solarised branches	**1**	**16** **Kenya:** 6 **Uganda:** 4 **South Sudan:** 6
	Percentage of LED lighting in KCB Group Branch Network	**50%** **Kenya:** 71% **Tanzania:** 19%	**43%** **Kenya:** 80% **Uganda:** 30% **Tanzania:** 19%
SDG#8 Decent Work and Economic Growth	Number of KCB Mobi Loans disbursed in the year (Kenya)	1.7 Million	1.8 Million
	Value of KCB M-PESA loans disbursed in the year (Kenya)	KShs. 52.5 Billion	KShs.70.6 Billion

SDG	KPI	2024	2025
	Value of KCB Mobi loans disbursed	KShs. 31.8 Billion **Kenya:** KShs. 31.6 Billion **Uganda:** KShs. 252.4 Million	KShs.34,421,359,502 **Kenya:** KShs.34,421,359,502
	Number of jobs supported under the KCB Foundation Livelihoods Programmes During the year	**60,686**	**265,300** **Kenya:** 264,404 **Rwanda:** 520 **Uganda:** 40 **Burundi:** 336
	Number of females/ males who who were trained under the KCB Foundation Workforce Programme during the year	6,289	16,549 **Kenya:** 16,290 **Uganda:** 100 **Burundi:** 159
	Number of Staff members belonging to a union	1,007	1,204
SDG #9 Industry, Innovation & Infrastructure	Value of loans screened through ESDD (new and refinancing): billions	**KShs. 578.3 Billion** **Kenya:** KShs. 513.9 Billion **Uganda:** KShs. 25.1 Billion **Rwanda:** KShs. 5.3 Billion **Tanzania:** KShs. 24 Billion **NBK:** KShs. 10 Billion	**KShs.587 Billion** **Kenya:** KShs.539.8 Billion **Tanzania:** KShs.15.8 Billion **Uganda:** KShs. 12.8 Billion **Rwanda:** KShs.19.2 Billion
	Value of agribusiness loans	KShs. 3.8 Billion **Kenya:** KShs.3.8 Billion	Kshs. 4.40Billion **Kenya:** KShs.4.16 Billion **Uganda:** Kshs.244.8 Million
	Number of agribusiness loans	**2,906** **Kenya:** 2,906	**3,588** **Kenya:** 3,494 **Uganda:** 94
	Total number of agribusiness accounts opened	177,078 **Kenya:** 177,078	581,408 **Kenya:** 581,408
SDG #10 Reduced Inequalities	Number of male employees who are permanent and pensionable	5,751	5,482
	Number of female employees who are permanent and pensionable	4,327	4,058
	Number of employees who are differently abled	37	54
	Number of male led/owned enterprises supported with (training, mentorship, access to finance and market linkage under the KCB Foundation	16,889	24,172 **Kenya:** 24,172
	Number of males who were trained under the KCB Foundation Workforce Programme	3,989	8,170 **Kenya:** 8,035 **Burundi:** 95 **Uganda:** 40
	Number of niche participants (PWLD, teen mothers and FGM survivors) supported under the KCB Scholars programme	505	576 **Kenya:** 572 **Burundi:** 4
	Number of Group Board diversity by age (30-50)	7	1
	Number of Group Board diversity by age (over 50)	20	11
SDG #11 Sustainable Cities & Communities	Life assurance	**Kenya:** KShs. 1.59Billion	**KShs. 4.135 Billion** **Kenya:** Kshs. 4.12 Billion **Uganda:** Kshs.3.71 Million **South Sudan:** KShs 1.37 Million

SDG	KPI	2024	2025
SDG #11 Sustainable Cities & Communities	Life assurance	**Kenya:** KShs. 1.59Billion	**KShs. 4.135 Billion** **Kenya:** Kshs. 4.12 Billion **Uganda:** Kshs.3.71 Million **South Sudan:** KShs 1.37 Million
	Value of health care insurance	**KShs. 1.51 Billion** **Kenya:** KShs. 1.48 billion **Uganda:** KShs. 30.7 Million	**KShs. 1.95 Billion** **Kenya:** 1.90 Billion **Uganda:** Kshs. 2.88 Million **South Sudan:** 48.54 Million
	Number of Bancassurance policies issued (Count)	**66,410**	**71,377** **Kenya:** 55,344 **Tanzania:** 1,371 **Uganda:** 1,956 **Rwanda:** 12,655 **South Sudan:**51
	Value of Bancassurance premiums (in billions)	**KShs. 6.07 Billion**	**KShs. 10.05 Billion** **Kenya:** 9.4 Billion **Tanzania:** 156.5 Million **Uganda:** Kshs. 233.6 Million **Rwanda:** KShs.183.6 Million **South Sudan:** KSh.69.3 Million
SDG #12 Responsible Consumption	Percentage reduction of electricity, energy, water, fuel & paper	5.0%	-2%
	Value of local Procument spend in the year	**KShs. 14.8 Billion** **Kenya:** KShs. 12.3 Billion **Rwanda:** KShs. 1.2 Billion	**KShs. 19.2 Billion** **Kenya:** KShs. 16.5 Billion **Uganda:** KShs. 2.3 Billion **Tanzania:** KShs. 277.7 Million **Rwanda:** KShs. 129.9 Million
	Value of International spend in the year	**KShs. 3.5 Billion** **Kenya:** KShs. 12.3 Billion **Rwanda:** KShs. 1.2 Billion	**KShs. 4.4 Billion** **Kenya:** KShs. 3.0 Billion **Uganda:** KShs. 304.4 Million **Tanzania:** KShs. 241.7 Million **Rwanda:** KShs. 779.7 Million
	Percentage spent on Special Group Suppliers for the procurement plan	**5.8%** **Kenya:** 5.7% **Rwanda:** 0.5%	**3.6%** **Kenya:** 6.2% **Rwanda:** 1%
	Percentage of suppliers signed up to the code of conduct	83.0%	35.5% **Kenya:** 33% **Uganda:** 38%
SDG #13 Climate Action	Percentage reduction on Group's overall carbon footprint	+5%	-13%
	Value of Green Loans disbursed	KShs. 53.2 Billion	KShs. 48.8 Billion
	Percentage of Green Loans	21.6%	25.84%
	Number of staff trained on Environmental Social and Governance	3,767	4,837
	Number of trees planted by the Group	**1,4 Million** **Kenya:** 1.365,371 **Rwanda:** 5,500 **Tanzania:** 5,332	**3.4 Million** **Kenya:** 3.3 Million **Tanzania:** 11,432 **Uganda:** 14,307 **Rwanda:** 10,00

SDG	KPI	2024	2025
	Amount of waste diverted from disposal (Recycled)	**Kenya:** 97,240 Kgs	**Kenya:** 71,530 Kgs
SDG #16 Peace, Justice & Strong Institutions	Number of staff undergoing anti-money laundering course.	8,549	7,928
	Number of employees who have signed Staff Declaration forms	7,904	8,768
	Number of employees to have undergone ethics e-learning courses	8,766	7,508
	Number of employee engagement Forums, e.g. town halls, feedback surveys etc	126	252
	Frustrated frauds (value)	**KShs. 212.9 Million** **Kenya:** KShs. 202.1 Million **Rwanda:** 10.8 Million	**KShs. 100.8 Million** **Kenya:** KShs. 100.8 Million **Rwanda:** 40.3 Million
	Number of Frustrated frauds	**339** **Kenya:** 339	**201** **Kenya:** 188 **Tanzania:** 3 **Uganda:** 1 **Rwanda:** 7 **South Sudan:** 2
	Number of employees exited due to fraud (direct involvement)	**34**	**60** **Kenya:** 50 **Tanzania:** 2 **Uganda:** 1 **Rwanda:** 5 **South Sudan:** 2
	Average Learner days per staff	6.1 Hours	7.3 Hours
	Average Learner hours per staff	37.3	17.89hrs
SDG 17 Partnerships for the Goals	Number of active local suppliers	651	673
	Value of micro deposit mobilization	**KShs.50.2 Billion** **Kenya:** KShs. 50.2 Billion	**Ksh. 59.8 Billion** **Kenya:** Kshs. 55.549Billion **Uganda:** Ksh. 214.1 Million

- In 2025 The Group introduced a breakdown of subsidiaries in some KPIs , which was not included in the 2024 report.
- Any figures presented without a detailed breakdown reflect aggregated Group-level totals.
- The decline reflects that the Code of Conduct initially applied only to newly onboarded vendors.

Looking **Ahead**

From 2026 onwards, KCB Group will deepen the integration of sustainability as a core driver of resilient and inclusive growth. Building on its strong foundation, the Group aims to enhance its impact analysis through advanced data analytics and climate and nature scenario assessments to better understand and manage environmental and social outcomes. Sustainability will continue to remain a central enabler of the Group's corporate strategy, with a focus on scaling sustainable finance, strengthening regional alignment across subsidiaries, and leveraging digital innovation to expand financial inclusion.

The Group will continue to accelerate progress towards its priority Sustainable Development Goals by setting outcome-oriented targets and expanding SDG-linked financing, particularly across SDGs 1, 5, 7, 8, 9, 13, and 17. Guided by its sustainability strategic pillars, KCB will strengthen governance frameworks, enhance transparency through robust and assured ESG reporting, and scale transformative programs and partnerships, including the implementation of its Green Climate Fund initiatives. Through these efforts, the Group aims to support a just transition to a low-carbon, climate-resilient, and inclusive economy across East Africa while delivering long-term value for all stakeholders.

Group Strategy and Sustainability Pillars.

Sustainability will remain a central enabler of the Group's corporate strategy, guiding resilient growth across all subsidiaries. The Group will continue to prioritize scaling sustainable finance particularly its partnership with GCF that will unlock financing for smart climate solutions to MSMEs in Hardest to Reach Areas, In addition to this, the Group has a focus of embedding climate and nature considerations into risk management and leveraging digital innovation to enhance inclusive and environmentally responsible banking.

This integration will be guided by its four sustainability pillars—Sustainability Advocacy, Policy & Governance, Impact Reporting, and Programs & Partnerships—the Group will continue to embed ESG principles across its operations, scale innovative financing solutions, and strengthen accountability and transparency to deliver measurable impact

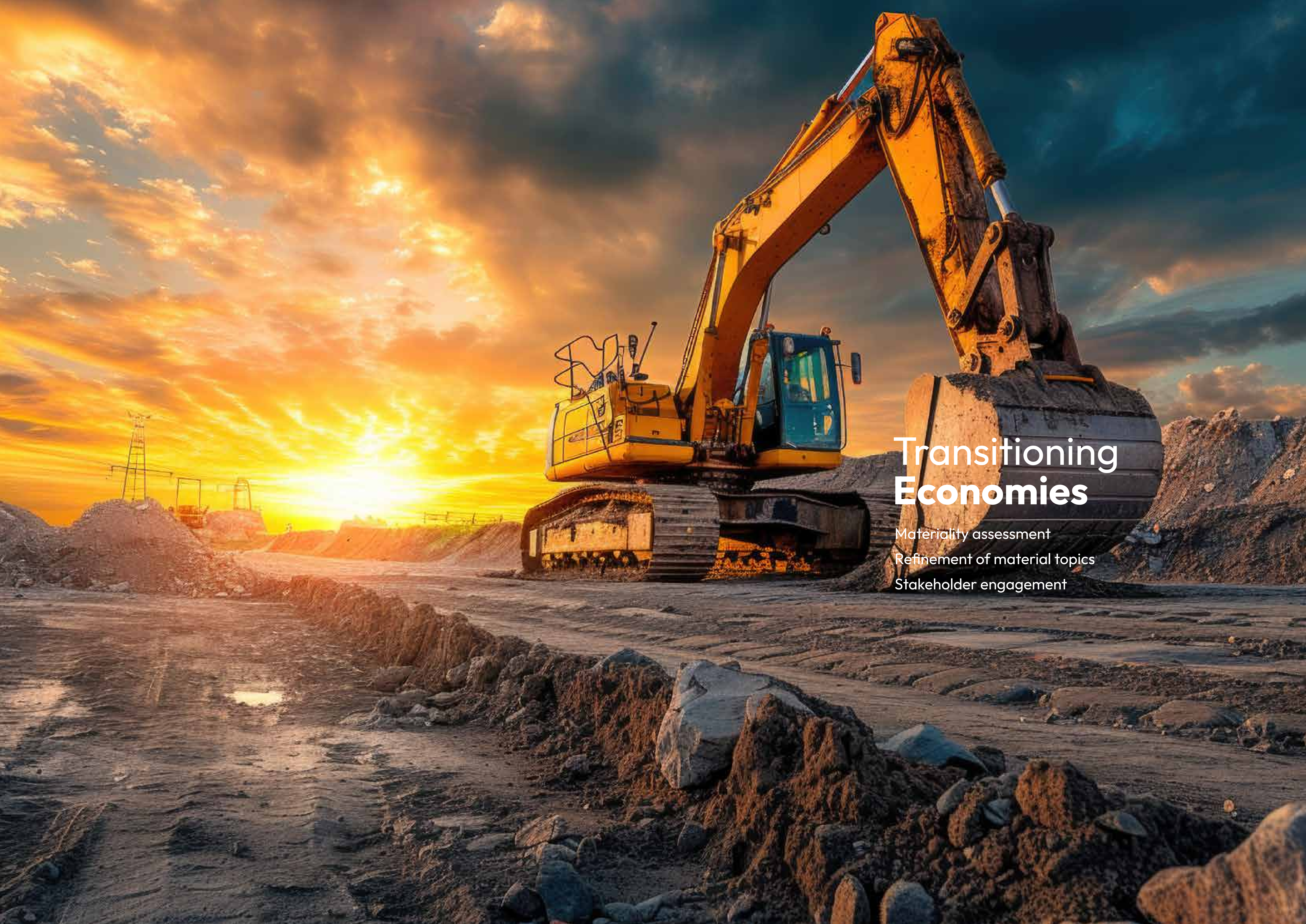
SDG Progress

The Group will continue to accelerate progress towards its priority Sustainable Development Goals by setting outcome-oriented targets, expanding SDG-linked financing, and strengthening partnerships with development institutions to maximize socio-economic and environmental impact across the region.

Impact Analysis

From 2026 onwards, the Group will deepen its impact analysis by leveraging advanced analytics to quantify environmental and social outcomes across its portfolio. This includes integrating financed emissions measurement, climate and nature scenario analysis, and adopting a double materiality approach to better understand both the risks to the business and its impacts on society.

Expanding SDG-linked financing, particularly across SDGs 1, 5, 7, 8, 9, 13, and 17. Guided by our sustainability strategic pillars



Transitioning **Economies**

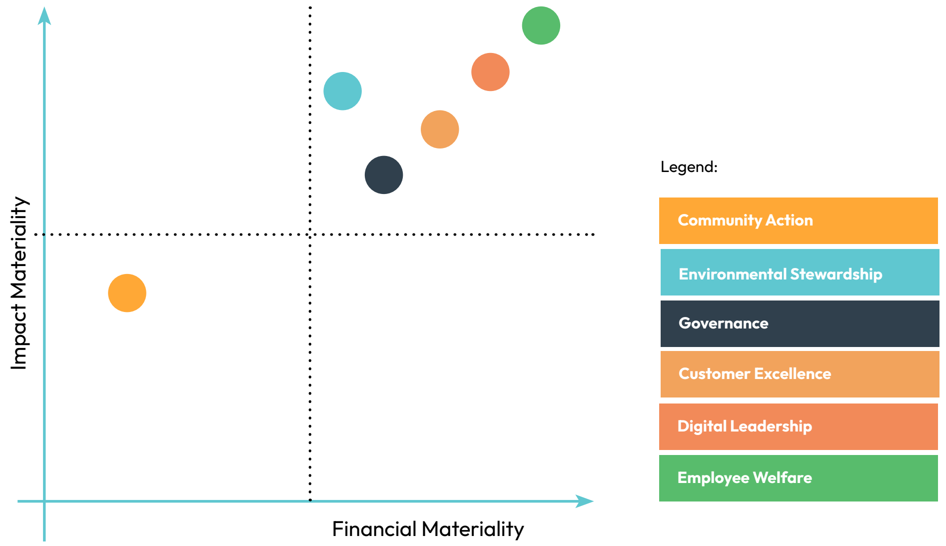
Materiality assessment
Refinement of material topics
Stakeholder engagement

Transitioning Economies

Materiality assessment

Material issues also referred to as sustainability-related impact, risks and opportunities (IROs) represent the topics most critical to our stakeholders and to the long-term success of our business. These issues reflect the environmental, social, and governance (ESG) factors that are most significant to our stakeholders and most influential to KCB Group's ability to create sustainable value in the short, medium, and long term while building resilient societies across East Africa.

KCB Group undertook a comprehensive materiality assessment in 2022 to identify and prioritise sustainability topics with the highest relevance to both the Bank and its stakeholders. In 2025, we conducted extensive refinement to ensure our approach remains aligned with evolving global sustainability trends, shifting stakeholder expectations, evolving business operations, emerging regulatory requirements, and both international and local reporting standards. Our materiality approach ensures that our disclosures remain responsive, meaningful, and reflective of what matters most to our stakeholders while supporting the Bank's strategic ambition to create lasting value.



Refinement of material topics

Our materiality assessment incorporates a structured evaluation of diverse stakeholder perspectives to determine the key drivers of value creation and to identify priority areas for strategic focus. The Group applies a double materiality approach, consistent with emerging international sustainability standards and regulatory guidance. This approach ensures that material issues are assessed through two complementary dimensions:

Financial materiality:

This dimension evaluates sustainability-related risks and opportunities that have, or could have, a substantive impact on the Bank's financial performance, enterprise value, reputation, and relationships with key stakeholders. It focuses on how environmental, social, and governance (ESG) factors influence business resilience, competitiveness, and long-term financial viability.

Impact materiality:

This considers the Bank's actual or potential impacts, be it positive or negative on the environment and society. It assesses how the Group's operations, products, and services affect external stakeholders, ecosystems, and communities, thereby reflecting our broader socio-environmental footprint.

Additionally, we performed a materiality review and impact assessment of our operations, products, and services in line with the UN Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking. This assessment also considered global sustainability reference frameworks, including the UN Sustainable Development Goals (SDGs), sector-specific expectations, and international and local regulatory requirements.

Through this process, we ensure that our sustainability priorities remain aligned with global best practice and support the Bank's commitment to responsible banking and long-term value creation. The Group's material topics remain unchanged; however, the scope of tracked IROs has been refined. This enhancement ensures we remain on course and fully aligned with the Group's ESG priorities and long-term ambitions.

The Group's material topics remain unchanged; however, the scope of tracked IROs has been refined. This enhancement ensures we remain on course and fully aligned with the Group's ESG priorities and long-term ambitions.

Our 2025 Material topics are as follows:

Material Topic	IRO	Impact Materiality	Financial Materiality	Link to SDG
Environmental Stewardship	Sustainable Finance	By directing capital toward low-carbon, inclusive and socially responsible projects. This enhances environmental sustainability while shaping market-wide behaviour through responsible lending and investment practices.	Enables access to lower-cost capital such as green and social bonds. Growing investor demand for ESG-compliant assets increases the organisation's ability to attract capital, whereas non-compliance with regulatory requirements can lead to significant financial penalties and higher capital costs.	SDG 7
	Climate Action: Adaptation, conservation, and mitigation	The Group's efforts to reduce operational and financed emissions help limit regional warming and protect key ecosystems such as forests. By financing nature-positive solutions the Bank strengthens the resilience of communities and businesses highly exposed to droughts, floods, and other climate physical risks.	The Group faces reputational risks if climate-related actions or disclosures are seen as inconsistent or misleading but also has strong opportunities to differentiate through innovative green and renewable-energy-focused financial products. Gaining operation efficiency from energy-saving measures and reduced losses from climate-related disruptions further enhance operational performance, while supporting progress toward the Group's ESG goals. Climate change also affects the quality and profitability of KCB's loan portfolios, particularly in sectors vulnerable to extreme weather and transition shifts.	SDG 6, SDG 7, SDG 12, SDG 13

Material Topic	IRO	Impact Materiality	Financial Materiality	Link to SDG
Employee welfare	Talent management and retention	Stronger opportunities for career growth and long-term employability are supported through improved job security, fairness, and continuous skill development.	Lower turnover reduces recruitment and onboarding costs, while higher productivity and innovation strengthen overall performance. A strong employer brand further attracts top talent, reinforcing long-term organisational capability.	SDG 3, SDG 8
	Diversity, equity and Inclusion	Promoting diversity and inclusion supports fair treatment that deepens community engagement through diverse innovations that foster greater innovation, collaboration and overall customer satisfaction.	A diverse workforce enhances productivity and innovation by bringing varied perspectives that support creativity and business growth. It strengthens market appeal by enabling the Group to understand better and serve a broader customer base, improving customer relationships and loyalty. Diversity also supports stronger team performance, reduces litigation and compliance risks, and enhances the Group's overall market reputation.	SDG 5, SDG 10
	Employee engagement and well-being	Improved mental, physical, and emotional well-being boosts morale, job satisfaction, and overall productivity. Prioritising employee well-being enhances motivation and performance, leading to greater fulfilment at work.	Reduced absenteeism and lower medical insurance costs, combined with higher employee retention and productivity, contribute to stronger operational performance, while fewer safety incidents further minimise disruptions and associated expenses.	SDG 3

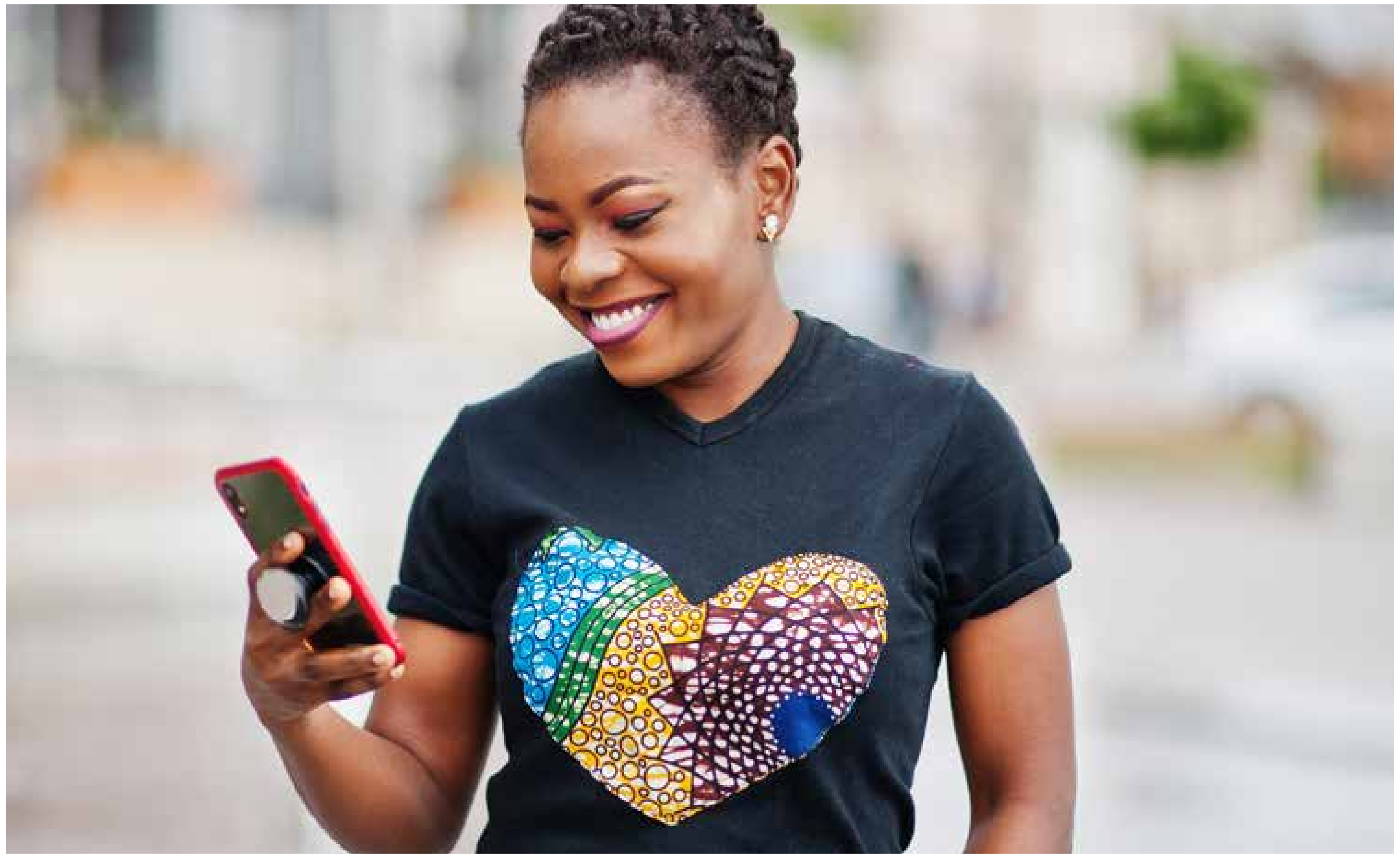
Our 2025 Material topics are as follows:

Material Topic	IRO	Impact Materiality	Financial Materiality	Link to SDG
Community action	Societal impact	Strong socio-economic impact practices contribute positively to local economies and social equity through job creation and community support in areas like health, education, and infrastructure, and the reduction of negative social externalities.	Strong community engagement builds a solid social licence to operate, reduces the risk of conflicts or regulatory interventions, and strengthens customer trust while supporting market expansion. These practices contribute to long-term profitability by fostering sustainable relationships and embedding the organisation within the communities it serves.	SDG 11
	Strategic partnerships	Collaboration accelerates sustainable development by enabling knowledge transfer, driving innovation, and supporting ecosystem-wide sustainability goals.	Partnerships create new market opportunities and allow shared investment costs, while enabling faster access to technology and critical skills. These collaborations also strengthen value-chain resilience, supporting long-term operational stability and growth.	SDG 1, SDG 17, SDG 10

Material Topic	IRO	Impact Materiality	Financial Materiality	Link to SDG
Customer excellence	Financial inclusion	This expands access to financial services for marginalised populations, supporting poverty reduction, gender equality, small business growth, and broader economic development. It sits at the core of our purpose **For People. For Better** and through our reach, enables us to positively impact millions of lives.	Financial inclusion opens new markets and customer segments, supporting long-term revenue growth. A strong social focus also helps attract and motivate talent, driving innovation and improved performance.	SDG 1, SDG 10
	Customer satisfaction and experience	A strong client orientation enables us to deliver meaningful value and support our social mission, by ensuring clients are better off and more secure through our services. This improves quality of life, builds trust, protects consumer rights, and helps prevent exploitation or misinformation.	Customer satisfaction directly strengthens financial performance by increasing loyalty, revenue, and retention while reducing acquisition costs. Treating clients fairly and prioritising their needs also lowers compliance and legal risks and helps prevent negative publicity or regulatory penalties.	SDG 9
	Product innovation	Product innovation delivers greener, safer, and more accessible solutions that reduce environmental impacts across the product lifecycle while enhancing customer well-being.	It creates competitive advantage and market differentiation, creates new revenue streams and efficiency gains, and helps mitigate regulatory risks through proactive product design.	SDG 9

Our 2025 Material topics are as follows:

Material Topic	IRO	Impact Materiality	Financial Materiality	Link to SDG
Digital leadership	Digital Innovation for Competitive Advantage and efficiency	Digital innovation enhances customer experience and enables the Group to achieve scale, thus increasing its impact and financial inclusion capability.	Digital innovation increases operational efficiency, which leads to long-term cost savings and the ability of the Bank to maintain a competitive advantage.	SDG 9
	Cybersecurity and data privacy	Data privacy and protection measures safeguard customers and employees from fraud, identity theft, and related harm while maintaining trust in digital services. Strong data governance also supports regulatory compliance and enhances customer confidence and loyalty.	Strong cybersecurity and data privacy practices prevent costly data breaches, regulatory fines, and service interruptions, protecting brand value, customer trust, and business continuity.	SDG 9



Our 2025 Material topics are as follows:

Material Topic	IRO	Impact Materiality	Financial Materiality	Link to SDG
Governance	Cybersecurity & data privacy	Data privacy and protection measures safeguard customers and employees from fraud, identity theft, and related harm, while maintaining trust in digital services. Strong data governance also supports regulatory compliance and enhances customer confidence and loyalty.	Strong cybersecurity and data privacy practices prevent costly data breaches, regulatory fines, and service interruptions, protecting brand value, customer trust, and business continuity.	SDG 9
	Business ethics	Promoting strong ethical conduct ensures transparency, fairness, and trust while preventing corruption, bribery, and exploitation of vulnerable stakeholders. Upholding these practices aligns with the Group's objectives. This also strengthens a culture of integrity, and supports access to quality, transparent financial services that enhance economic resilience and sustainable development.	Build investor confidence and ensures long-term operational sustainability. By upholding high ethical standards, the organisation protects trust among clients, investors, and other stakeholders, while effective governance provides a competitive edge by positioning the Group as a leader in responsible financial management.	SDG 16
	Systemic risk management	Preventing operational failures that could harm society or the environment helps protect employees and customers from systemic shocks, while reinforcing resilience across the value chain.	Reducing operational, compliance, and market risks helps lower contingency costs and strengthens long-term financial stability.	SDG 9

Stakeholder **engagement**

Building strong and enduring relationships with our stakeholders remains central to how we operate. Our key stakeholders' investors, customers, employees, regulators, communities and strategic business partnerships continue to play an essential role in shaping our strategic direction and are significantly impacted by our decisions.

We actively solicit their views and recommendations through a wide range of communication platforms, recognising that their insights help us enhance our sustainability performance and better understand how we can fulfil our commitments. Through ongoing dialogue and close collaboration, we continuously refine our business strategy and strengthen our ability to create long-term value.

We identify our key stakeholders as those most affected by our activities and those with the greatest influence on our operations. By proactively engaging them through diverse channels, we ensure that their concerns, expectations, and interests are heard and addressed. The outcomes of these engagements directly inform our understanding of material sustainability factors and guide the development and implementation of our strategic priorities and initiatives.

Customers (Over 34 Million)

How did we engage?	Key topics raised.	How did we respond?
• Email • In-branch interaction • Video conferencing • Surveys • Feedback platforms • Phone calls • SMS • In-person engagements • Surveys • Reports	Clarity on the Bank's sustainable lending strategy and eligibility criteria	Enhanced customer awareness of sustainable finance through targeted communication and advisory support on green products and their benefits. Sustainable lending, as defined by KCB, is continuously communicated to customers, including the benefits of utilizing these solutions.
	Pricing and accessibility of green financing solutions	The Bank has introduced Sustainable products such as clean cooking for schools based on the positive impact that the product has on the environment.
	Additional support is required in branches on credit facilities available and investment products.	Strengthened branch-level support, including deployment of credit analysts to improve access to financing guidance.
	Speed and effectiveness of complaint resolution mechanisms	Accelerated complaint resolution through automation and robotic process optimisation, improving turnaround times and customer experience.
	Value of integrating ESG considerations into business operations	Provided ESG advisory to customers, demonstrating how sustainability practices enhance business resilience, access to capital, and long-term competitiveness.
	Lack of clear channels of communication to raise their grievances	Established a grievance mechanism plan that was published on the Bank's website.

Positive Impact Created

Green Finance Disbursed **48.8 Bn**

Group Average resolution time for **customer complaints 1.7 days**

Number of ESG- related client engagements/advisory sessions **10 sessions**

Value of projects undergone Environmental and Social Due Diligence **KShs.587.7 Bn**

Customer Effort Score (CES) **14%**

Value of loans to undeserved segments- **(Women, MSMEs) Kshs. 149 Bn**

Net Promoter Score (NPS) **70%**

Employees (11,252)

How did we engage?	Key topics raised.	How did we respond?
• E-mail • Face-to-face interactions • Video conferencing • Surveys • Phone calls • Messages • Newsletters • Internal communication plat forms	Need for deeper understanding of sustainable finance products Capacity gaps in ESG risk assessment, particularly climate risk	Delivered targeted training on ESDD processes, climate risk screening, and ESG integration, strengthening internal capability Embedded ESG into staff. Learning programmes to support effective product delivery and risk management. Continued to build a sustainability-driven culture, aligning employee skills with emerging regulatory and market demands.
	Concerns around job security amid macroeconomic pressures	Reinforced organisational stability through transparent communication, while positioning ESG as a growth area requiring expanded internal capacity.
	Queries on Resource Consumption and how this can be improved	The Bank automated the resource consumption process to achieve real time and effective monitoring. Training on resource consumption for staff Roll out of solarized branches.

Positive Impact Created

Staff trained on ESG **4,837**

Health and safety

Number of staff participating in health wellness checkups **4,871**

Number of awareness campaigns on mental health conducted internally **38**

Number of health-related trainings sessions conducted **49**

Number of employees trained on ethics and compliance **7,508**

Resource Utilization

Resource Consumption usage – Reduction of resources such as fuel and electricity contributed to an overall reduction of **2%** on resources which contributed to reduction on emissions of **13%**

Number of solarized branches **16**

Investors

How did we engage?	Key topics raised.	How did we respond?
• E-mail • Newsletters • Investor briefings • Email • Reports, presentations and letters • Conferences • Information/notices • Senior management meetings and calls • Participation in conferences • Roadshow	Portfolio quality and client selection	Strengthened pre-lending screening through ESDD frameworks, improving portfolio quality and alignment with sustainability objectives.
	Management of non-performing loans (NPLs)	Enhanced credit risk management practices, including proactive client engagement and restructuring mechanisms.
	Effectiveness of risk management frameworks, including emerging ESG risks	Integrated climate risk assessment, stress testing, and scenario analysis into enterprise risk management.
	Mechanisms to strengthen its cybersecurity and data governance frameworks to safeguard operations and maintain investor confidence amid increasing digital risks.	Continue to invest in cybersecurity and data governance, reinforcing operational resilience and investor confidence.

Positive Impact Created

% of alignment of portfolio to climate targets **25.84%**

Frequency of ESG reporting and investor engagement- **Annual ESG rating and Quarterly investor engagements.**

Suppliers

How did we engage?	Key topics raised.	How did we respond?
• Face-to-face meetings E-mail • Organised conferences • Surveys • Correspondences (invoices, LPOs, memos), • topical forums (e.g. changes in tax)	Timeliness and efficiency of supplier payments	The Bank automated the payment processes for our suppliers which has significantly reduced the TAT.
	Integration of sustainable practices into business operations	Through visits to suppliers the Bank showcased the need to incorporate sustainable practices i.e cost cutting and positive environmental impacts.
	Lack of training on ESG practices.	Trainings conducted on Suppliers' Due diligence
	Lack of clear channels of communication to raise their grievances	Established a grievance mechanism plan that was published on the Bank's website for accessibility to all stakeholders.

Positive Impact Created

Value of Local and International Suppliers **23.6Bn**

Percentage of suppliers signed the Supplier Code of Conduct **36%**

Percentage of suppliers that are Special Interest Groups **3.6%**

Number of suppliers visited on ESG matters **9**

Regulators and policymakers

How did we engage?	What are the key topics raised and subsequent feedback received?	How did we respond?
• Correspondences (letters, memos), topical • Forums (e.g. changes in tax) • Reports • Face-to-face meetings • Phone calls • Organised meetings/conferences	Customer protection and responsiveness	Enhanced customer-centric product design and feedback integration mechanisms.
	Complaint resolution efficiency	Leveraged digital transformation and AI-enabled systems to improve complaint resolution timelines.
	Alignment with climate risk and ESG disclosure requirements	Developed and operationalised a Group-wide climate risk management framework, aligned with regulatory expectations and global standards . Undertook technical assistance with Proparco on Climate Risk management for readiness.

Positive Impact Created

Reporting on Climate and ES matters to regulators **Yes.**

Compliance with current regulations on Sustainability Risks **100%**

Timeliness of regulatory reporting **100%**

External assurance of ESG disclosures- **Limited Assurance.**

Business partners and collaborators

How did we engage?	What are the key topics raised and subsequent feedback received?	How did we respond?
• In-person meetings • Reports • Organised conferences • Video conferencing • Surveys • E-mail	Opportunities for innovation, co-creation and partnerships for scaling impact.	Strengthened collaboration frameworks to support co-development of innovative financial solutions and delivery models. Leveraged partnerships to unlock technical expertise, blended finance, and market access opportunities . Maintained transparent and competitive procurement processes, ensuring fairness and clarity in partner engagement. Positioned partnerships as a key driver of sustainable growth and ecosystem development.

Positive Impact Created

Number of partners onboarded and projects funded **3 (Proparco, Water.Org, GCF)**

Number of joint climate/sustainability initiatives **3**

Governance

Business Ethics

Systemic Risks Management

Governance

Business Ethics

Systemic Risks Management

KCB considers business ethics and management of systemic risks critical to long-term resilience and financial stability. Business ethics reflect the Bank's commitment to conducting its operations with integrity, transparency, and accountability across all markets. This includes upholding ethical behaviour, making responsible decisions, complying with applicable laws and regulations,preventing conflicts of interest, corruption, and misconduct, and maintaining fair and open relationships with customers, employees, regulators, and other stakeholders. It also extends to responsible and transparent tax practices, demonstrating the Bank's commitment to complying with tax laws in every jurisdiction where it operates and contributing appropriately to public finances.

On the other hand, systemic risk management refers to the Group's structured and integrated approach to identifying assessing, monitoring, and mitigating risks that could impact the stability of the institution or the broader financial system. It forms a core component of the Group's Enterprise Risk Management (ERM) framework and supports long- term financial resilience and regulatory compliance. At the core of this framework is the Code of Ethical Conduct, which sets expectations for integrity, fairness, an responsible behaviour in all operations. Oversight of ethical compliance is provided by the Ethics and Compliance Committee, which works alongside Compliance teams to monitor adherence, promote ethical awareness, and address risks related to misconduct, conflicts of interest, and workplace fairness.

Oversight

At the highest level, the Board of Directors provides oversight of systemic, sustainability, and climate-related risks, ensuring that these risks – including ethical conduct – are integrated into strategic decision-making and long-term planning. This governance responsibility is supported by clearly defined reporting lines and escalation mechanisms across the Group. At the subsidiary level, each operating entity has its own Board Risk Management Committee responsible for overseeing local risk issues, including ethical and conduct-related risks. These committees ensure that risks specific to each subsidiary are identified early, managed effectively, and escalated to the Group level where necessary.

To support early detection and response to ethical issues, the Bank has established a whistle-blowing and grievance redress mechanism that includes a 24/7 ethics hotline and a dedicated email channel. These platforms are accessible to both employees and external stakeholders, and are monitored by the Internal Audit and Compliance teams. Reported concerns are promptly assessed, investigated, and escalated where necessary, ensuring accountability and timely resolution. This governance structure is reinforced by continuous monitoring, internal audits, and transparent reporting, ensuring that ethical risks are proactively managed and aligned with the Group's commitment to integrity, accountability, and responsible business practices.

Our strategy on business ethics

Business ethics has a direct and significant impact on KCB Group's business model and value chain. The Bank's commitment to full adherence to applicable laws and global best practices ensures that its operations remain sustainable, credible, and aligned with stakeholder expectations. This strong ethical stance supports the integrity of KCB's business model by reinforcing transparency, accountability, and responsible decision-making across all markets in which it operates. KCB Group is dedicated to fostering and sustaining a culture across all its operations where ethical business practices are the norm and trust is central. The Group upholds the core values of integrity, transparency, and accountability and enforces a strict zero-tolerance stance against corruption, bribery, and any form of unethical conduct in the workplace. In line with this commitment, KCB consistently evaluates the reputational implications of its business decisions and ensures they align with its ethical standards. To reinforce these principles, the Group has established a comprehensive Code of Ethical Conduct. This code applies not only to all Directors and employees but also extends to

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Tanzania: 0800 110 025
Uganda, South Sudan, Rwanda, Burundi: +273 157 157 95 (standard international)

suppliers, consultants, agents, and any other parties engaged with or representing the Group. The Code establishes a zero-tolerance approach to bribery, corruption, tax evasion, and other forms of unethical behaviour.

Effective implementation of ethics and compliance programmes, including staff training and whistle-blowing mechanisms, has the potential to reduce fraud-related losses by over 10%, thus helping the Group avoid material annual financial losses. Strong ethical conduct also reinforces customer trust and confidence, supporting customer retention, deposit growth, and incremental net interest income. Conversely, a significant compliance breach involving misconduct or fraud could result in direct financial losses, regulatory sanctions, and adverse reputational impacts in a given year, underscoring the importance of robust ethics and compliance governance.

applies to all environmental and social issues connected to KCB's operations, services, and projects. These include matters such as pollution, waste management, community health and safety, resource use, land acquisition, and impacts on local communities. It is open to customers, community members, civil society organisations, and other external stakeholders. Multiple confidential reporting channels are available, including email, an anonymous online reporting platform, and toll-free telephone lines across the Group's countries of operation ensuring broad accessibility

Sustainable Supply chain

KCB Group has embedded sustainability into its procurement and supply chain management with responsible business practices. Procurement governance, vendor onboarding, contract management, and supplier monitoring are all designed to ensure that sustainability principles are consistently applied across the organisation. Environmental, Social, and Governance (ESG) considerations are incorporated at critical control points throughout the procurement cycle. These include sourcing decisions, supplier approval processes, contract negotiations, and ongoing vendor performance evaluations. By embedding ESG at these stages, the Bank ensures that sustainability is not treated as an afterthought but as a core requirement in operational decision-making. Procurement plays a pivotal role as an enabler of the sustainability agenda. It drives responsible sourcing, promotes ethical conduct, supports localisation of suppliers, and ensures efficient resource utilisation. Through these measures, KCB Group integrates sustainability into everyday business activities, reinforcing its commitment to long-term value creation and responsible growth.

Responsible sourcing

KCB Group has embedded its commitment to sustainability and accountability into procurement practices through a robust Supplier Code of Conduct, achieving significant progress in 2025 with 33% of suppliers signing onto the Code. While KCB Bank Kenya Limited leads with full compliance, subsidiaries advanced at varying stages, supported by a dedicated Manager Subsidiary Support role that drove uniform adoption through progress tracking, capacity-building, and knowledge-sharing.

The Code underwent continuous improvement to integrate emerging ESG risks like climate disruptions and labour regulations, aligning with global best practices, a proactive approach reflected in local procurement spending, which rose from from KShs. 12.3 Billion to KShs. 19.2 Billion to 2025. As part of our oversight framework, we conducted over 30 ESG site visits in 2025, drafting and integrating action points per visit; moving forward, annual visits will target over 60 suppliers cumulatively by end-2027. Supplier partnerships with disability-focused organisations co-created inclusive solutions, addressing banking challenges and fostered economic empowerment.

Overall, the effective management of business ethics risk enables KCB to protect and enhance long-term value by maintaining operational stability, reducing compliance risks, cultivating trust among stakeholders, and ensuring that all aspects of its value chain operate in a responsible and transparent manner.

Anti-Bribery & Corruption:

KCB Group enforces a strict prohibition on facilitation fees, bribes, inducements, and cash gifts. Staff and partners have access to independent, confidential reporting mechanisms and guidance channels. A Bribery and Corruption Prevention Framework ensures accountability, with mandatory reporting of suspected cases to authorities.

Political Contributions:

The Group does not permit the use of corporate funds or assets to support political parties, committees, or candidates.

Ethical Business Relationships:

Directors and employees must declare interests in third-party business relationships to prevent undue influence. candidates.

Human Resource Practices:

Recruitment, training, promotion, and career management policies reflect ethical conduct. Harassment is strictly prohibited, ensuring a safe and respectful workplace.

Fair Competition & Consumer Protection

Employees are required to engage in fair competition and comply with consumer protection regulations in promoting products and services.

Communication and Whistleblowing:

Effective communication systems ensure awareness of ethical policies. Secure whistle-blowing channels allow confidential reporting of wrongdoing without fear of reprisal.

Conflict of Interest:

Staff must avoid situations where personal interests could influence business decisions and are required to declare potential conflicts.

Confidentiality & Information Protection:

Unauthorized disclosure of proprietary information is prohibited. Customer confidentiality is safeguarded across all operations.

Insider Dealing:

Directors and employees are prohibited from trading securities when in possession of material non-public information.

Environmental Risk Management:

The Group commits to advancing sustainability and mitigating environmental impacts in its operations.

Risk Management (Metrics and Targets)

The Bank tracks supply chain risks through a structured approach that emphasises ethical conduct and ESG compliance. First, it enforces ethical and responsible supplier behaviour by requiring all suppliers to adhere to governance and compliance frameworks. This ensures that responsible business practices are consistently upheld across the supply chain.

The success of this measure is monitored through the key performance indicator (KPI) of the percentage of suppliers who have signed up to the Code of Ethics. Second, the Bank applies rigorous ESG due diligence and compliance checks for new vendors. This process involves environmental, social, and governance screening to identify and mitigate potential risks before onboarding suppliers. The corresponding KPI is the percentage of suppliers subjected to due diligence and compliance checks, reflecting the coverage of ESG screening for new vendors. Together, these measures provide a comprehensive system for monitoring and managing supply chain risks.

KCB Group Plc identifies, assesses, and monitors business ethics risk through a structured and integrated governance framework embedded within its wider.

Enterprise Risk Management (ERM) system. The process begins with the identification of ethics risks, which is guided by the Group's Code of Ethical Conduct. All employees are expected to understand and comply with the Code, which is supported by mandated annual e-learning training, ethics awareness initiatives such as webinars and bulletins, and continuing internal communications. In addition, employees must complete annual declarations confirming their commitment to ethical standards and statutory obligations. Risk identification is further strengthened through a whistle-blowing platform that allows both internal and external stakeholders to report suspected fraud or misconduct confidentially and without fear of retaliation. The Group conducts regular Anti-Bribery and Corruption (ABC) risk assessments, including a comprehensive review undertaken in 2025, which indicated generally low levels of risk exposure with only limited areas requiringimprovement. Risk assessment is also carried out before significant or complex transactions, where potential ethical, regulatory, and reputational implications are evaluated.

Environmental and Social Grievance Mechanism

KCB Group is committed to conducting its operations in a socially and environmentally responsible manner. To support this commitment, the Group has established an Environmental and Social Grievance Mechanism that provides a clear, transparent, and accessible process for external stakeholders and community members to raise concerns related to the environmental and social impacts of its activities. The mechanism is designed to ensure grievances are handled fairly, promptly, and effectively, while promoting trust and continuous improvement in sustainability performance. The grievance mechanism. All grievances received are acknowledged promptly, typically within two business days, assigned a unique reference number, and recorded in a confidential internal register. A designated team conducts an impartial and proportionate investigation, engaging relevant internal specialists and, where appropriate, the complainant. Throughout the process, the Group maintains open communication with the complainant and provides a clear response outlining findings, actions taken, and the basis for resolution. Grievances and response effectiveness are monitored by the management, with periodic reviews undertaken to identify trends, systemic issues, and opportunities for strengthening environmental and social performance. The mechanism operates under the Group's Sustainability Policy and is supported by a Whistle-blowing Policy that protects individuals who raise concerns in good faith.

Metrics and targets

SASB Metrics	2025	2024
Total monetary losses arising from legal proceedings linked to unethical or unlawful conduct. These include cases involving fraud, insider trading, antitrust or anti-competitive behaviour, market manipulation, and professional misconduct.	Frauds and forgeries write off **KShs 0.76 Millions**	Frauds and forgeries write off **KShs. 4.5 Millions**

Strategy for Managing Systemic Risks

Systemic risk management forms a core component of the Group's Enterprise Risk Management (ERM) framework and supports long-term financial resilience and regulatory compliance. This covers a wide range of risk categories, including credit, market, liquidity, operational, strategic, and emerging non-financial risks such as sustainability-related exposures. Systemic risk management is underpinned by strong governance structures, including Board and senior management oversight, clearly defined risk appetite statements, and robust internal controls. Key mechanisms include ongoing portfolio monitoring, stress testing, and early warning systems that enable timely identification of vulnerabilities. Escalation processes ensure that material risks are promptly addressed at the appropriate governance level. Proactive stress testing and macro-prudential risk monitoring enhance the Bank's ability to anticipate adverse economic conditions and may reduce potential credit losses during downturns, helping to avoid elevated impairment charges.

Collectively, these practices strengthen institutional resilience, safeguard financial stability, and ensure the Group's continued ability to support economic activity across its operating markets. Maintaining strong liquidity buffers—currently at approximately 30% at Group level, together with diversified funding sources, supports stability during periods of market stress and may help avoid higher funding costs that could otherwise result in increased annual interest expenses. System uptime also remains a critical element of systemic resilience, particularly as the majority of transactions are executed through digital channels. Any prolonged downtime could directly affect customer trust, transaction flows, revenue generation, brand reputation, and regulatory compliance. Ensuring secure and uninterrupted 24/7 service availability is therefore fundamental to KCB's digital banking value proposition. Conversely, exposure to systemic shocks, such as sharp economic contractions or financial market instability, could lead to deterioration in loan-book quality, higher non-performing loans, and increased impairment provisions. Such conditions may also constrain credit growth and reduce fee-based income, reinforcing the importance of robust systemic risk management frameworks.

Risk Management

KCB has embedded climate risk considerations within its risk management and due diligence processes to support the identification, assessment, and mitigation of exposure to both transition and physical risks across its lending and investment portfolios. This ensures that systemic risks arising from environmental and climate-related factors are consistently identified at the point of origination and throughout the lifecycle of credit and investment exposures. This approach is complemented by the Group's comprehensive Environmental and Social Risk Management System, which provides a structured framework for assessing environmental and social risks linked to financing activities. Through this system, KCB is able to evaluate potential impacts, avoid high-risk exposures where necessary, and manage residual risks in line with sustainable finance objectives. This strengthens the Group's overall ability to anticipate and respond to systemic vulnerabilities within its portfolio.

The Group has further enhanced its Environmental and Social Due Diligence (ESDD) toolkit to align with the Kenya Green Finance Taxonomy (KGFT). This enhancement improves the consistency and robustness of risk assessments, ensuring that systemic risk indicators are effectively integrated into decision-making processes and that emerging risks are identified in a timely manner.

In addition, KCB incorporates Sustainability Accounting Standards Board SASB Standard Requirements, including the Global Systemically Important Bank (G-SIB) score by category, to benchmark its systemic risk profile against international standards. The Group also integrates the results of both mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and broader business activities.

Case **Study**

Total Securities Kenya Due Diligence: The Story of a Secure, Sustainable Partnership

In the dynamic security landscape of Kenya, where vigilance meets vulnerability, KCB Groups due diligence visit to Total Securities Kenya in early 2025 unveiled a tale of robust protection woven with ESG promise. Employing 2,600 dedicated guards (80% male, 20% female) on contractual terms across 5 branches and a fleet of over 100 vehicles we discovered that the supplier had an appetite for green evolution. Local hiring binds communities together, school fees are sponsored at Naivasha KenGen and Tangaza University, Kenya Society for the Blind is supported, and a head office compound is over 90% tree-planted. These actions give form to KCB's SDG-driven principles on community development, inclusion, and environmental care, as set out in the Supplier Code of Conduct. Partnerships with the Kenyan Police and control rooms that monitor guard well-being in crucial zones help to meet the KCB's safety, stability, and human rights standards. Governance forms the unyielding backbone, with annual grievance mechanisms, anti-harassment policies, vetted performance reviews, and unarmed guards backed by St. John Ambulance is demonstrating how KCB's Supplier Code of Conduct shapes expectations on ethics, worker protection, and professional conduct. From this visit emerged not just compliance, but a fortified alliance. Total Securities Kenya is evolving toward solar-powered sustainability, embodying KCB's vision: security that safeguards people, planet, and progress one audited step at a time.

Tax **Transparency**

At KCB Group, tax is viewed not simply as a statutory requirement but as an essential part of responsible and sustainable business. Guided by the Group Tax Policy, the Bank upholds strong corporate governance standards, promotes tax transparency, and seeks to balance the interests of its stakeholders, including customers, investors, governments, and the communities it serves. At the heart of this approach is a clear principle: KCB Group pays the correct amount of tax, at the appropriate time, in the jurisdictions where economic value is generated.

The Board of Directors retains ultimate accountability, with oversight delegated to the Board Audit and Risk Committee, which monitors tax risks and compliance. The Group Finance Director provides regular, at least annual, reports to the Board on tax risks and adherence to the strategy, while qualified tax professionals across the Group handle operational tax matters and receive ongoing training to keep pace with regulatory changes.

Transparency in the Group's corporate structure and its open disclosure practices contribute to stakeholder confidence, while its commitment to cooperative relationships with tax authorities facilitates smoother regulatory interactions and reduces the likelihood of disputes or penalties. At the same time, a zero-tolerance approach to tax evasion and unethical practices, supported by whistleblowing mechanisms, strengthens internal controls and encourages a culture of accountability throughout the value chain. Additionally, the application of the arm's length principle across intra-group transactions promotes fairness, consistency, and transparency in dealings between subsidiaries, thereby enhancing the integrity of financial reporting and internal operations.

KCB adopts tax planning practices that support legitimate business objectives while strictly adhering to applicable laws and regulations. The Group emphasizes substance, consistency, and transparency in all tax-related decisions. Before undertaking any major transaction, careful evaluation of the associated tax implications is conducted to minimize potential risks and protect the organization's reputation.

Our tax approach is aligned with its broader financial objectives, particularly the delivery of sustainable shareholder returns. By maintaining tax efficiency while adhering to legal and ethical standards, the Group strengthens profitability and safeguards against unnecessary financial risks. This disciplined approach supports long-term financial stability, reinforces investor confidence, and demonstrates a commitment to sound corporate governance.

Adapting to regulatory change

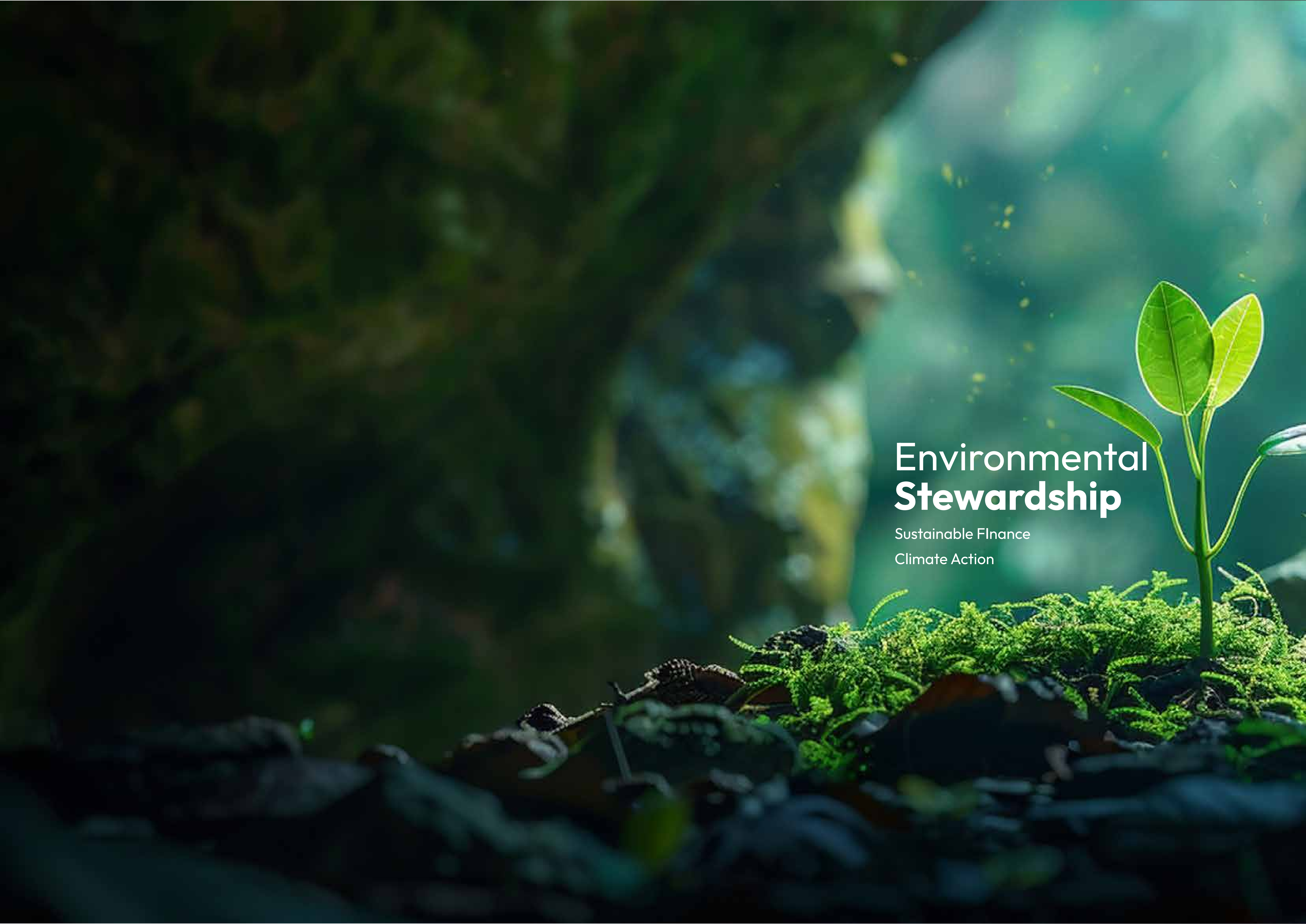
KCB maintains agility in response to evolving tax laws and regulatory requirements. For instance, in 2025, the Group enhanced its internal tax processes to align with changes in Kenyan VAT and income tax legislation. These improvements included strengthening compliance procedures, enhancing internal reporting systems, and updating staff training programs. Such responsiveness reduces exposure to ethical and regulatory risks while ensuring operational continuity.

KCB further strengthens its resilience by maintaining active and consistent engagement with tax authorities and regulatory bodies. Through ongoing dialogue, the Group ensures compliance, seeks guidance on complex tax matters, and contributes to the development of a stable and predictable tax environment. This collaborative approach reduces uncertainty, enhances mutual understanding, and supports ethical business conduct while positively influencing tax policy formulation.

KCB Group's tax payments play a significant role in supporting government revenue across the markets in which we operate, helping to fund essential public services and infrastructure development. Our overall contribution goes beyond Corporate Income Tax and also includes Value Added Tax (VAT), Withholding Taxes, and Pay As You Earn (PAYE) taxes.

The following table summarizes the Group's contribution to national exchequers, reflecting the total tax borne and collected by KCB Group.

	Taxes paid to the government	**2023**	**2024**	**2025**
	Entities	**KShs Millions**	**KShs Millions**	**KShs Millions**
1	KCBK & Other non-banking subsidiaries	27,450	30,360	37,315
2	TMB	3,299	6,075	6,135
3	BPR	3,048	2,044	2,534
4	KCBU	780	1,059	1,251
5	KCBT	536	482	2,397
6	KCBSS	615	442	964
7	NBK	2.5	2.1	
8	KCBB	0.3	0.3	0.4
	Group Total	**35,730**	**40,464**	**50,597**



Environmental **Stewardship**

Sustainable FInance

Climate Action

Environmental Stewardship

KCB categorizes its environmental and climate related initiatives under 2 broad areas:

Sustainable Finance (Green Lending and Responsible Lending)

Climate Action: Adaptation, conservation and Mitigation

Sustainable Finance refers to the method used by the bank to channel capital towards economic activities that are climate aligned, socially beneficial, and environmentally constructive, It involves funding renewable energy, energy efficiency, sustainable housing, climate smart agriculture, electric mobility, and nature positive solutions. As a Pan-African institution, we understand our role in accelerating the shift to a low carbon economy while maintaining resilience against risks associated with climate change.

Oversight

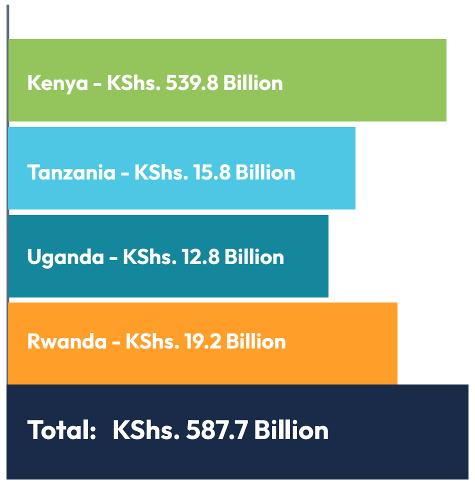
Environment Stewardship is governed through a structured, multi-layered approach that integrates environmental, social, and governance (ESG) considerations into the very core of decision-making.
At the apex of this structure sits the Board, which provides oversight through the Compliance and Risk Board Committee and Strategy and Oversight Board Committee.

This Committee plays a critical role in ensuring that sustainability risks and opportunities, particularly those linked to climate change, are and opportunities, particularly those linked to climate change, are systematically identified, assessed, and managed. Guided by the Group Sustainability Policies, the Board sets the tone for responsible finance and climate action, reinforcing the institution's commitment to transitioning the eco nomy in alignment with global sustainability goals. This top-down leadership creates a culture of accountability that cascades across all levels of the organisation and ensures alignment between sustainability agenda and overall business strategy.

Responsible Lending

KCB's climate governance is further reinforced through a suite of policies and procedures. These include the Sustainability Policy, Environmental and Social Management System (ESMS), Environmental and Social Due Diligence (ESDD) frameworks, and the Credit Policies, all of which provide guidance on managing environmental risks.

The operationalization of responsible lending is guided through these policies. The Environmental and Social Management System (ESMS) and Environmental and Social Due Diligence (ESDD) procedures provide structured mechanisms for assessing the environmental and social risks of financing activities. These are complemented by an Exclusions List, which defines sectors and activities that fall outside the Group's risk appetite, ensuring that financing decisions align with sustainability principles. Together, these tools form a robust risk management backbone that supports responsible lending.



Case Study

Building Green: Kinsfolk Limited Building

Kinsfolk Limited's infrastructure project in Kibichiku, Kiambu County, stands as a promising example of how KCB's ESG agenda translate into responsible, green real-estate development. The ongoing construction of mixed-use commercial and residential units, categorised as a green project, aligns with KCB's adopted SDGs particularly SDG 7 (Affordable and Clean Energy), SDG 11 (Sustainable Cities and Communities), and SDG 13 (Climate Action) through its emphasis on sustainable energy use, environmentally friendly design, and connection to an existing sewer system overseen by an occupational health and safety manager.

The project currently employs about 90 workers, including 30 women and Labour policies aligned with minimum wage standards, workers receive protective gear and safe working conditions are maintained, in line with KCB's SDG 8 (Decent Work) expectations. The project's finances are largely self-sustaining, generated from the sale of residential units, which reduces dependency on external financing while supporting long-term operational resilience.

Environmentally, Kinsfolk has a comprehensive ESMS policy approved by senior management, with operational waste management, spill-response procedures, and containment systems. Staff receive training on environmental health and safety, and no significant environmental risks identified during the ESDD visit. These practices reflect KCB's guidance that suppliers integrate environmental considerations into planning and operations, while grievances mechanisms for both employees and affected communities support SDG 16 (Peace, Justice and Strong Institutions) through fair, structured engagement.

KCB's environmental and social due diligence guidance informed clear action plans: establishing a structured policy review cycle, implementing a formal risk and audit framework, and strengthening community-health safeguards. In conclusion, Kinsfolk Limited demonstrates a strong foundation in sustainability and social responsibility, with effective systems for compliance, waste management, and worker welfare. Supported by KCB the project is progressing well and positioned to become a model of low-impact, people-centred development that safeguards both people and the planet.

Green Lending

Building on this foundation and having identified opportunities the Bank started off on the journey of financing green projects in 2022 and this was further institutionalized through specialised frameworks such as the Climate Assessment For Financial Insitutions (CAFI) and the Green Lending Framework. These frameworks and tools have helped to guide the identification, categorisation, and reporting of green assets.

The Groups green project portfolio for 2025 sits at Kshs. 48.8 Billion; notably, KCB Tanzania boasted a total of Kshs. 3.57 Billion worth of green projects through a partnership with Water Equity Tanzania. This partnership allowed the Bank to address access to safe drinking water. In addition, the Water Equity partnership allowed the Bank to advance its green lending agenda supporting water and sanitation financing programs that improve access to clean water and safe sanitation for underserved communities.

In KCB Bank Uganda, the Bank has worked with the manufacturers to incorporate renewable energy facilitiies which led to attainment of KShs. 1.82 Bilion worth of green projects. Similarly, in BPR Bank was able to advance its green lending agenda with an attainment of KShs. 8.7 Billion worth of green projects. In Kenya, our green lending was notably raised through Corporate projects that transitioned to low-carbon projects, in the retail segment the Bank rolled out clean cooking for schools that enabled the transitioning of upto 266 schools.

In 2025, KSh 48.8 billion worth of green projects were identified, of which KSh 9.9 billion were verified on the CAFI platform. This represents a decrease from the KSh 24.1 billion verified in 2024. The variance is primarily due to timing differences in the verification process relative to reporting deadlines. While several projects met the climate eligibility criteria, their verification was not completed within the required timelines for this reporting cycle and will therefore be included in the 2026 reporting period.

Kenya
KShs. 34.7 Billion

Tanzania
KShs. 3.5 Billion

Uganda
KShs. 1.8 Billion

Rwanda
KShs. 8.7 Billion

Total Value Green Projects
KShs. 48.8 Billion

Our strategy on sustainable finance

Sustainable finance is a core pillar of KCB Group's long-term strategy, shaping how the Group allocates capital, manages risk, and supports economic transformation across the region.

As the operating environment continues to evolve in response to climate change, regulatory developments, and shifting stakeholder expectations, the Group has repositioned sustainability from a complementary agenda to a central driver of business growth and resilience.
At a strategic level, KCB recognizes that financial institutions play a critical role in influencing the direction of economic activity.

Through its lending and investment decisions, the Group is actively contributing to the transition toward a low-carbon, climate-resilient, and inclusive economy. This is achieved through two interrelated pillars: Green Lending and Responsible Lending, which together ensure that capital is both directed toward sustainable opportunities and deployed in a responsible and risk-aware manner.

Advancing Green Growth- Driving the Transition to a Low-Carbon Economy

Green lending has evolved from a niche offering into a key growth driver for the Group, reflecting a deliberate shift in how capital is allocated across the portfolio. By financing renewable energy, energy efficiency, clean transport, climate-smart agriculture, water and sanitation, and green buildings, KCB is actively supporting sectors that contribute to environmental sustainability while positioning itself to capture emerging market opportunities.
The Group's approach to green lending is anchored in the development of targeted financial solutions that respond to the evolving needs of households, MSMEs, and corporates. Products such as clean energy financing for schools and households, including LPG and solar solutions, are enabling customers to transition toward more sustainable and cost-efficient energy sources. In doing so, KCB is not only responding to demand but also shaping market behaviour by improving access to green technologies.

Across the value chain, green lending is supported by integrated processes.
Product development teams continue to innovate and refine sustainable finance offerings, while credit assessment frameworks incorporate eligibility criteria to ensure that financed activities meet defined environmental standards. At the client level, the Group is deepening engagement through advisory services and partnerships, enabling customers to adopt greener technologies and business models more effectively.

This strategic direction is further informed by insights from the Group's financed emissions analysis, which has enabled the identification of high-emitting sectors and the development of transition pathways.
As a result, KCB is progressively rebalancing its portfolio toward sectors that are more resilient in a low-carbon future, strengthening both portfolio quality and long-term returns.

In 2025, the Bank disbursed green projects valued at KSh 48.8 billion, surpassing its initial target of allocating 25% of its loan book to green assets by 2025 and achieving a milestone of 25.84%. This performance reflects a sustained and deliberate shift in capital allocation over the past four years, positioning green finance as a core component of the Group's growth strategy rather than a niche offering.

This achievement has been enabled through the establishment of a robust green finance framework, including clearly defined eligibility criteria, strengthened governance structures, and the integration of ESG considerations into credit appraisal and portfolio management processes. The Bank has also invested in internal capacity building, equipping relationship managers and credit teams with the skills required to identify, structure, and monitor green opportunities across sectors.

Transformative Projects in 2025:

Transitioned 266 schools to solar energy.

Spearheaded ecological transition in Burundi via Electric Vehicle financing loans.

Embedding responsibility at the core of growth

Complementing green lending, responsible lending ensures that all financing activities are conducted in a manner that is environmentally and socially sound, ethically grounded, and aligned with long-term sustainability objectives.

KCB has embedded environmental, social, and governance (ESG) considerations across the entire credit lifecycle. Every financing opportunity is assessed not only for its financial viability but also for its potential environmental and social impacts. This dual-lens approach enables the Group to identify and mitigate
risks early, while also supporting clients in transitioning toward more sustainable practices.

To guide capital allocation, the Group applies structured exclusion and watch lists, ensuring that financing is not extended to sectors or activities that are misaligned with sustainability principles. These safeguards reinforce the Group's risk appetite and demonstrate a clear commitment to ethical and responsible finance. At the same time, KCB adopts a transition-oriented approach by providing ESG advisory support to high-risk clients, enabling improvement rather than outright exclusion where feasible. Ethical considerations are further embedded through fair pricing practices, safeguards against over- indebtedness, and a commitment to transparency in client engagement. This strengthens trust, enhances portfolio integrity, and contributes to inclusive economic growth across the markets in which the Group operates. The effectiveness of this approach is underpinned by continuous capacity building across the organisation. Business teams are equipped with ESG training and tools, enabling them to better assess sustainability risks and opportunities and to integrate these considerations into day-to-day decision-making.

The learnings from this initiative which are continuously being integrated within our operations and strategy are as follows;

Strong Governance and Clear Frameworks Enable Growth:

The Group has an aim to further strengthen our eligibility criteria and monitoring mechanisms which will be instrumental in ensuring the credibility and scalability of the portfolio.

Strategic Partnerships Unlock Capital and Expertise:

Collaborations with Development Finance Institutions (DFIs) and climate funds played a critical role in mobilising blended finance, de-risking investments, and expanding access to climate-smart solutions.
The Group's strategy remains in deepening these partnerships to strengthen technical capacity in project preparation and impact measurement.

Market Demand for Green Solutions is Increasing:

The rapid growth of the green portfolio demonstrates rising demand from MSMEs, corporates, and households for renewable energy, climate-smart agriculture, energy efficiency, and water solutions. There is therefore need for tailored financial products and advisory support to meet this demand.

Capacity Building is Essential for Effective Implementation:

Continuous training of relationship managers, credit teams, and risk officers enhanced the Group's ability to identify, appraise, and monitor eligible green projects. Internal awareness and technical expertise will continue being paramount to scale the Group's green portfolio.

Data and Impact Measurement Strengthen Accountability:

Investments in data management systems will be required to improve the tracking of green assets and enable more transparent reporting of environmental outcomes. This enhanced monitoring will further support alignment with global disclosure standards such as IFRS S1 and S2

Risk management

KCB Group manages responsible lending risks through an integrated process that spans identification, assessment, and ongoing monitoring, ensuring that environmental, social, and governance (ESG) considerations are embedded throughout the credit lifecycle.

At the identification stage, all credit applications above defined thresholds are subjected to ESG screening using the ESDD and ESMS tools. Attention is given to sectors such as energy, manufacturing, construction, and agriculture, which are automatically flagged for deeper review due to their higher exposure to environmental and social risks. Physical climate risks are identified through subsidiary-level assessments, including the mapping of flood-prone and landslide-prone areas, with collateral evaluated for climate hazards. Transition risks are identified through sectoral analysis and policy alignment, focusing on emerging low-carbon trends like e-mobility, green buildings, and clean energy, alongside an exclusion list to limit exposure to high-carbon or environmentally harmful activities. Environmental considerations including energy efficiency, water usage, and choice of building materials are systematically evaluated during mortgage and project financing approvals through established technical verification processes, outlining key aspects such as energy performance, renewable energy integration, water efficiency, sustainable material use, smart building technologies, and climate-resilience features.

To support these assessments, the Bank's technical team requires specific documentation depending on the project's scale and nature, including:

- **Bills of Quantities (BQs)**
- **Green Building Certification (e.g., EDGE or equivalent, where applicable)**
- **Approved building plans**
- **NEMA Approvals**
- **Feasibility Studies**
- **WARMA approvals (where applicable)**

This documentation forms the foundation for technical due diligence, valuation, and credit assessment, ensuring compliance with environmental requirements prior to approval.
Climate-related risks are assessed and embedded within existing risk management processes, including ESDD and ESMS. Property valuation guidelines have been updated to incorporate climate risk considerations, ensuring asset assessments reflect potential environmental impacts. At the subsidiary level, climate risks are managed through existing Enterprise Risk Management (ERM) structures, with each subsidiary responsible for identifying, assessing, and mitigating risks in its local context while aligning with Group-wide policies.

Once risks are identified, transactions deemed high-risk or operating in sensitive sectors undergo a more rigorous assessment process, involving enhanced ESDD procedures such as site visits to validate on-the-ground conditions, review of environmental permits and regulatory compliance, and evaluation of technical and operational standards.
ESG and climate requirements are embedded into credit terms and covenants, requiring borrowers to adhere to agreed environmental and social standards. The bank conducts regular follow-ups, reviews client reports, and tracks ESG performance as part of its broader credit monitoring framework, enabled through toolkits such as environmental and social due diligence which also track required action plans for each client. Ongoing monitoring integrates climate risk factors into credit decision-making, with regular portfolio analysis to track exposure to climate-sensitive sectors and geographies, enabling timely risk mitigation actions and informed strategic adjustments.

To support green lending and promote credibility, the Bank utilizes tools including its green loans framework and the CAFI tool, enhancing consistency, strengthening risk analysis, and ensuring climate and sustainability considerations are systematically integrated into decision-making

Metrics and targets

KCB Group's sustainable finance strategy has translated into measurable growth and a progressive shift in portfolio composition, demonstrating both strong market demand and the effectiveness of its integrated approach.

Green Lending Performance

The Group has recorded significant growth in its green financing portfolio over recent years. In 2024, KCB disbursed KSh 53.2 billion in green financing. This momentum was sustained in 2025, with an additional KSh 48.8 billion disbursed across key sectors such as renewable energy, climate-smart agriculture, and clean transport. As a result, green loans increased to 25.84% of the total loan portfolio, surpassing the Group's initial target of 25% by 2025. This milestone reflects a structural shift in portfolio composition, positioning the Group to benefit from opportunities in a transitioning economy while enhancing resilience to climate-related risks. The continued expansion of this portfolio underscores the Group's ability to intermediate capital toward sustainable sectors while maintaining strong financial performance.

Responsible Lending Performance

The Group continues to strengthen its environmental and social risk management through the systematic application of Environmental and Social Due Diligence (ESDD) across its lending portfolio.

At KCB Tanzania, Climate and environmental risk management is operationalised through the integration of Environmental and Social Due Diligence (ESDD) into credit appraisal for both new and refinancing facilities, with enhanced scrutiny applied to industrial and other highimpact loan applications, riskbased client categorisation, and the incorporation of mitigation measures and corrective actions into loan conditions, contributing to improved portfolio resilience and asset quality.

KCB Uganda applies Environmental and Social Due Diligence (ESDD) with defined escalation thresholds, with all customer exposures above USD 500,000 subject to mandatory screening against exclusion criteria and the IFC Performance Standards, and enhanced due diligence undertaken for high and medium risk transactions through additional site inspections, regulatory permit and licence reviews, occupational health and safety assessments, and evaluation of community and stakeholder impacts. Furthermore, to strengthen climate transition planning at portfolio level, the Bank has engaged an independent consultant to undertake a comprehensive Scope 3 emissions review, with a focus on financed emissions, the outcomes of which will directly inform the development of a Climate Transition Plan in FY2026, including priority sectors, emissionreduction pathways, client engagement approaches, and measurable transition targets. In addition, climate and environmental accountability will be reinforced from FY2026 through the integration of conservation related.

SECTOR	AMOUNT
Renewable Energy	KShs. 21.4 Billion
Green Building	KShs. 10.9 Billion
Energy Efficiency	KShs. 7.2 Billion
E-Mobility	KShs. 32 Million
Blue Economy	KShs. 3.5 Billion
Other	KShs. 1.7 Billion

Category A (High Risk): KShs. 54.3 B
Indicates significant exposure to higher-risk sectors.

Category B (Moderate Risk): KShs. 441.56 B
Represents the majority of the portfolio, with mitigation measures in place.

Category C (Low Risk): KShs. 43.97 B
Reflects lower-risk investments.

These results demonstrate the Group's strong commitment to responsible lending, with a clear focus on managing environmental and social risks while maintaining portfolio quality.

CBK MANDATED METRICS	2025	2024
Green loans disbursed in latest calendar year	KShs. 48.8 Billion	KShs. 53.2 Billion
Percentage of loans that have been screened ESG considerations (outstanding)	46.9%	53.6%

Case **Study**

Driving sustainable transport solutions in Burundi

In a step toward Burundi's ecological transition, in October 2025, KCB Bank Burundi signed a landmark strategic partnership with Skyline, a pioneer in electric vehicle sales in the local market. This collaboration marks KCB as the first bank in Burundi to actively champion green mobility financing, demonstrating how financial institutions can serve as drivers of environmental stewardship while promoting economic innovation.

Central to this partnership is KCB Bank's mission to democratize access to electric vehicles across Burundi. Through structured loans at an interest rate of 14% over five years, customers can own their vehicles after an initial 20% down payment, with the Bank financing the remaining 80%. The program is designed to be scalable, allowing the fund to expand in line with demand, ensuring more Burundians can participate in the green mobility movement.

Beyond financing, the partnership utilises Skyline's expertise to provide a comprehensive ecosystem for electric vehicle adoption. Every vehicle comes with an extended three-year or 150,000 km battery warranty, providing customers with confidence and reliability. To make charging more accessible, Skyline installs fast-charging stations directly at customers' homes or offices. Further advancing sustainable innovation, the company will soon launch Burundi's first solar-powered fast-charging station, offering three months of free fast charging and reducing charging time from two hours to just 30–40 minutes.

This holistic approach cultivates a sustainable mobility culture, ensuring that environmental benefits are paired with convenience, reliability, and long-term customer support. As the first bank to launch such a program, KCB Bank Burundi sets a precedent for responsible finance, demonstrating that green mobility is indeed impactful.

KCB Bank and Centum Re-enhance sustainable home ownership

Kenya's urban housing demand continues to grow, creating pressure for developments that balance affordability, modern design, and environmental responsibility. Sustainable home ownership is increasingly recognized as a critical pathway to resilient communities and reduced ecological impact.

KCB Bank Kenya has entered into a strategic partnership with Centum Real Estate, a flagship subsidiary of Centum Investment Company Plc. This collaboration aligns seamlessly with KCB's vision of responsible housing finance.

How It Works

Development Expertise

Centum Real Estate brings decades of experience in delivering high-quality, environmentally conscious housing projects.

Financial Solutions

KCB provides structured mortgage products tailored to make sustainable home ownership more accessible to Kenyan families.

The partnership is designed to broaden access to housing by ensuring that homes are not only visually attractive but also environmentally responsible and financially attainable. By blending contemporary design with functional layouts, the developments offer aesthetic appeal while incorporating climate-conscious solutions that reduce ecological footprints. Simultaneously, KCB's structured mortgage products make ownership more accessible, creating a pathway for more Kenyan families to enjoy modern, sustainable living.

By combining Centum's re-development capabilities with KCB's financial innovation, this partnership sets a new benchmark for sustainable housing in Kenya. It demonstrates how collaboration between financial institutions and real estate developers can accelerate the transition toward climate-resilient, inclusive communities.

Case **Study**

Driving sustainable water access and climate resilience in East Africa

KCB Group entered into a strategic partnership with World Waternet aimed at strengthening and scaling water, sanitation, and hygiene (WASH) solutions in Kenya. The collaboration also supports Integrated Water Resources Management (IWRM), enabling the water sector to better respond to the growing pressures of climate change and rapid urbanisation. Across East Africa, increasing urban populations and climate variability have placed significant strain on water infrastructure and service delivery. Public water utilities continue to face financing gaps, capacity constraints, and rising demand, limiting their ability to deliver reliable and resilient services.

This partnership brings together KCB's financial expertise and regional footprint with World Waternet's technical capabilities in water utility management to address these challenges. The collaboration is designed to unlock commercial and climate finance for the water sector, accelerating investment in infrastructure that improves access, enhances service reliability, and strengthens climate resilience—contributing to the achievement of Sustainable Development Goals, particularly SDG 6 (Clean Water and Sanitation) and SDG 13 (Climate Action).

Through this initiative, the partners aim to:

- Unlock bankable investment opportunities within public water utilities
- Strengthen climate resilience across water infrastructure systems
- Enhance service delivery and operational efficiency within the WASH sector
- Promote financial innovation to support sustainable infrastructure development

The partnership is further supported by development stakeholders, including the Embassy of the Netherlands, reinforcing its alignment with broader climate and development priorities.

Beyond financing and infrastructure, the collaboration also focuses on long-term capacity building within the sector. Through initiatives such as the Young Expert Programmes (YEP), the partnership is supporting the development of future water sector leaders by providing practical, on-the-job training and international exposure. By combining finance, technical expertise, and capacity development, this partnership positions KCB as a key enabler of sustainable water solutions, driving inclusive access to essential services while strengthening climate resilience across the region.

> to the achievement of Sustainable Development Goals, particularly SDG 6 (Clean Water and Sanitation) and SDG 13 (Climate Action)

Strategy on Climate Action: **Adaptation, Conservation and Mitigation**

As a financial institution, we recognize that climate action is integral to long-term resilience, operational efficiency, and sustainable growth. Our strategy is anchored around adaptation, conservation, and mitigation—each designed to safeguard our operations, enhance resource efficiency, and contribute meaningfully to environmental stewardship. Through initiatives such as tree planting, we not only offset emissions but also strengthen ecological systems that support communities and future economic stability. By embedding these measures into our core business practices, we demonstrate a commitment to aligning financial performance with environmental responsibility, ensuring that our operations remain both efficient and sustainable in the face of evolving climate challenges.

Operational Efficiency

KCB Group recognizes that operational efficiency is a key driver of environmental sustainability and long-term value creation. As part of its commitment to responsible business practices, the Group actively manages and optimises the use of natural resources across its operations, with a focus on water, energy, paper, fuel, and waste. Since 2014, KCB Group has made sustainability a fundamental part of its operating model, progressively monitoring its use of resources and rolling out focused initiatives to minimize its environmental footprint. Driven by a strong sustainability agenda, the Group places emphasis on improving energy efficiency, conserving water, and strengthening waste management practices in line with international ESG standards, reinforcing its commitment to environmentally responsible operations and a more sustainable future.

To measure and manage its environmental footprint, the Group has established a structured system for tracking resource consumption across all branches and subsidiaries. Monthly data covering water, paper, electricity, and fuel usage is consolidated through a centralised platform, verified against utility invoices, and analysed to calculate emissions. This monitoring and reporting process is aligned with internationally recognised standards and methodologies.

Within its value chain, KCB continues to enhance operational efficiency by transitioning toward resource-efficient practices. The Group is implementing energy-saving technologies, including LED lighting and smart building systems, while scaling up its branch solarisation programme to reduce reliance on non-renewable energy sources. Operationally, the bank's investment in solarisation contributes to cost stability and business continuity, particularly in regions where energy supply can be unreliable. At the same time, its alignment with global climate frameworks and ESG principles strengthens access to international capital and reinforces its reputation among investors, regulators, and customers.

Additional measures include the deployment of water-saving solutions and the adoption of paperless systems across branches and back-office functions. These initiatives not only reduce environmental impact but also improve process efficiency and support the Group's transition towards more sustainable operations.

To ensure accountability and continuous improvement, the Group monitors resource consumption on a monthly basis and has established reduction targets across key resource areas. Performance is tracked through internal systems and disclosed annually through the sustainability report, including detailed operational emissions data. This approach strengthens transparency, supports data-driven decision-making, and enables meaningful engagement with stakeholders on the Group's environmental performance.

Energy Efficiency and Renewable Energy Adoption

KCB Group continues to strengthen its energy-efficiency strategy by linking operational cost management with environmental performance improvements. Central to this approach is the progressive rollout of LED lighting across the branch network, which now covers 80% of branches. By replacing conventional lighting systems with LED technology that consumes up to 80% less energy, the Group has materially reduced its energy demand and associated carbon emissions. LED installation is now a mandatory requirement for all newly initiated projects, embedding efficiency considerations at the design and implementation stage.

Alongside lighting enhancements, the Group has modernised its technology infrastructure to reduce energy consumption across data centres, offices, and branch facilities. Energy-intensive legacy systems, including storage platforms reliant on spinning drives and outdated network equipment, have been systematically retired and replaced with modern, low-power alternatives. The adoption of all-flash storage and Software-Defined Networking (SDN) solutions has reduced energy demand by approximately 40% within core data centres. These gains were further supported by migration to the Group's strategic virtualization platform, which enabled application consolidation and reduced cooling requirements through more efficient utilization of computing resources.

Building on these improvements, the Group transitioned its data-networking services from traditional routing architectures to a next-generation Software-Defined Wide Area Network (SD-WAN). This shift enhanced bandwidth optimization and delivered notable energy-efficiency gains across branches that have migrated to the SD-WAN platform. The transition has contributed to lower electricity consumption within IT infrastructure, reduced operational costs associated with network management, and improved service efficiency through faster and more stable connectivity. In addition, by streamlining network architecture and reducing reliance on physical equipment, the Group is advancing its environmental objectives through decreased energy use and a lower operational carbon footprint, while simultaneously strengthening its digital service delivery capabilities.

The Group has also adopted a phased approach to renewable energy deployment, with solar installations currently operational at KCB Bank Kenya branches in Maasai Mara, Wajir, Mandera, Watamu, Lamu, Loitoktok, Kikima, Namanga, as well as at the Karen Leadership Centre. Looking ahead, KCB plans to expand solar power to 30 additional branches, further accelerating its transition toward cleaner energy sources. In addition, iColo, where the Group hosts part of its technology infrastructure, sources a significant portion of its energy from solar power, meaning that systems housed within this facility benefit directly from renewable energy inputs.

To strengthen oversight of technology-related energy use, the Group measures and monitors electricity consumption within its data-centre operations, including third-party facilities where applicable. At the Gigiri Disaster Recovery Site (DRS), grid electricity is measured using utility-provider smart meters, with billing information from Kenya Power capturing consumption units and demand in kVA and kW. This is complemented by an internally installed monitoring system that tracks power availability, stability, and energy usage, enabling more informed management of efficiency and reliability.

Server efficiency is optimised through consolidation strategies such as virtualization, containerization, and migration to cloud services, all of which improve energy efficiency by reducing physical hardware requirements. For data storage, the transition from spinning drives to solid-state drives (SSDs) has further lowered energy use, as SSDs consume less power due to the absence of moving parts. Together, these initiatives reflect a coordinated approach to improving energy efficiency, reducing electronic waste, and increasing reliance on renewable energy sources across KCB's technology and branch operations, supporting both operational resilience and long-term environmental sustainability.

Waste Reduction and Circular Economy Practices

KCB Group continues to advance its waste-management efforts by embedding circular-economy principles into day-to-day operations, with a strong emphasis on resource recovery and responsible material handling. Through a long-standing partnership with Chandaria Industries, in 2026, the Group securely processed and recycled more than 71.53 tonnes of paper waste annually in Kenya, preventing large volumes of waste from entering landfills while enabling materials to re-enter productive use streams. KCB is also advancing measures to reduce the environmental footprint of its technological operations beyond energy consumption. End-of-life infrastructure is systematically decommissioned and securely stored to prevent improper disposal and the generation of electronic waste. Recognizing the environmental risks associated with electronic waste, KCB has established formal controls for the management of decommissioned equipment, working exclusively with certified e-waste recyclers to ensure safe and responsible treatment.

Governance of these processes is led by the Procurement Department, which applies strict protocols for the sanitisation, tracking, and recycling of obsolete assets. To further reduce waste generation, the Group employs a leasing model for short-lifespan devices. At the conclusion of lease agreements, sanitised equipment is returned to vendors, with employees offered the option to purchase devices for personal use, extending product life cycles, reducing disposal volumes, and reinforcing a culture of sustainable consumption across the organisation.

Water Conservation Initiatives

KCB Group continues to strengthen its approach to responsible water management by embedding efficiency measures across its facilities. To minimise unnecessary water loss, smart push taps that automatically shut off after use have been deployed in various locations, helping to reduce wastage during daily operations.

At the Karen Leadership Centre, the Group has taken water stewardship a step further through the installation of an advanced water-recycling system. This facility treats and repurposes water for landscaping needs, substantially lowering reliance on freshwater sources. The initiative serves as a practical demonstration of sustainable water-use principles and provides a model for improved water-management practices across the Group's operations.

Resource Consumption.

KCB Group's approach to resource management is increasingly shifting from operational monitoring to strategic optimisation, where resource efficiency is not only an environmental priority but also a driver of cost discipline, resilience, and long-term value creation.

The Group is proud to record more than ten years of monitoring our resource consumption which has ultimately enabled the Group to introduce initiatives that enable resource usage reduction of –2% and with a carbon footprint reduction of 13% against a target reduction of 5% for both indicators. This was a significant reduction espite continued expansion across key markets. This reflects a structural shift in how the Group consumes resources, underpinned by deliberate interventions in energy efficiency, digitisation, and operational controls.

This trend signals an early but important decoupling of business growth from resource intensity, positioning the Group to operate more efficiently in a future defined by rising resource costs, climate constraints, and tightening regulatory expectations. KCB Group's internal resource monitoring shows mixed trends between 2024 and 2025. Electricity use fell from 14.2 million kWh to 12.5 million kWh –12%, and water use dropped from 110.2 million Litres to 97.03 million Litres –12%. However, paper use rose from 48,735 reams to 77,240 reams +58%, while fuel (diesel) consumption declined from 1.25 million Litres to 1.08 million Litres –13%. Overall, these shifts reduced total direct environmental footprint (scope 1/2 emissions) but highlight areas needing attention (e.g. rising paper use). Intensity metrics (per employee or branch) also improved energy and water, reflecting efficiency gains. This analysis uses KCB's metered data (utility bills, metering) across all operations, with normalisation (e.g. per FTE) to account for changes in scale.

Resource	2024	2025	Change %
Electricity	14,280,633 kWh	12,503,673 kWh	–12%
Water	110,271,869 L	97,003,896 L	–27%
Paper	48,735 reams	77,240 reams	+32%
Diesel Fuel	1,251,863 L	1,080,247 L	–14%
Waste (solid/other)	97.24 tonnes (est.)	71.53 tonnes (est.)	–22%

Methodology and Data Scope

Data Sources: Consumption data were gathered from KCB's internal sustainability database (meter readings, vendor invoices) covering all major sites (branches, offices, ATMs, data centres) in the Group's countries. Where gaps existed (e.g. divested subsidiaries), values were prorated or excluded.

Boundaries: We focused on direct (scope 1/2) resources: purchased electricity, on-site diesel, piped/bottled water, paper, and waste. Indirect supply-chain or financed emissions are out of scope. Emissions factors (e.g. ~0.6 kgCO_2/kWh for Kenya grid, 2.68 kg-CO_2/L for diesel) are applied for illustrative GHG estimates.

Normalization: To enable comparisons and align with IFRS S1 materiality guidance, data are also expressed per full- time employee (FTE), per branch, and per transaction volume. For example, based on 9,463 KCB Group staff (excluding TMB), electricity intensity in 2025 was 695 kWh per FTE, compared to 825 kWh per FTE in 2024. These intensity metrics help link energy consumption to business activity, in line with the International Financial Reporting Standards S1 and S2 emphasis on factors that may affect cash flows.

Data Quality: KCB continuously improved its data capture. 2024 introduced a centralised resource-tracker aligning with UNEP FI/PRB principles. Certain limitations remain (e.g. some smaller outlets lacked metering in 2023). Year-on-year % changes are meaningful given full coverage of core facilities by 2024. Scope 1 (Direct Emissions): Direct emissions arise from the Group's use of diesel generators, petrol-powered fleet vehicles, and water consumption associated with operations.

SCOPE 1	2024	2025
Total fuel use (litres)	1,251,863	1,080,387.23
Emissions (tCO2 eq)	33, 800.29622	29,170.45

Scope 2 (Indirect Emissions):
Indirect emissions are primarily linked to purchased electricity. Calculations are based on emission factors sourced from the International Energy Agency (IEA) and the UK Department for Environment, Food and Rural Affairs (DEFRA). Verified emissions data is compiled and reviewed internally on a quarterly basis and is publicly disclosed each year through the Group's sustainability reporting.

SCOPE 2	2024	2025
Total energy(kWh)	14,280,633	12,503,673
Emissions (tCO2 eq)	7126.035872	6239.33

Energy and Fuel – Managing Cost, Carbon, and Reliability

Energy and fuel consumption remain the most material components of the Group's operational footprint, both from a cost and climate perspective. During the reporting period, the Group recorded a notable decline in electricity usage, achieving a 12% year-on-year reduction from 14,280,633 kWh in 2024 to 12,503,673 kWh in 2025. KCB Bank Kenya Limited continues to account for the largest share of energy consumption, using 8,695,488 kWh, which represents 69% of the Group's total electricity use. Although the Bank experienced a great reduction of 17% in its own consumption, this was largely due to the introduction of solarisation that was introduced in the Branch network and other energy efficient initiatives. Other Group entities reported notable increases in consumption, driven by operational expansion and heightened activity:

- KCB Bank South Sudan Limited saw a sharp **211%** surge in electricity usage, rising from **31,574 kWh to 98,055kWh**
- KCB Bank Uganda Limited experienced a substantial **17%** increase, climbing from **812,183 kWh to 947,012 kWh.**
- KCB Bank Burundi Limited recorded a **2%** increase, rising from **376,358 kWh to382,949**
- BPR Rwanda saw a **10%** decrease in overall utility and fuel-related costs **compared to 2024**

These increases and were largely offset by reduction in Kenya, Rwanda and Tanzania. These reduction and increase in various subsidiaries highlight the key reality that efficiency gains are not yet evenly distributed across the Group.

Electricity Consumption by Subsidiary

Subsidiary	2024 kWh	2025 kWh	% Change
KCB Tanzania	399,556	400,762	0%
KCB Uganda	812,183	947,012	+17%
BPR Rwanda	2,187,676	1,979,406	-10%
KCB Burundi	376,358	382,949	+2%
KCB South Sudan	31,574	98,055	+211%
KCB Kenya	10,473,286	8,695,488	-17%
Total	**14,280,633**	**12,503,673**	**-12%**

Water Consumption

Water consumption across the Group remained relatively stable year-on-year, indicating that efficiency measures are broadly keeping pace with operational growth. Water remains a well-managed but low-visibility resource, and there is sufficient use of rain-harvesters to reduce purchase of water usage. This has helped the Group to continue operating even in areas that are in water-stressed environments. KCB Group achieved a notable 12% reduction in total water consumption against a target of -**5%, decreasing from 110,271,869 litres in 2024 to 97,003,896 litres in 2025.** Despite this Group-wide decline, consumption patterns varied significantly across subsidiaries. KCB Bank Kenya Limited remains the dominant consumer, accounting for 6% of the Group's total usage in **2025 which is 52,500,569 litres** which was a significant reduction from 72,942,408 Litres in 2024. Significant variances emerged among other subsidiaries:

- KCB Bank Uganda Limited recorded the most reduction of 33% from 4,891,000 litres to 3,260,933 litres. This sharpdecline is due to operational changes and highly successful water conservation initiatives.
- KCB Bank South Sudan experienced the largest percentage increase of 433% within the Group, from 1,529,752 litresto 8,149,261 litres.

The rest of the subsidiaries achieved an increase in their water consumption as highlighted below;

Water Consumption by Subsidiary

Subsidiary	2024 Litres	2025 Litres	% Change
KCB Tanzania	17,485,297	17,751,899	+2%
KCB Uganda	4,891,000	3,260,933	-33%
BPR Rwanda	13,350,351	15,251,622	+14%
KCB Burundi	73,061	89,613	+23%
KCB South Sudan	1,529,752	8,149,261	+433%
KCB Kenya	72,942,408	52,500,569	-28%
Total	**110,271,869**	**97,003,896**	**-12%**

Paper Consumption

In 2025, KCB Group recorded a rise in paper usage, increasing overall consumption by 38.76% from 48,735 reams in 2024 to 77,240 reams. The rise in paper consumption underscores the need for continued "print-less" initiatives that the Group needs to set up, however notable progress was achieved within KCB Bank South Sudan. In line with the broader green-banking efforts, the Bank realised a significant reduction of 42.14% in paper use, indicating the effectiveness of digitisation initiatives and imwwproved print-management controls. The rest of the subsidiaries recorded an increase of paper usage with highest paper consumption noted with KCB Bank Kenya, with an increase of 87.08% from 30,749 reams to 57,526 reams. This sharp increase may be attributed to expanded operational requirements, including increased reporting demands, new branch openings, or evolving regulatory obligations.

Paper Consumption by Subsidiary

Subsidiary	2024 Reams	2025 Reams	% Change
KCB Tanzania	2,823	3,324	+17.75%
KCB Uganda	2,039	3,844	+88.53%
BPR Rwanda	10,562	9,615	–8.97%
KCB Burundi	1,398	2,257	+61.44%
KCB South Sudan	1,163	673	–42.14%
KCB Kenya	30,749	57,526	+87.08%
Total	**48,735**	**77,240**	**+58.49%**

Fuel Usage

In 2025, KCB Group's total fuel consumption decreased notably, falling by 19% from 1,251,862 litres in 2024 to 1,080,247 litres. This downward trend is due to conscious efforts that have been made by the Group around fuel consumption within its operations and creating awareness around the same amongst employees. The change has been noted significantly in branches that were reliant on generator use powered by diesel and have since transitioned to solar power.

KCB Bank Kenya Limited continues to account for the largest share of fuel consumption, using 395,999 litres of fuel which represents 39% of the Group's total fuel use. The Bank was still able to record the highest reduction in its consumption from 506,303 Litres to 395,999 Litres which saw a marginal reduction of –21.79%. This was largely due to introduction of solarisation in the branch network that experienced power outages and were dependent on fuel for generator use.

The Bank continues to monitor fuel consumption as this reflects the operational realities of the region and continues to remain a key contributor to the Group's Scope 1 emissions during the reporting period. Subsidiary trends revealed contradicting consumption, noting an increase across all subsidiaries apart from South Sudan as follows;

Fuel Consumption by Subsidiary

Subsidiary	2024 Litres	2025 Litres	% Change
KCB Tanzania	123,500	130,887	+5.98%
KCB Uganda	59,412	64,828	+9.12%
BPR Rwanda	76,465	67,140	–12.2%
KCB Burundi	91,740	85,468	–6.84%
KCB South Sudan	394,442	336,065	–14.8%
KCB Kenya	506,303	395,999	–21.79%
Total	**1,251,862**	**1,080,247**	**–13.7%**

Financed Emissions.

In 2023 and 2024, KCB Group undertook the measurement and disclosure of its financed emissions, establishing a baseline understanding of the carbon footprint associated with its lending portfolio. The Bank calculated its emissions in Business Loans, Commercial real Estate and Motor Vehicle Loans. This exercise provided critical insights into sectoral emissions intensity and informed the Group's sustainable finance strategy, including the identification of priority sectors for transition.

The Bank achieved a financed emissions data quality score of 4, indicating that the calculations were based on a moderate level of data maturity, combining available client-specific information with sectoral proxies and assumptions where primary emissions data was not yet fully available. This score reflects meaningful progress in emissions measurement capability while also highlighting the opportunity to enhance data accuracy through improved client-level data capture and system refinement.
As part of this process, the Group has temporarily paused the full quantification and disclosure of financed emissions to address the below areas.

- Improving data granularity and coverage across priority sectors
- Strengthening client-level data collection frameworks
- Enhancing internal systems for emissions tracking and portfolio tagging

Aligning methodologies more closely with leading frameworks such as the Partnership for Carbon Accounting Financials. The Group continues to leverage insights from prior disclosures to inform portfolio steering, risk assessment, and sector engagement strategies, ensuring that climate considerations remain embedded in decision-making.

Tree Growing

To negate the usage of resource consumption the Group introduced the Linda Miti Tree-growing initiative which supports the Bank to reduce emissions that have been introduced through our resource usage. This initiative stands as a flagship example of nature-based climate action, directly advancing the United Nations Sustainable Development Goals (SDGs). Rooted in conservation and mitigation, the program mobilised thousands of customers, communities, schools, and conservation partners through more than 200 nationwide planting events. By restoring degraded landscapes in high-deforestation zones, empowering smallholder suppliers through seedling networks, and embedding shared socioeconomic value, the initiative strengthens community resilience while fostering environmental stewardship. BPR Rwanda financed and planted 10,000 trees, with an estimated 7,000 expected to mature, potentially sequestering 140–175 tonnes of CO_2 annually once mature. KCB Tanzania planted approximately 6,050 trees in 2025 in collaboration with the East African Community.
Harnessing collective capabilities, the Group achieved a massive scale with 3.4 million trees planted — primarily indigenous species such as acacia, neem, and mahogany. These efforts mitigated deforestation, enhanced soil fertility, supported wildlife corridors, and conserved biodiversity across Kenya's diverse ecosystems, from arid rift valleys to highland forests. Innovation played a central role that enabled sustainability champions to monitor progress across branches, while upcoming automation will sharpen adaptation strategies by tracking survival rates, growth, and carbon sequestration. This ensures measurable mitigation impacts under SDG 13 (Climate Action). Equally, customer-centric engagement reinforced conservation and adaptation.Through Linda Miti initiative and partner-led nurseries, clients and suppliers became active participants in tree-growing, embedding climate action intoeveryday banking relationships and value chains. By integrating efficiency, digital foresight, and analytics-driven impact, KCB demonstrated how adaptation, conservation, and mitigation can converge to deliver lasting climate resilience and shared prosperity.

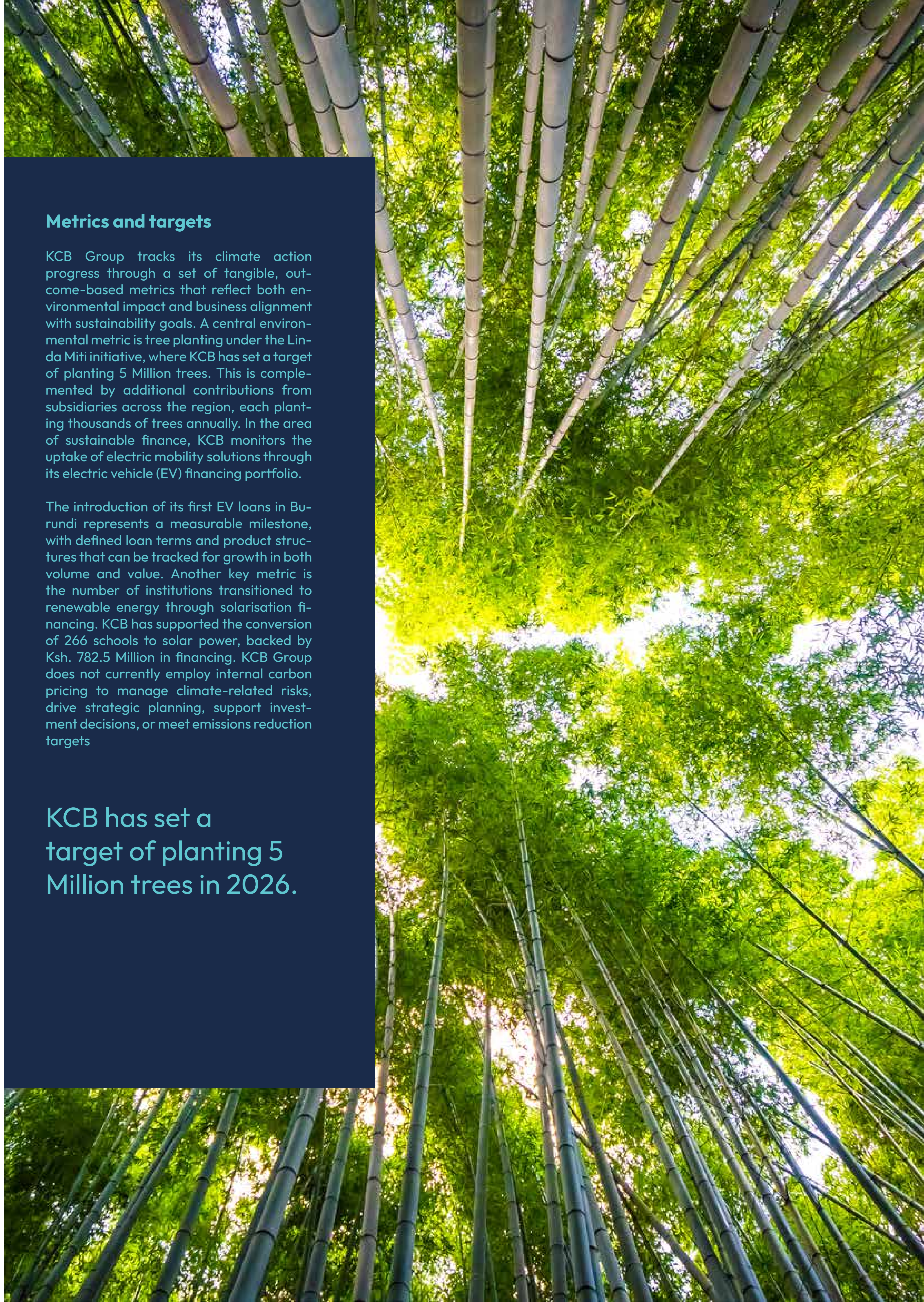
Region	No. of Trees Planted
Kenya	330,622
Uganda	14,307
Rwanda	10,000
Tanzania	11,432
Head Office	101,600
Partnerships	2,966,072
Total	**3,434,033**

KCB Expands Green Initiative at Alliance Girls

KCB Group expanded its green initiative with the launch of a second tree nursery at Alliance Girls High School, reinforcing its commitment to climate action. In collaboration with the Global Peace and Chandaria Foundations, KCB Foundation pledged to establish 10 modern nurseries in schools attended by its scholars — a long-term strategy supporting the Group's 2025 goal of planting 1.5 million trees and advancing the Linda Miti milestone of 3.4 million trees nationwide.

Beginning at St. Elizabeth Girls High School in Nandi County, the program empowers schools to produce and distribute 70,000–100,000 seedlings per nursery to neighbouring institutions and communities. This approach restores biodiversity, mitigates deforestation, and adapts local ecosystems to climate pressures, while generating revenue to fund scholarships for vulnerable students, ensuring sustained educational access. Key expansions included Butere Girls High School, producing 100,000 seedlings annually in partnership with Mama Doing Good, Chandaria Foundation, Global Peace Foundation Kenya, and KEPSA Foundation — positioning youth-led restoration as a model for Kakamega County. Similarly, SMACHS Foundation launched a 100,000-capacity nursery with a 60:30:10 mix of fruit, indigenous, and exotic species, contributing to Uasin Gishu's 28 million trees campaign. Mazingira Day reinforced national mitigation efforts through another 100,000-capacity site aligned with Kenya's 15 Billion Trees Campaign.

The 5th Youth Fellowship graduation in November 2025 celebrated 87 graduates who planted over 35,000 indigenous trees in Ribe Methodist Church's Chandaria Forest and donated 9,000 seedlings to Ribe Boys and Girls High Schools — embedding conservation and adaptation into youth leadership. Looking ahead, KCB will collaborate with alumni networks to extend the program into workplaces, mobilising over 50,000 youth for scalable climate impact. By integrating adaptation strategies, conservation practices, and mitigation measures, the initiative strengthens Kenya's resilience to climate change while fostering shared prosperity and environmental stewardship.



Metrics and targets

KCB Group tracks its climate action progress through a set of tangible, outcome-based metrics that reflect both environmental impact and business alignment with sustainability goals. A central environmental metric is tree planting under the Linda Miti initiative, where KCB has set a target of planting 5 Million trees. This is complemented by additional contributions from subsidiaries across the region, each planting thousands of trees annually. In the area of sustainable finance, KCB monitors the uptake of electric mobility solutions through its electric vehicle (EV) financing portfolio.

The introduction of its first EV loans in Burundi represents a measurable milestone, with defined loan terms and product structures that can be tracked for growth in both volume and value. Another key metric is the number of institutions transitioned to renewable energy through solarisation financing. KCB has supported the conversion of 266 schools to solar power, backed by Ksh. 782.5 Million in financing. KCB Group does not currently employ internal carbon pricing to manage climate-related risks, drive strategic planning, support investment decisions, or meet emissions reduction targets

KCB has set a target of planting 5 Million trees in 2026.

Digital **Leadership**

Cybersecurity & Data Privacy
Digital Innovation

Digital Leadership

Digital leadership is a cornerstone of KCB Group's sustainability agenda, enabling the delivery of inclusive financial services, driving operational efficiency, and reducing environmental impact across its markets. Central to this agenda is a dual focus: harnessing digital innovation to enhance competitiveness and efficiency and embedding robust cybersecurity and data privacy practices to safeguard customer trust and ensure the resilience of digital infrastructure. KCB therefore approaches digital leadership across 2 broad categories:

Digital Innovation

Cybersecurity & Data Privacy

Collectively these focus areas have strengthened trust in the Group's digital platforms, supported broader adoption of Digital Financial Services (DFS), and ensured that growth in digital banking is underpinned by strong governance, customer protection, and long-term sustainability

Oversight

KCB Group applies a multi-layered governance framework to align digital transformation and technology risk management. At Board level, the Strategy and IT Committee provides strategic oversight of technology architecture, while the Group Audit and Risk Committee (GARC) oversees cybersecurity and internal controls, including the recent approval of the KCB Group Artificial Intelligence Policy to ensure the ethical deployment of technology.
These priorities are operationalised through the Group Digital Centre of Excellence (GDCoE), which drives innovation, and the Group Operational Risk and Compliance Committee (GORCCO), which actively manages emerging technology risks. This integrated governance structure ensures that digital advancements, ranging from Robotic Process Automation that reduces paper use to AI and data analytics that enhance financial inclusion, are implemented responsibly and remain anchored in the Group's long-term environmental, social, and risk-resilience objectives.

Our Strategy for Digital Innovation

KCB Group has strengthened its competitive advantage and efficiency by evolving from a branch-centric model into a scalable, digitally enabled ecosystem that supports the bigger financing agenda. Enhanced mobile banking platforms, expanded digital lending, API-led partnerships, and end-to-end digitisation of customer journeys have not only improved customer experience but also accelerated financial inclusion—particularly for underserved communities. By reducing reliance on physical branches, the Group lowers its environmental footprint while extending access to affordable, secure, and convenient financial services.

Innovation is embedded as a core enabler of KCB's sustainability agenda, shaping priorities and decision-making across the Group. Continuous rollout of digital platforms, advanced analytics, and scalable products strengthens the ability to respond to evolving customer needs, expand into new markets, and deliver differentiated financial solutions that balance profitability with environmental and social impact. In Rwanda, BPR Bank Rwanda Plc leverages Digital Financial Services (DFS) as a core pillar of this ecosystem approach to address structural access barriers in rural and underserved communities. Through mobile-based products such as Mobiloan, customers are able to access credit and basic banking services without visiting physical branches, directly aligning with the Group's strategy of reducing cost, distance, and time constraints through digital channels. During the reporting period, Mobiloan disbursements reached approximately **KShs. 476.35 Million**, demonstrating strong uptake of digital credit among underserved segments.
This innovation-led approach is reflected in Tanzania as well through the rollout of Internet Banking and a Mobile Banking App, enabling customers to transact digitally while reducing paper-based processes. These digital solutions enhance operational efficiency, improve customer convenience, and contribute to environmentally sustainable banking practices by minimising paper usage. These innovations enable real-time service delivery across key channels while minimising resource use and supporting greener operations. These innovations optimize the Group's value chain, expand revenue opportunities through platform and ecosystem models, and reinforce KCB's role as a digital leader committed to long-term value creation for customers, shareholders, and society. Digital innovation is also a catalyst for sustainable development—empowering MSMEs, youth, and informal sector participants to access financing that supports climate-smart agriculture, renewable energy, and inclusive business models.

In South Sudan, digital financial services remain at an early stage following the rollout of a new mobile banking platform and the resumption of DFS operations. Recognising existing adoption challenges, the Bank is pursuing a multi-pronged financial inclusion strategy that complements mobile banking with Agency Banking in locations where traditional branches are not viable. By leveraging widespread mobile phone access, USSD functionality, and mobile applications, this approach aims to extend basic financial services to rural and underserved communities in a more sustainable and cost-effective manner. In the Democratic Republic of Congo, GED Congo complements the Group's digital inclusion agenda through targeted payment solutions and field-based engagement in regions with limited banking infrastructure. In Haut-Katanga Province, Pepele Mobile was deployed to compensate communities affected by the Kasomeno–Mwenda infrastructure project, covering statutory compensation and livelihood support programmes. **Disbursements totalled KShs. 15.94 Million in 2024 and KShs 26.73 Million in 2025.** To enhance responsible fund utilisation, financial literacy workshops were conducted alongside payments. Additionally, in the Kwilu and Kasai regions, GED Congo facilitates civil servant salary payments through mobile teams and agent partnerships, delivering **KShs. 705.81 Million and KShs. 333.981 in 2025**, supporting income stability and local economic activity in remote areas.

By embedding innovation into its operating model, KCB enhances productivity, lowers transaction and servicing costs, and accelerates time to market our products and services. This strengthens the resilience of the Group's business model, enabling management to make informed capital allocation decisions that balance customer value, operational efficiency, and long-term competitiveness, while advancing Kenya's transition to a green and inclusive economy.

How KCB Innovates

Launch of KCB Mobile Banking app

At KCB, innovation is a strategic enabler of the Transforming Today Together Strategy and is driven by the need to support the transition of economies toward more digital, integrated, and resilient financial systems. As customer behaviours shifted rapidly toward digital channels and regional economies increasingly relied on seamless, cross-border and cash-lite transactions, the Group recognized that fragmented legacy platforms were limiting its ability to respond at scale. To support this economic transition and sustain digital leadership across its markets, KCB identified the need for a modern, flexible, and scalable digital platform capable of unifying customer experiences while accelerating innovation. This strategic imperative informed the launch of the new KCB mobile banking application in 2025. The app was therefore developed as a group-wide digital platform, aligned to KCB's broader transformation agenda, to enable seamless banking anytime, anywhere.

The KCB mobile banking app is designed to enhance customer experience, drive digital adoption, and build a scalable digital ecosystem. The platform delivers an intuitive, lifestyle-oriented experience that enables seamless and personalized banking across all KCB regional entities, allowing customers to access a comprehensive range of financial and non-financial services through a single interface. To accelerate inclusion and convenience, the app supports KYC-enabled self-onboarding, empowering customers to open and manage accounts digitally without the need to visit a branch. In addition, the app adopts a modular architecture through mini-apps, enabling the integration of third-party services and partnerships that extend value beyond traditional banking. Since its launch, key milestones achieved include fully digital self-onboarding, family management features that allow parents and guardians to manage children's accounts and create wallets for teenagers, a full suite of payments, lending, savings, investment, and insurance offerings, end-to-end card management functionality, and the integration of the Pan African Payment and Settlement System (PAPSS) to support

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Launch of KCB Mobile Banking app

The mobile banking app delivers tangible societal impact by reducing financial exclusion that disproportionately affects low-income men and women, directly supporting SDG 1 (No Poverty). Through fully digital onboarding, the platform enables individuals who are geographically remote, informally employed, or cost-constrained to access formal financial services for the first time. Access to secure savings, affordable digital credit, and reliable payment tools helps households manage income volatility, meet basic needs, and cope with financial emergencies without relying on informal or exploitative lending. Youth and family banking features extend these benefits across generations, strengthening long-term financial resilience at household level. As a result, the app contributes to greater economic stability, reduced vulnerability to shocks, and narrowing inequality in access to financial opportunities across communities.

Fikra innovation lab and Riverbank solutions

KCB Group has established the Fikra Innovation Lab and Riverbank Solutions as twin pillars of its innovation and digital transformation strategy, strengthening the Group's digital and technology infrastructure in line with SDG 9 (Industry, Innovation and Infrastructure). Fikra serves as the Group's internal innovation engine, embedding a culture of creativity and agility by capturing ideas from staff, validating them, and channeling them into strategic initiatives. Through its Innovation Champions programme, Fikra ensures that innovation moves beyond ideation into execution, reinforcing ownership and measurable business impact across business units.

Complementing this, Riverbank Solutions a majority owned subsidiary acts as KCB's technology and venture execution arm. It combines the Group's scale and distribution with fintech-level agility to deliver cost-efficient, customized platforms that enhance operational efficiency and expand scalable digital financial infrastructure across the Group. Riverbank strengthens KCB's position in payments, lending, and SME solutions, while building capabilities in emerging areas such as embedded finance, artificial intelligence, and virtual assets.

Together, Fikra and Riverbank operate through an integrated model: Fikra manages idea sourcing and pipeline development, Riverbank builds and scales solutions, and business units drive commercialization and customer adoption. This seamless pathway from concept to market deployment enables innovation at scale, reduces duplication, and accelerates time-to-market.

Strategically, the model positions KCB to compete in a rapidly evolving financial services landscape where customers demand integrated, end-to-end solutions. It unlocks opportunities in MSME financing, data-driven lending, and participation in emerging ecosystems such as blockchain and tokenization, supported by clear performance tracking across pipeline growth, conversion rates, and delivery speed. Ultimately, the Fikra and Riverbank model aligns with KCB's long-term ambition to become a digital-first, platform-led financial services group, providing a resilient and scalable foundation for innovation, efficiency, and sustainable value creation across its markets.

KCB Group's strategy and business model demonstrate strong resilience to innovationdriven change by being deliberately anchored on digital leadership, agility, and scalable execution. Through the operationalisation of the Group Digital Center of Excellence (DCoE), the Group has embedded new agile ways of working, standardized digital capabilities, and strengthened enterprise architecture to ensure technology remains fitforpurpose and responsive to evolving customer and market needs. Continuous investment in digital platforms, automated customer journeys, datadriven decisionmaking, and ecosystem partnerships enables KCB to efficiently scale services across markets, optimize costs, and rapidly introduce innovative solutions without disrupting core operations. This strategic alignment ensures that innovation is not episodic but institutionalized, allowing the Group to adapt to competitive pressures, sustain operational efficiency, and deliver longterm value while executing its broader digital transformation agenda.

Digital Transformation Priorities Achieved in 2025

Customer-Centered Digital Value Proposition:

Aligned with SDG 1 (No Poverty) and SDG 10 (Reduced Inequalities), KCB deepened its focus in 2025 on delivering tailored digital solutions designed to meet the needs of diverse customer segments and expand access to formal financial services across the following:

Youth Financial Inclusion:

Introduced Cub Accounts (0–12 years) and Leo Accounts (13–17 years) via the KCB mobile banking app, promoting early financial literacy and inclusion.

Savings and Wealth Creation:

Launched Target, Goal Savings, and Fixed Deposit products with flexible terms.

Embedded a savings calculator within the app to empower customers to plan and optimize savings.

Chama Digitization: Rolled out KCB Chama, onboarding 6,400 chamas to transact digitally via *520# and the chama portal.

MSME Enablement: Launched merchant cash-flow lending for over 225,000 active Lipa Na KCB merchants, improving access to working capital.

Leveraging Group Capabilities for Scale and Efficiency:

Aligned with SDG 9 (Industry, Innovation and Infrastructure), KCB focused on leveraging shared services and cross-market synergies in 2025 across the following digital transformation priority areas to accelerate scale, efficiency, and resilience of its digital infrastructure

Regional Expansion:

Successfully rolled out the new mobile banking platform across Kenya, Tanzania, South Sudan, and Burundi, delivering a modern, unified experience.

Strategic Partnerships:

Expanded MoPesa (KCB–MTN Uganda) partnerships, driving strong growth in customers and disbursements.

Digitized Customer Journeys and Ecosystem Partnerships:

Aligned with SDG 9 (Industry, Innovation and Infrastructure) and SDG 17 (Partnerships for the Goals), KCB digitized key customer journeys in 2025 across the following priority areas to improve convenience, accessibility, and integration with broader digital ecosystems:

Expanded digital access to:

Money Market Funds
Salary Advances
Insurance products
Goal and Target Savings
Budgeting and lifestyle services (travel, entertainment)
Device financing through Masoko

Ecosystem Enablement:

Onboarded strategic Banking-as-a-Service (BaaS) partners including Pesalink, Pesapal, Kashia, EdTech platforms, and PSPs.

Deployed the Unified Agency Banking Solution (Gamma) to enhance operational efficiency.

Rolled out PAPSS, enabling faster and more affordable cross-border payments.

Scaled the Buni API Platform, growing a community of 2,600 developers and innovators building solutions that address real-world customer needs.

Risk management

KCB identifies innovation opportunities through continuous engagement with customer needs, performance insights from digital channels, and emerging market and technology trends across its operating markets. Priority areas for innovation are assessed based on their ability to enhance customer experience, expand access to financial services, improve operational efficiency, and scale across the Group using shared platforms and capabilities. Initiatives such as mobile banking enhancements, digital lending, API enabled partnerships, and automation of customer journeys are evaluated for commercial viability, customer impact, and alignment with the Group's strategic objectives. Implementation and performance are monitored through adoption metrics, customer usage, transaction volumes, and efficiency gains, with insights from data and analytics informing iterative improvements.

This structured approach ensures innovation remains customer centric, cost effective, and a sustained source of competitive advantage while supporting the longterm resilience of KCB's business model.

Metrics and targets

Below are is the performance of our initiatives launched

Initiative	Impact	2024	2025
MSME Term Loan	Loans Disbursed	KShs. 1.52 Billion	KShs: 2.90 Billion
	Number of Borrowers	3,488	5,191
Mobile Banking Platform	Registered users	4 Million	1.6 Million
	Average revenue per user	Kshs 400	KSH.400
	Monthly active users	1.2 Million users	1.35 Million
	Number of transactions	100 Million	37.8 Million
	Value of transactions	KShs. 500 Billion	KShs. 345.2 Billion
Digital lending	Number of borrowers	1.8 Million	1.036 Million
	Number of business borrowers	20,000	25,000
	Amount of disbursement	KShs. 418 Billion	KShs. 520 Billion
	Amount of deposits	KShs. 10 Billion	KShs. 9.9 Billion
Vooma loan	Loans disbursed	KShs 20.08 Million	KShs. 26.46 Million
	Number of borrowers	3,562	2,594
Chama platform	Active Groups	2,052	717
	Active members	2,764	3722
	Number of transactions	121	2686(Inflow) 477(Outflow)
	Deposits mobilized	KShs 1.04 Billion	KShs. 1.19 Billion
	Withdrawals	KShs. 994,516	KShs. 876,128
Worship 360	Number of churches onboarded	25	38
Public Sector Growth - Counties revenue collec-tions, statutory and integration to ERP	Number of counties onboarded	15	17
	Number of Ministries, Departments and Agencies (MDA) Onboarded	8	30
	Deposits	KShs 2.36 Billion	KShs. 2.51 Billion

Digital Platforms & Inclusion Metrics

Metrics	2025 Performance
New Mobile Banking App Rollout	Kenya, Tanzania, South Sudan, Burundi
Chamas Digitized	6,400
Active Lipa Na KCB Merchants Accessing Cash-Flow Lending	225,000+
Developers on Buni API Platform	2,6000

Digital Lending & Credit Growth

Indicator	Performance
Growth in Credit-Eligible Pool (KCB M-PESA)	7% YoY
Growth in Credit Limits Value (KCB M-PESA)	17% YoY
Growth in KCB Mobi Loan Disbursements	8% YoY
KCB MoPesa Uganda Customer Growth	85% YoY
Growth in Customers with Credit Limits (Uganda)	62% YoY

Case Study

KCB South Sudan to launch new mobile banking app

In alignment with our strategic pillar of Digital Leadership, KCB is set to launch the new Mobile Banking Platform in KCB South Sudan. As part of the rollout prepara-tions, the Digital Financial Services (DFS) team supported by the KCB South Sudan leadership conducted a comprehensive training to ensure the team is well-equipped for this important transition.
This marks a significant milestone for the Bank, as customers in South Sudan will, for the first time, have access to an upgraded mobile banking experience via the KCB App. In the past, USSD (*522#) was the sole way to access mobile banking services.
New Mobile Banking App: From Payments to Protection case study is missing

Driving Trade Through PAPSS Integration

As part of its digital leadership agenda, KCB Group has prioritized innovations that reduce barriers to regional trade. The integration of the Pan-African Pay-ment and Settlement System (PAPSS) represents a strategic milestone in advanc-ing seamless, affordable, and efficient cross-border payments across Africa.

Performance Snapshot

- Transaction Value: **KShs. 74,808 Million**
- Transaction Count: **KShs. 538 Million**

Expectations and Impact

1. Market Accessibility
PAPSS enables direct payments between African banks in local currencies, elim-inating the need for offshore correspondent banks. This innovation expands KCB Group's reach across multiple African markets and strengthens its role as a pan-African financial enabler. Importantly, it enhances accessibility for SMEs and MSMEs engaged in regional trade, supporting inclusive economic growth.

2. Cost Reduction
Traditional SWIFT-based transfers typically cost customers around KShs. 2,500 per transaction. PAPSS introduces a tiered tariff model, with fees rang-ing from KShs. 390 to KShs. 1,950. This significant reduction in transaction costs makes cross-border trade more affordable, thereby supporting sus-tainable trade flows and lowering financial barriers for businesses of all sizes.

3. Transaction Speed and Efficiency
While SWIFT transfers can take 24 hours or more due to multiple intermediaries and time-zone dependencies, PAPSS provides near real-time settlement. Faster settle-ment improves liquidity management, reduces counterparty risk, and strengthens

the resilience of regional supply chains. By enabling faster, lower-cost financial flows across Africa, PAPSS directly supports KCB Group's to promote inclusive growth empowering SMEs and MSMEs, reduce transaction friction to foster regional integration, and enhancing resilience in supply chains through improved liquidity and risk management. This demonstrates KCB Group's commitment advancing sustainable finance through digital innovation. By leveraging technology to reduce costs, accelerate payments, and expand market access, the Group is actively shaping a more inclusive and resilient pan-African financial ecosystem.

Our Strategy for cyber security & data privacy

Cybersecurity and data privacy are foundational to KCB Group's digital leadership agenda, enabling secure growth, protecting customer trust, and sustaining long-term value creation. By embedding robust controls into our digital platforms, we safeguard the integrity of our business model and strengthen resilience across the value chain.
We have implemented advanced security measures, including biometric authentication, document verification, selfie matching, and enhanced digital onboarding processes. These controls reduce fraud risk, minimise operational losses, and improve efficiency in customer acquisition, lending, and transaction processing. Real-time monitoring of digital transactions further enhances fraud detection and mitigation, ensuring seamless and inclusive access to financial services.
Customer awareness remains central to our approach. Initiatives such as the "Kaa Chonjo" campaign promote responsible digital behaviour, reinforce data protection, and foster shared responsibility for cyber resilience. By empowering customers with knowledge, we strengthen trust and encourage safe digital banking practices.

Cybersecurity and data privacy also inform strategic decision-making. Investments in secure identity verification and automated processes guide product design, channel expansion, and technology deployment, enabling the confident scaling of digital services while balancing innovation with prudent risk management. These measures support regulatory compliance, protect brand reputation, and ensure operational continuity in an increasingly digital banking environment.
As digital financial services continue to expand across the Group, cyber resilience has been embedded into our transformation agenda. Secure platform design, strengthened identity verification, and enhanced transaction monitoring ensure that KCB can scale its digital channels responsibly. Together, these initiatives enable us to protect customer data, sustain the viability of our digital-led business model, and contribute to Kenya's broader sustainable development goals.

Risk management

KCB assesses cybersecurity risks associated with digital initiatives through a risk-based governance framework aligned to ISO/IEC 27001 and the NIST Cybersecurity Framework, supported by continuous monitoring via a Security Operations Centre and structured evaluation of risks arising from emerging technologies.

These risks are mitigated through layered technical controls, Zero Trust Architecture, AI-driven threat detection, defined incident response procedures, strong data protection measures, and ethical-use policies governing digital behaviour. Collectively, these safeguards ensure that digital innovation is deployed securely, responsibly, and in a manner that protects customer trust and long-term sustainability. The Group continues to invest significantly in advanced, layered security controls designed to safeguard sensitive data, system availability, and integrity. These include encryption of customer data, role-based access controls, multi-factor authentication, and intrusion prevention systems. In addition, the Group continues to operationalise and enforce Zero Trust Architecture, ensuring least-privilege access to critical digital assets and continuous identity verification.

KCB's commitment to safeguarding digital trust is further demonstrated through ongoing investment in AI-driven application security tools within a secure software development lifecycle (SSDLC). These tools help identify anomalies, flag malicious code patterns, and ensure the integrity of third-party dependencies. AI-enabled monitoring solutions also analyse system activity to detect anomalous behaviour and respond to cybersecurity threats in real time, enabling the Bank to rapidly contain, remediate, and recover in the event of incidents.

Metrics and targets

Case Study

Reinforcing data privacy commitment through strategic data protection

KCB Group continues to strengthen its commitment to data privacy and protection as a core pillar of its Environmental, Social, and Governance (ESG) framework, recognising data governance as fundamental to building trust, safeguarding stakeholder interests, and ensuring regulatory compliance.

This commitment was recently demonstrated through high-level engagement at the launch of the 2025–2029 Strategic Plan of the Office of the Data Protection Commissioner, held at Dedan Kimathi University of Technology. The Group participated alongside key national stakeholders, reinforcing its proactive role in shaping Kenya's data protection landscape.

Building on this engagement, the Group continues to align its internal data governance practices with emerging national priorities and global best practices. The strategic focus on strengthening regulatory frameworks, enhancing institutional capacity, and increasing compliance with data protection laws directly informs KCB's approach to responsible data management.
As data protection continues to evolve as a critical compliance area, the Group remains committed to embedding privacy-by-design principles across all products, services, and customer interactions, ensuring that data handling processes are secure, transparent, and ethically grounded.

This alignment further reinforces the Group's broader governance and risk management systems, where data privacy is integrated into enterprise risk frameworks and operational controls. By continuously enhancing its data protection capabilities, KCB mitigates regulatory and reputational risks while strengthening customer confidence in its digital platforms.

Beyond compliance, the Group's participation also reflects its commitment to supporting innovation and sustainable development within Kenya's technology ecosystem. Engagements with industry players and exposure to emerging technologies provide valuable insights into advancements shaping the future of the digital economy.

Through these strategic partnerships and engagements, KCB continues to position itself as a leader in responsible banking, actively contributing to the development of a secure, innovative, and resilient digital ecosystem.

Launch of the 2025–2029 Strategic Plan of the Office of the Data Protection Commissioner.

Customer **Excellence**

Financial inclusion
Customer Satisfaction and Experience
Product Innovation and Customization

Customer Excellence

Customer Excellence at KCB goes beyond delivering products and services it is about building meaningful, trusted, and enduring relationships that respond to the real needs of our customers. In 2025, this focus translated into sustained improvements in customer satisfaction and effort scores, driven by simplified and digitised customer journeys, stronger service governance, and increased leadership accountability. Through inclusive access, consistent service experiences, and continuous product innovation, we remained focused on ensuring every interaction is relevant, seamless, and anchored in trust. KCB managed customer excellence across 3 broad categories:

Financial Inclusion

Customer Satisfaction and Experience

Product Innovation and Customization

KCB's customer excellence strategy is based on customer satisfaction and experience, which is a key factor in service delivery, innovation, and performance governance. Through organised governance, leadership accountability, and widespread use of customer feedback mechanisms, the Bank places a high priority on lowering customer effort, speeding up turnaround times, and guaranteeing consistent service quality across channels. This focus has contributed to consistent improvements in NPS and CES, faster issue resolution, and national recognition for customer centricity. In 2025, KCB invested in redesigning and digitising priority customer journeys across mobile, web, agency, tablet banking, and branch channels. The redesigned Mobile App was launched in February 2025, with phased rollout across other channels to enhance stability and adoption

Looking ahead, the Group continues to prioritise the reduction of customer effort, scaling of digital self-service, and proactive use of customer insights to deliver consistent, high-quality experiences across all channels.

Oversight

Our customer excellence is governed through a structured and multilayered framework anchored on Service Councils at Group, Country, and Regional levels. These councils provide formal oversight for customer-related matters by reviewing customer feedback, service performance indicators (including NPS, CES, complaints, incidents, and turnaround times), and systemic customer pain points. The councils also drive cross-functional decision-making to prioritize corrective actions, digital enhancements, and process improvements that reduce customer effort and improve customer experience.

Governance is reinforced through senior leadership accountability, with initiatives such as Adopt a Branch, MD customer visits, and regular staff engagement forums ensuring executive visibility, ownership, and timely decision-making on customer experience outcomes. Customer excellence is embedded within change governance to ensure that system upgrades, product launches, and process improvements are assessed for customer impact, supported by proactive communication and alternative service options. Continuous monitoring is enabled through key customer KPIs, a robust Voice of the Customer framework, and cross-functional forums such as the CES task force, which collectively support early issue identification, root-cause resolution, and sustained improvements across financial inclusion, customer experience, and product innovation.

Our strategy for financial inclusion

The goal of financial inclusion at KCB focuses on ensuring fair access to banking services for underserved populations, including persons with disabilities, the elderly, and customers outside major urban centres. This is made possible by the Bank's blended delivery approach, which blends scalable digital platforms like mobile, internet banking, and USSD with inclusive-by-design physical branches. Targeted financial inclusion initiatives such as mobile banking solutions, agency banking, and tailored SME products are anchored within the Group's Transforming Today Together (2024–2026) strategy through its Digital Leadership pillar. In order to ensure that inclusion is not incidental but rather essential to service delivery and customer engagement, accessibility considerations are incorporated into branch design guidelines and customer journey planning. By increasing underprivileged groups' access to banking services via both physical and digital channels, financial inclusion significantly influences KCB's value proposition. The business model integrates inclusive branch design, digital self-service platforms, and leadership-driven customer engagement to ensure equitable access. Collectively, these initiatives have contributed to growth of over 1 million customers, supporting a 15% increase in customer deposits and a 16% rise in loans and advances compared to the previous year. Design features such as barrier-free workspaces, tactile and visual cues, privacy booths, and adjustable furniture extend inclusion beyond mobility to hearing and visual impairments, embedding inclusion within branch operations and service delivery.

In Rwanda, our commitment to financial inclusion is advanced through the IKAMBA Program, a targeted initiative designed to address structural barriers faced by women entrepreneurs and women-led SMEs. The program provides tailored, collateral-free financing reaching up to KShs. 8.84Million in some cases alongside reduced transaction fees to improve affordability and access to finance. By assessing cash flow and business potential rather than relying on land titles, the program expands access for women traditionally excluded from formal credit markets. Dedicated Women SME (WSME) branches and business insights further integrate non-financial support into service delivery.

Similarly, KCB Uganda's targeted campaigns and partnerships have reinforced inclusive customer growth across youth, farmers, and women. Initiatives such as the Kyaddala ne KCB campaign promoted savings and responsible financial behaviour among young people, while partnerships with Youth Platform Africa facilitated onboarding of smallholder farmers into the formal financial system. In 2025, women's financial inclusion was strengthened through the onboarding of 8,308 new female customers, disbursement of KShs. 517.45 Million in loans, and mobilisation of KShs. 392.43 Million in deposits. Community-based inclusion was further supported through 253 group and SACCO accounts and 82 financial literacy sessions reaching 2,918 participants, 85% of whom were women.

On the digital side, scalable platforms such as the new Mobile Banking Platform (MBP), internet banking, USSD, and multi-currency capabilities extend reach to customers irrespective of location, thereby strengthening customer acquisition, transaction volumes, and long-term lifetime value within the value chain. Growth in low-cost retail deposits driven by inclusive access models may also reduce the Bank's overall cost of funds by over 0.5%, which, on a funding base of KShs. 60 billion, could translate into annual interest cost savings of approximately KShs. 300 million.

In South Sudan, digital and inclusive delivery channels are being strengthened through engagement with telecommunications partners, including MTN. These partnerships are expected to support the rollout of Agency Banking services in remote and underserved areas by leveraging existing mobile network infrastructure, helping overcome geographic and infrastructure constraints while expanding access to basic financial services.

Strategic choices on branch location, digital investment, and product accessibility are influenced by financial inclusion. The decision to continue opening new branches alongside digital expansion reflects a deliberate strategy to balance physical presence with digital migration, guided by where customers need access most. Inclusion principles are embedded at the design and change governance stages, ensuring new initiatives and upgrades consciously minimize exclusion risks. Strategic prioritisation of customer-informed journey redesign ensures that inclusion is not reactive but planned into decision-making processes.

In Burundi, financial inclusion efforts have focused on strengthening access and affordability for women entrepreneurs in rural areas. During the reporting period, 250 women received financial literacy training and were onboarded to the Bank's services. To address affordability barriers, the Bank introduced a zero-ledger-fee account tailored for women-led nano businesses, enabling participation in formal banking without cost-related exclusion.

By incorporating inclusiveness by design rather than as an add-on, KCB's business model demonstrates resilience. Scalable digital platforms and easily accessible physical infrastructure provide service continuity in the event of failures that impact channels separately. Inclusive lending programmes targeting small and medium-sized enterprises further support economic participation by enabling business growth and job creation, while robust credit assessment frameworks and partnerships help mitigate potential increases in credit risk. By allowing for real-time feedback from a variety of customer segments, leadership engagement programs like branch engagements and MD customer visits further increase adaptability.

This integrated approach reduces dependency on a single access point and strengthens the bank's capacity to sustain service delivery across demographic and capability differences. Conversely, insufficient focus on financial inclusion could result in missed revenue opportunities and slower balance-sheet growth, reinforcing the strategic importance of embedding inclusion across customer engagement, product design, and delivery channels.

Subsidiary integration:

In Tanzania, financial capability is strengthened through the Pesa Smart Program, which provides business and investment training to entrepreneurs. By enhancing financial literacy, decision-making, and enterprise management skills, the program supports sustainable business growth and broader economic participation, complementing the Group's inclusive access strategy.

The Bank continues to advance financial inclusion in underserved segments through its support for the transformation of Kenya's refugee-hosting areas of Dadaab and Kakuma, in alignment with the Government of Kenya's Shirika Plan. The initiative seeks to transition these communities from aid dependency toward economic integration, anchored in inclusion, resilience, and opportunity.

During the reporting period, the Bank deepened its approach to financial inclusion by integrating refugees and host community members into the formal financial system. This was achieved through entrepreneurship training paired with access to tailored microfinance solutions designed for displaced populations. Beneficiaries who completed capacity-building programmes became eligible for micro-loans to establish and grow their businesses. This model directly addresses the collateral gap which is a structural barrier limiting credit access among displaced persons; while enabling sustainable income generation and broader economic participation. By the close of the reporting period, the Bank had reached 20,299 beneficiaries with access to financial services and disbursed KES 71.4 million in loans; reinforcing its commitment to inclusive growth and shared prosperity.

Risk management

Direct customer interactions, leadership branch visits, and formal VoC procedures that highlight service gaps and access constraints impacting disadvantaged segments are used to identify financial inclusion requirements. In order to detect systemic exclusion risks and prioritise corrective actions, customer feedback, complaints, and service performance trends are examined by Service Councils at the Group, Country, and Regional levels.

Case **Study**

KCB Bank Burundi Celebrates Women Entrepreneurs and Supports Youth Education

KCB Bank Burundi, through its flagship ITEZE IMBERE program and in partnership with Kaz'O'zah Keza, proudly celebrated a major milestone in its commitment to community empowerment and sustainable development.
During the event held in Rumonge, 25 women entrepreneurs received certificates for completing business acceleration training, equipping them with essential skills to grow and sustain their ventures. This marks another significant step in promoting financial inclusion and economic empowerment among women in Burundi.
In addition to the graduation ceremony, the day also featured a heartwarming moment as 400 school kits were handed over to children of the program's female beneficiaries. This initiative, also carried out in collaboration with Kaz'O'zah Keza, reflects KCB Bank Burundi's dedication to supporting education and youth development, aligning closely with the United Nations Sustainable Development Goals (SDGs).
This activity not only reinforces KCB's role as a catalyst for positive change but also underscores our ongoing commitment to financial inclusion, uplifting communities, and building a better future for all.

Strengthening Financial Inclusion Through FLME Engagements

In 2025, the Bank deepened its commitment to financial inclusion by continuously engaging with FLME (Female-Led and Made-Enterprise) customers across the country. These engagements were designed to strengthen customer relationships, expand market share, and position the Bank as a long-term growth partner to MSMEs.

The FLME strategy is anchored on three pillars:

Deepening Relationships: Enhancing customer retention, increasing cross-selling opportunities, and driving greater wallet share.

Capacity Building: Delivering structured financial literacy, business training, and mentorship programs to improve resilience, repayment quality, and growth potential.

Inclusive Solutions: Offering collateral-lite and cashflow-based lending, while leveraging ecosystem partnerships to reach underserved segments. By prioritizing "community before credit," the Bank fostered trust, emotional loyalty, and stronger brand affinity.

Key Milestones Achieved in 2025

Financial Performance: Disbursed KShs. 149 Billion in loans and mobilised 47 Billion deposits from FLME customers, reflecting strong confidence and asset growth.

Customer Empowerment: Over 10,000 customers benefited from non-financial training and capacity-building initiatives, reinforcing business sustainability.

Digital Inclusion: With Central Bank of Kenya approval, the Bank launched DiGiFLME, a digital lending solution for Nano and Micro customers. **To date, KShs. 155.22M in loans have been disbursed**, with over **168,000 customers** successfully onboarded.

The FLME strategy aligns with the Bank's ESG priorities and supports UN SDG 5 (Gender Equality). During the UN Global Compact sessions, the Group reaffirmed deliberate efforts to advance the FLME proposition, setting aside KShs. 250 billion to fund women entrepreneurs over five years. To date, close to KShs. 160 billion has already been extended to customers.
The Group has been deliberate in embedding gender equality into capital allocation and governance, recognizing gender diversity not as a social aspiration but as a business imperative. This commitment has attracted blended finance support from institutions such as the African Guarantee Fund (AGF), International Finance Corporation (IFC), Mastercard, and Swedish International Development Agency (SIDA).

In the same reporting year, British International Investment (BII) extended a $100 million Tier 2 capital facility to KCB Bank Kenya, boosting lending capacity for climate-related projects and women-led SMEs. This facility supports financing for women-owned and led enterprises, particularly in the informal sector, addressing systemic challenges, discriminatory policies, and cultural barriers that restrict women's access to credit.

Highlights

Strengthened brand positioning and customer loyalty beyond price competition.

Reinforced competitive advantage through market share expansion and reduced attrition.

Advanced financial inclusion by tailoring solutions for underserved customer segments.

Mobilized significant capital to empower women entrepreneurs and embed gender equality into business growth.

Future Outlook

The Bank is actively engaging subsidiaries in Tanzania and Uganda to scale up FLME initiatives.Uganda will host a benchmarking exercise from 23–27 February 2026, laying the groundwork for regional rollout and cross-border impact.

KCB partners to deliver sustainable housing

Kenya's housing landscape is rapidly evolving, presenting both challenges and opportunities for sustainable development. Recognising the critical need for climate-resilient and accessible housing, KCB Bank Kenya has taken a strategic step by partnering with Superior Homes to support the delivery of affordable, environmentally conscious housing at Lukenya Heights in Athi River.

Through this partnership, KCB Bank will provide a suite of banking solutions tailored to both developers and home buyers. For Superior Homes, the Bank offers debt financing to facilitate the construction of modern, sustainable homes. For Kenyan families, end-user financing options make home ownership more attainable, ensuring that more citizens can benefit from energy-efficient and water-conscious dwellings.

How It Works

The first phase of the project will deliver 80 housing units, each incorporating energy-efficient technologies and water-saving features. These homes are designed to reduce environmental impact while lowering utility costs for residents.

This partnership set a precedent for sustainable housing in Kenya. By combining financial innovation with environmentally conscious design, this partnership is contributing to a more resilient housing landscape and supporting Kenya's broader sustainability goals.

For Developers:

KCB provides debt financing to Superior Homes, enabling the construction of modern, eco-friendly housing units.

For Home Buyers

For Home Buyers: Tailored end-user financing options make it easier for Kenyan families to purchase homes that are both affordable and sustainable.

Our strategy for customer satisfaction and experience

Customer Satisfaction and Experience sit at the core of KCB's operating model, influencing service delivery, digital innovation, complaint management, and performance governance. To lessen client effort and increase satisfaction, the bank's value chain incorporates path redesign, digital self-service, incident management, and leadership accountability.

This focus has translated into measurable outcomes, including improved NPS and CES, faster complaint resolution, and improved service consistency across the branches and digital platforms, reinforcing the Banks customer loyalty and reputation as a customer-centric bank. Sustained improvements in customer satisfaction are also expected to enhance customer retention, where a 5% increase in retention could preserve deposit volumes running into billions, translating into improved annual net interest income.
Customer metrics directly influence strategic priorities, with NPS, CES, TAT, and issue closure rates forming key decision-making inputs. These indicators direct the distribution of resources for digital advancements, process enhancements, and high-friction journeys. Leadership initiatives such as Adopt a Branch and "Bonga na MDK" ensure customer experience considerations are escalated to senior decision-makers, embedding Customer Excellence accountability into strategic and operational decisions. Enhanced customer experience across both digital and physical channels may also drive higher transaction volumes, potentially exceeding 10%, and generating incremental fee-based income on an annual basis. Strong satisfaction levels further support cross-selling opportunities by increasing the average number of products held per customer, contributing to additional revenue growth.

The resilience of KCB's Customer Excellence strategy is demonstrated through structured governance, disciplinedexecution, and continuous feedback loops. Early warning signals on emergent experience hazards are provided by Service Councils and Customer Effort Score task forces, allowing for proactive response before systemic issues escalate. Digital investments, such as the enhanced mobile app, also boost resilience by shifting customers toward stable self-service channels, reducing dependency on manual support during peak demand or operational disruptions. Conversely, a sustained decline in service quality could result in customer attrition, leading to deposit outflows, reduced net interest income, increased complaint volumes, and potential regulatory penalties, with remediation and compliance costs potentially reaching millions of shillings annually.

Case **Study**

"Bonga na MDK" – Transforming Employee Wellbeing into Customer Excellence

Launched in 2025 under the leadership of KCB Bank Kenya's Managing Director (MDK), "Bonga na MDK" created intimate, safe spaces for employees to reflect on the bank's support systems, with a sharp focus on mental health and overall wellbeing. Partnering closely with HR, these sessions encouraged open sharing of experiences, gap identification, and ideas for stronger support frameworks. Complementing this, discussions on the Balanced Scorecard (BSC) clarified how individual roles drive organizational goals and customer outcomes, fostering psychological safety, clear expectations, and a sense of being truly heard.

Strategic Linkage

Building on this momentum, the initiative in 2025 pivoted to explicitly connect employee experience with customer impact. Candid employee insights revealed service delivery pain points, enabling root cause analysis, targeted interventions, and ongoing feedback loops. This aligned seamlessly with KCB's "Culture of Closer, Connected, and Courageous," promoting ownership, collaboration, and bold challenges to inefficiencies. Empowered teams became more engaged and responsive, directly elevating service quality, resolution speeds, and consistent customer experiences.

The initiative delivered tangible results across employee and customer metrics: supported, ultimately translating into improved service quality and more consistent customer experiences.

The initiative delivered tangible results across employee and customer metrics:

Organizational Health Index (OHI): Progressive growth in Kenya operations, rising from 80 to 82, signaling stronger workplace vitality.
Employee Value Proposition: Attrition dropped below 6.2%, enhancing retention through competitive offerings.
Workplace Culture: Instilled a safe, ethical environment with job security, notably resolving long-standing pain points like the Efficiency Bar closure for MLA and below roles, bolstered by trusted leadership.
Customer Metrics Linkage: Improved employee empowerment correlated with Net Promoter Score (NPS) gains, despite softer Customer Effort Score (CES) results, underscoring the need for continued service streamlining.

These shifts not only boosted staff morale but translated "why it matters" into action, aligning personal growth with the bank's strategic investments.

Adopt a branch initiative

To strengthen customer trust and protect service quality in 2025, KCB embedded customer-focused change governance to ensure system upgrades and process improvements were implemented with minimal customer disruption. Changes were carefully scheduled, proactively communicated, and alternative service options provided, enabling customers to plan and reinforcing transparency and customer centricity.
This approach was reinforced at branch level through the Adopt-a-Branch Initiative, which continued into 2025 with sustained involvement from Group Leadership Committee members. The initiative strengthened leadership visibility, accountability, and responsiveness at the frontline, supporting faster issue resolution and improved service delivery. In 2025, the initiative achieved 51% branch engagement, a 94% issue closure rate, and a 98% satisfaction rate among branch teams. The active participation of the Managing Director, Kenya—who recorded an 84% branch engagement rate—further strengthened customer-centric culture, deepened understanding of customer needs, and supported sustained customer trust and market share growth.

Risk Management

We treat customer dissatisfaction not merely as an operational hurdle, but as a material risk to our brand equity and long-term sustainability. Customer satisfaction risks and opportunities are identified through VoC tools, complaints data, leadership engagements, and service incident reviews. The Group manages the risk of customer dissatisfaction, miscommunication, and service inefficiency through continuous enhancement of customer information quality and feedback mechanisms. In 2025, the Group strengthened controls around customer communication by advancing the Enterprise Statement Solution, aimed at improving the clarity, security, and accessibility of account statements while providing a single source of truth across customer accounts. In parallel, the Group enhanced its Voice of the Customer framework to enable more real-time feedback and responsive action. These initiatives support early identification of service gaps, reduce the risk of recurring customer pain points, and enable timely corrective actions, thereby safeguarding customer trust and reinforcing consistent service delivery across channels. Additionally, we conduct regular assessment reviews of CX indicators (NPS, CES, complaints, TAT) within Service Councils and weekly CES task force sessions, where root causes are analysed and corrective actions are tracked and reviewed. Continuous monitoring ensures sustained improvement and accountability across owner units.

Metrics and targets

What KPIs are used to monitor progress against targets for customers?	2024	2025
Net promoter score (NPS)	55%	70%
Customer Effort Score (CES)	13%	14%
Quality Assurance	98%	98%
Service Compliance	96%	97%
Turn Around Time (TAT)	1.4 Days	1.7 Days
Contact Centre Service levels	68	64
Branch Wait times	06.09 Mins	05.49 Mins
Issue closure rates	99%	99%

Our strategy for product innovation and customisation.

Product innovation is a critical enabler of KCB's ability to respond to changing customer behaviors, evolving expectations, and emerging service channels. As customers increasingly seek convenience, speed, security, and flexibility in how they access banking services. The Bank continues to enhance digital platforms such as the Mobile Banking Platform, Internet Banking, and multicurrency solutions, while supporting adoption through robust go-to-market strategies and customer-centric change governance. Customer insights and journey feedback drive innovation, ensuring that new products and updates provide concrete value and seamless experiences.

KCB's product innovation strategy is anchored on investing in scalable platforms that empower customers and widen access to banking services across multiple touchpoints. Central to this approach is the development of integrated solutions that support the full customer financial journey while maintaining strong security and ease of use. The new KCB mobile banking app is a cornerstone of this strategy, designed to power customer needs across payments, lending, savings, insurance, and other financial services within a single platform. The app incorporates advanced security features that help protect customers against social engineering and fraud risks, while delivering a smarter, simpler, and highly customer-centric banking experience.

To enhance flexibility for customers with cross-border and global financial needs, KCB has also strengthened its multi-currency prepaid card offering, enabling cardholders to instantly transfer funds across all 18 currency wallets via the mobile banking platform and self-service portal. This innovation provides customers with real-time transfers, transparent exchange rates, and greater convenience for travel, online shopping, and international payments.

Since its launch one year ago, the KCB multi-currency prepaid card has seen uptake of 20,063 cards across a wide range of customer segments. Adoption has been strongest in urban centres such as Nairobi, Mombasa, and Kisumu, where international travel and e-commerce activity are more common. The Kenyan shilling (KShs.) wallet remains the most frequently loaded and used, followed by the U.S. dollar (USD) wallet. Among students studying overseas, the card has proven particularly useful for parents and learners managing school fees and everyday expenses in foreign currencies, making it especially appealing to the youth demographic. Younger, tech-savvy customers have also embraced the card for international online shopping and subscription services, reflecting a growing trend in digital commerce. Frequent travellers and business customers demonstrate high usage and loading potential, taking advantage of the card's flexibility to transact in multiple currencies as they move across borders. Corporates, meanwhile, are increasingly requesting the card as a tool to minimize foreign exchange losses in their cross-border transactions, signalling strong interest from institutional clients as well. In parallel, KCB continues to expand functionality on its internet banking platform, enabling customers and businesses to transact conveniently from their devices without reliance on physical cheques or branch visits. Business customers can now execute a wide range of banking services online, including bulk payments such as salaries and multiple mobile money transactions, improving efficiency and reducing turnaround times.

To support successful adoption of new and enhanced products, KCB applies robust go-to-market strategies that prioritize customer and staff readiness. These strategies include deliberate awareness creation, timely communication, and the provision of assistive guides to ensure seamless onboarding. Strong cross-functional coordination ensures that products are introduced to market in a structured and consistent manner, driving better reception, uptake, and sustained customer value.

Case **Study**

Clean Energy Transition

Every day, classrooms across Kenya are powered by firewood. Over 90% of schools rely on it for cooking and heating, consuming more than 1.3 million metric tons annually — the equivalent of cutting down 10 million trees each year. This practice drives deforestation, worsens greenhouse gas emissions, and undermines Kenya's national goal of planting 15 billion trees by 2032. It also exposes students and staff to harmful smoke, while unreliable electricity and high energy costs limit access to information and compromise the quality of education.

KCB Bank, in partnership with the Ministry of Education and technical service providers, launched the Clean Energy Access Program to break this cycle. The program equips schools with solar power for lighting and equipment while introducing modern cooking technologies such as electric stoves, steam-based systems, LPG, biogas, and sustainable biomass. This innovation is not just about energy — it is about reimagining how schools operate, learn, and thrive whilst still being sustainable.

To make adoption possible, we combined our financial expertise, our commitment to sustainability, and our deep-rooted presence in communities to design a concessional loan product at 9.75%, enabling schools to invest in clean energy without burdening parents or the exchequer. Schools repay loans directly from the savings generated — turning cost reduction into a financing engine for sustainability. This product innovation exemplifies customer excellence: practical, affordable, and transformative, as well as supporting the Government's vision for a greener and more inclusive education system. Impact at Scale Pilot Success (2025): 266 schools transitioned to solar, reporting up to 90% savings.

Reallocation of Resources

Freed-up funds redirected to books, infrastructure, and student programs. Health & Wellbeing: Cleaner kitchens improved staff morale and reduced smoke-related health risks.Environmental Gains: Reduced deforestation, lower greenhouse gas emissions, and improved air quality (notably reduced Particulate matter 2.5). National Potential: Over 738 MWh of clean energy annually, reduced pressure on the national grid, creation of green jobs, and measurable progress toward Kenya's climate commitments.

This initiative demonstrates how financial innovation can accelerate systemic change. By empowering schools to adopt clean energy, KCB Bank is not only improving education outcomes but also advancing Kenya's transition to a low-carbon economy. It is proof that sustainable finance can unlock resilience, efficiency, and opportunity — turning classrooms into catalysts for national transformation.

Following the successful pilot, KCB and the Ministry of Education are scaling the program nationwide, ensuring every learning institution can benefit from clean, affordable, and reliable energy.

Over 90% of schools rely on it for cooking and heating, consuming **more than 1.3 million metric tons annually** — the equivalent of cutting down **10 million trees each year.**

Risk management

KCB applies structured risk management practices to ensure that product innovation is delivered responsibly and with minimal customer disruption. Effective incident management procedures are embedded across platforms, enabling real-time monitoring, prompt identification and prioritization of high-impact incidents, coordinated customer management actions, root-cause analysis, and timely resolution of post-incident issues.

In addition, KCB leverages robust customer feedback mechanisms through a dedicated voice-of-the-customer tool that captures insights on product performance and service effort. This feedback is systematically analyzed to address recurring customer dissatisfiers and inform continuous product improvements. To ensure comprehensive resolution of customer concerns, the Customer Excellence function works closely with Legal and Regulatory teams on compliance matters, Legal Litigation teams on dispute resolution, and the Office of the Data Protection Officer (DPO) on data-related issues, in addition to partnering with other internal functions. This coordinated approach strengthens governance, enhances customer protection, and reinforces trust across KCB's product innovation lifecycle.

Customer Excellence function works closely with Legal and Regulatory teams on compliance matters, Legal Litigation teams on dispute resolution

Community **Action**

Oversight
Strategy for societal impact
Risk management
Metrics and targets

Community Action

KCB Group operates across East Africa, where community well-being is closely linked to economic performance and business stability. Due to the Bank's extensive regional footprint and integration within local economies, social conditions directly influence business outcomes, including customer growth, portfolio quality, and long-term resilience. Community investment is therefore a strategic function, not a peripheral activity.

Through KCB Foundation, the Group's social impact arm, KCB invests in inclusive economic participation, enterprise development, and job creation, with a focus on youth, women, and underserved communities. These interventions are designed to strengthen market systems while reinforcing the Group's broader sustainability objectives.

Oversight

Governance of societal impact is structured across three interlinked tiers to ensure coherence between strategic intent, operational delivery, and accountability. At the apex, the KCB Foundation Board provides strategic direction, approves programmes, and ensures that all interventions remain aligned with defined social outcomes. At the Group level, EXCO embeds societal impact within the broader corporate strategy, aligning Foundation programmes with business priorities while enabling the mobilisation of financial, institutional, and distributional resources across the Group. At the operational level, Foundation Management is responsible for programme execution, partnership management, and the integrity of performance tracking and reporting systems.

Together, these three governance layers create an integrated system where strategic direction, oversight, and operational execution are closely aligned. This ensures that societal impact initiatives are implemented effectively, remain accountable to stakeholders, and consistently deliver sustainable and scalable benefits to communities across KCB's operating regions.

Strategy for societal impact

Societal impact is integrated into KCB Group's business model and value chain, supporting long-term sustainability, stakeholder trust, and risk management across its markets. Through KCB Foundation, the Group invests in financial inclusion, enterprise development, and livelihoods, linking social outcomes to commercial performance.

The Foundation operates as a bank-anchored development platform, combining development expertise with financial infrastructure to deliver scalable, employment-focused interventions embedded within the Group's value chain.

These interventions are structured across four core pillars that drive social and environmental outcomes while supporting the Group's material impact priorities.

1: The first pillar, **Worforce Development**,
focuses on demand-led skilling that aligns training with real labour market needs. This enhances employability, strengthens the talent pipeline, and improves workforce readiness within the markets KCB serves.

2: The second pillar, **Enterprise Support**,
targets the stabilisation and growth of nano, micro, and SME enterprises, which directly supports KCB's core lending and transactional banking activities by expanding viable and bankable customers.

3: The third pillar, **Job Support**,
emphasises the measurement and facilitation of employment outcomes as a key indicator of success. By prioritising job support, the Foundation contributes to income generation and economic activity, which in turn increases financial system participation and deepens banking relationships.

4: The fourth pillar, **Human Capital Development**,
focuses on improving access to education and long-term skills development, thereby strengthening future economic productivity and expanding the pool of financially active individuals over time.

Societal Impact Area	Business Model Effect	Value Chain Effect
Financial Inclusion	Expands customer base	Inclusive products/services
Risk Reduction	Lowers credit risk	Stronger loan portfolios
Reputation & Trust	Builds brand equity	Better stakeholder relations
Community Development	Drives long-term growth	Strengthens distribution & demand

The alignment with societal needs enhances the Group's resilience by tackling key challenges around financial exclusion, unemployment, and inequality, which can negatively affect credit performance and market stability. Conversely, weaker community economic conditions could increase credit-risk exposure, potentially leading to higher non-performing loans and impairment charges. By proactively addressing these challenges, KCB builds more resilient customer ecosystems that are better able to withstand economic shocks.

In addition, the Bank's alignment with national development priorities and the United Nations Sustainable Development Goals ensures that its strategy remains relevant in evolving regulatory and societal contexts. This adaptability strengthens long-term strategic resilience by positioning the Group as a trusted partner in sustainable development while safeguarding its long-term profitability and market relevance.

Risk management

KCB Group identifies societal impact through continuous stakeholder engagement combined with structured analysis of the operating environment. The Bank engages key stakeholders such as communities, regulators, employees, and customers to understand pressing social issues including unemployment, financial exclusion, and inequality. These engagements are supplemented with the collection and analysis of data on social trends, demographic shifts, and national development priorities.

This combined approach enables the Bank to pinpoint areas where it can create the greatest social and economic value. Identified issues are then mapped against their relevance to stakeholders and assessed in terms of their potential effects on the Bank's business model.

In 2025, KCB Group placed greater emphasis on interpreting the findings of its impact analysis, enabling a deeper understanding of how the Group's financing activities influence sustainable development outcomes. Progress is continuously tracked through internal monitoring tools and is periodically measured against defined indicators, with outcomes communicated annually through the Group's sustainability reports to ensure transparency and accountability.

Metrics and targets

In 2025, KCB Foundation delivered the following results across its core impact areas:

No.	Metric/KPI	2024	2025
1	People supported through workforce development	13,142	16,652
2	Enterprises supported	37,078	67,090
3	Jobs supported/created	60,686	265,300
4	Students supported	4,262	4,261

This alignment with societal needs also enhances the Bank's resilience by reducing exposure to systemic risks

Case Study

Uganda:

Health, Environment, and Community Engagement

KCB Bank Uganda supported community well-being and environmental awareness through initiatives such as the Kyambogo Ultra Challenge Run. The event promoted active lifestyles and environmental stewardship, with participants receiving fruit tree seedlings to encourage conservation. These activities strengthened community engagement and reinforced the Bank's local presence.

Youth Employment – Twekozese Programme

Through the Twekozese Programme, KCB Foundation supported youth and women with market-relevant technical skills for employment and enterprise development. In 2025, the programme reached 102 participants, 60% of whom were women, across eight vocational training institutions. Training focused on sectors such as solar energy, fashion design, and beauty, and included three-month industry placements. The programme improves access to employment and income opportunities while contributing to financial inclusion and MSME growth.

Rwanda:

Community Resilience and Youth Empowerment

KCB Bank Rwanda implemented initiatives focused on youth empowerment, health, and community support. The IGIRE Programme has continued to build vocational and enterprise skills among youth, while the UBUMUNTU Initiative enabled over 1,450 vulnerable residents in Kayonza District to access health insurance.
Additional interventions included support to vulnerable households through productive assets, small business inputs, and targeted social support. These initiatives contribute to job creation, improved livelihoods, and community resilience.

Burundi:

Education and Economic Inclusion

KCB Bank Burundi expanded access to education and livelihoods through the KCB Scholars Program and the Iteze Imbere Programme. In 2025, 20 students received full secondary school scholarships, while 159 youth were trained in vocational trades and supported with financial literacy and toolkits for enterprise.
Women's economic inclusion was supported through training, cooperative strengthening, and school support for children. The Bank also provided assistive devices to children with disabilities, improving access to education.

Democratic Republic of Congo:

Education and Social Support

TMB supported education and vulnerable populations through partnerships with local and international organizations. Key initiatives included support to Katanga Elite School in Lubumbashi and continued collaboration with the Malaika Foundation, where 30 students graduated in 2025.
Additional programmes provided scholarships and school support to over 200 children annually and extended assistance to vulnerable households, including mothers and children. These interventions expand access to education and strengthen community stability.

Our strategy for community action through partnerships

Strategic partnerships are central to scaling KCB Group's social and climate impact. The Group collaborates with global climate finance institutions, including the Green Climate Fund, Proparco, International Finance Corporation, and British International Investment, to mobilize capital for climate financing, expand access to green solutions, and de-risk investments across its markets. These partnerships also strengthen the Group's position within the sustainable finance ecosystem and support further capital mobilization.
Collaboration with fintechs and mobile network operators continues to expand digital reach and service delivery. Over the past five years, the Group has disbursed more than KShs. 1.6 trillion through mobile lending platforms, supporting financial inclusion while generating transaction-based income.
Partnerships also contribute to business growth through increased lending volumes, expanded loan portfolios, and improved cost efficiency through shared infrastructure. However, reliance on key partners introduces operational and reputational risks, particularly in relation to technology and service continuity.
KCB Foundation's partnerships are structured across four categories: training partners (skills development and certification), implementing partners (programme delivery and reporting), government partners (policy alignment and scaling), and funding partners (grants and co-financing, including county governments and NG-CDF).

Risk Management

Dependence on key partners introduces operational and strategic risks. The failure or disruption of a critical technology partner could impair service delivery, lead to transaction losses, and result in reputational damage, with associated financial impacts arising from lost income and remediation costs.
The Foundation applies a structured due diligence and risk management framework aligned with banking standards and integrated into the Group's enterprise risk system. Partners are assessed across legal compliance, governance, financial capacity, technical capability, and integrity. Based on this assessment, partners are risk-rated and managed through appropriate controls, including milestone-based disbursements and enhanced monitoring.

Metrics and targets

16,652
People supported through workforce development:

67,090
Enterprises supported

4,261
Students supported

265,300
Jobs supported/created

Case **Study:**

Selection Under Constraint

At 15, the likelihood of Valentine continuing in education was low. Following a debilitating illness in 2019 that left her partially paralyzed, she could only attend school about twice a week. The limiting factor was not her academic ability, but cost.

Basic needs such as diapers and transport made regular attendance unaffordable for her family. Despite this, Valentine scored a remarkable 52 out of 72 in the 2025 Kenya Junior School Education Assessment.
Her profile is consistent with the core targeting of the KCB Foundation Scholars Programme: Students with demonstrated capability whose progression is constrained by circumstance.
Her selection followed the standard process:
• National application after release of exam results
• Interviews conducted across 58 locations
• Home verification to confirm household conditions.
The home visit is the point at which reported need is tested against actual living conditions.
Valentine's case illustrates the role of the program:
• Without support, continued education would be uncertain despite strong performance
• With support, she is able to transition to secondary school and pursue her stated ambition of becoming a doctor

This is not an outlier. It reflects the intended functioning of the selection system.

Valentine scored 52 out of 72 in 2025

in the 2025 Kenya Junior School Education Assessment.

Case **Study**

Translating PBT into National-Level Potential

Bramwell represents a different but equally important pathway: talent constrained by income, not ability. From Namunyiri Village in Kakamega County, Bramwell has already competed at the East Africa Games level, specializing in the 100m and 200m sprints.
The introduction of the student-athlete scholarship track recognizes that excellence is not only academic. It ensures that national-level potential is not lost due to household poverty.

Bramwell is part of:
- 75 new student-athletes in the 2026 cohort
- 125 total supported since 2024

The scholarship provides:
- Full secondary education support
- Stability to train and compete
- Mentorship and structured development

This is where the Foundation's funding model becomes visible.

The KCB Kenya allocation from PBT allows the Foundation to:
- Convert informal, unsupported talent into structured national potential.
- Link education, discipline, and long-term economic mobility.
- Position beneficiaries not only as recipients, but as future contributors.

75 new student-athlete in 2026

Bramwell is part of:
75 new student-athletes in the 2026 cohort 125 total supported since 2024

Case **Study:**

The 2jiajiri Young Africa works Project

Enterprise Development (2Jiajiri – Young Africa Works)

In 2025, 38,635 youth-led enterprises were supported under the 2Jiajiri Young Africa Works program through structured business development services. Support focused on strengthening core enterprise fundamentals required for growth and finance readiness, including business planning and formalization; record keeping, financial management, and budgeting; credit readiness and risk management; and marketing, compliance, and productivity improvement. This approach was intended to prepare enterprises not only to operate, but also, where feasible, to engage markets and absorb capital responsibly.

38,635

youth-led enterprises were supported under the 2Jiajiri Young Africa Works program through structured business development services.

Access to Capital

As enterprises progressed through defined readiness milestones, some youth-led enterprises were linked to appropriate financial products within the KCB Group, with a total loan value of KES 1.7 billion during the reporting year. Linkage to finance was sequenced following capacity building and demonstrated readiness, with the objective of reducing risk while enabling productive use of capital.

Market Linkage

For a subset of enterprises, particularly within agribusiness value chains, market access was strengthened through aggregation and off-take arrangements. These linkages were facilitated primarily through partnerships with private-sector off-takers, enabling MSMEs to access more structured and reliable markets.

Delivery Platform

Delivery was implemented through a distributed model, working with 32 business development service partners across all 47 counties in Kenya. This approach enabled locally relevant support while operating at national scale.

Why This Matters

By integrating enterprise readiness, market access, and finance, the Foundation seeks to move enterprise support beyond fragmented interventions toward more functional market systems. This wapproach is intended to strengthen income stability, sustain jobs, and expand inclusive economic participation, while aligning social outcomes with the KCB Group's core financial intermediation role.

Case **Study:**

Hospitality Skills and Employment Pathways

KCB Foundation partners with Kibondeni College to support skills development in the hospitality sector. In 2025, the partnership focused on vocational skills training and Recognition of Prior Learning (RPL) to address two persistent constraints in the sector: limited access to structured, job-relevant training for new entrants, and the absence of formal certification for individuals with practical work experience but no recognized qualifications. Workforce skilling equips learners with market-relevant competencies, while RPL enables experienced workers to formalize existing skills, which is often a prerequisite for career progression, mobility, and access to higher-quality employment.

During the reporting year, 72 learners were supported with skills training and 14 through RPL. A total of 77 learners graduated and received formal certification. Of these graduates, Kibondeni College reported that 72 were placed into employment during the reporting period. Reported employment placements included roles with hospitality employers such as Java House, Café Deli Restaurant, Big Square, Artcaffé, Tamarind Hotel, Fairmont Norfolk Hotel, Villa Rosa Kempinski, Mercure and Pullman Hotel, Kuki Fry, Kianda School, and with other graduates reported as self-employed.

This case illustrates an approach that integrates training, certification, and employer engagement, emphasizing clear pathways from skills acquisition to employment. It also highlights the role of RPL in enabling experienced workers to access job opportunities that require formal certification.

A Total of 77 learners

graduated and received formal certification. Of these graduates, Kibondeni College reported that 72 were placed into employment during the reporting period.

Case **Study:**

KCB Student - Athletes

Overview

Form Two scholars supported through the KCB Student Athlete dual-track pathway are maintaining academic progression while competing at sub-national, national, and continental levels, demonstrating early viability and potential for scale.

In 2025, student athletes from Transcend Talent Academy participated in county, national, and international competitions while remaining enrolled in secondary school. Supported scholars balanced academic requirements with elite athletic development, including participation in the U20 African Championships in Nigeria, the East Africa Secondary School Games, and the U20 National Trials in Nakuru.

Why It Matters

Without structured support, talented students from economically vulnerable backgrounds are often forced to choose between education and performance development, leading to school drop-out and lost human capital. The dual-track model removes this trade-off, preserving education outcomes while enabling talent to progress.

Relevance to the Group

The dual-track pathway protects long-term human capital while enabling talent to mature into productive economic and social contributors. By preventing premature drop-out and preserving optionality between education and professional pathways, the model aligns with the KCB Group's interest in sustainable talent pipelines, inclusive growth, and national development outcomes.

Supported scholars balanced academic requirements with elite athletic development

Form Two scholars supported through the KCB Student Athlete dual-track pathway

Our strategy for community action through partnerships

Strategic partnerships play an important role in scaling this impact. The Group has prioritised collaborations with global climate finance institutions such as Green Climate Fund, Proparco, International Finance Corporation, and British International Investment that will enable KCB Group to mobilise capital towards climate financing at scale. These partnerships also in turn offer opportunities for concessional financing, de-risk investments, and expand access to green solutions across its markets especially hardest to reach localities. This in turn has also strengthened the Bank's position within the global sustainable finance ecosystem, reinforcing credibility and unlocking further opportunities forcollaboration.

Partnerships are categorized into training partners, implementing partners, government partners, and funding partners. Training partners deliver technical and vocational skills, certification, and support for employment or entrepreneurship. Implementing partners manage end-to-end program delivery, including community mobilization, reporting, and monitoring. Government partners provide policy alignment, regulatory support, infrastructure access, and scaling pathways through national and county systems. Funding partners, including County Governments and NG-CDF, provide resources through grants or matching contributions, often on a one-to-one cash allocation ratio.

Risk Management

KCB through it's Foundation applies a rigorous, multi-layered due diligence framework to partner onboarding, ensuring that all collaborations meet compliance, credibility, and delivery capability thresholds. This framework is aligned with banking standards and global development partner practices and is integrated into the enterprise risk management system. The process begins with preliminary screening, where potential partners are assessed for strategic alignment with the Foundation's pillars such as youth skilling, enterprise development, and financial inclusion, as well as organizational legitimacy and basic delivery capacity. Only those that meet these criteria advance to a comprehensive due diligence review.

The comprehensive review covers five key pillars. Legal and regulatory compliance is verified through registration documents, tax compliance certificates, governance structures, and sector-specific licensing. Governance and institutional capacity are assessed through board composition, management qualifications, and the existence of governance policies such as conflict of interest, safeguarding, and ethics. Financial due diligence involves reviewing audited financial statements for the past two to three years, assessing financial sustainability and funding diversity, evaluating internal controls, and verifying bank accounts and financial flows. Technical and delivery capability is examined through track records in similar projects, evidence of measurable impact, delivery infrastructure, and ecosystem linkages. Integrity, risk, and reputation screening includes adverse media checks, litigation history, AML/CFT screening, sanctions list verification, and safeguarding compliance.

Following this review, each partner is assigned a risk rating of low, medium, or high, based on financial exposure, reputational risk, delivery complexity, and safeguarding concerns. Mitigation measures such as milestone-based disbursements and enhanced monitoring are applied to medium and high-risk partners. Internal review and approval are conducted by the Foundation's technical team, Risk and Compliance (aligned to KCB Bank policies), and Legal, with final approval granted by delegated authority depending on the scale of engagement. Contracting and onboarding then formalize the partnership through agreements that specify deliverables, KPIs, safeguards, and integration into reporting and monitoring systems.

As part of a regulated banking group, all partnerships undergo second-line oversight through KCB Bank's enterprise risk framework. This includes compliance reviews to ensure adherence to regulatory requirements and internal policies, AML/CFT checks on partners and key personnel, reputational risk assessments to safeguard brand integrity, legal reviews to mitigate contractual risks, and operational risk evaluations to assess execution risks and controls. This dual-layer oversight ensures that partnerships meet both development and financial sector risk standards.
KCB Foundation adopts a lifecycle-based risk management approach. Pre-engagement controls include due diligence, partner vetting, risk scoring, and mitigation planning. During implementation, risk is managed through milestone- based disbursements, periodic financial and narrative reporting, site visits, and participant verification. Post-implementation controls involve independent evaluations, financial audits, lessons learned, and partner performance reviews. These processes are guided by key policies, including Anti-Bribery and Anti-Corruption, AML/CFT, Safeguarding, Procurement and Financial Management, and Data Protection, the latter aligned with Kenya's Data Protection Act of 2019.

Performance monitoring is central to the Foundation's risk management framework. Delivery metrics track the number of participants trained, certification rates, and geographic reach. Outcome metrics measure job placement, business start-up rates, and income improvements. Financial efficiency metrics assess cost per beneficiary, budget absorption, and variance against planned budgets. Partnership quality metrics evaluate timeliness and quality of reporting, compliance adherence, and partner performance ratings. Strategic impact metrics capture contributions to financial inclusion, linkages to employment and finance, and the sustainability and scalability of interventions. Continuous improvement is embedded in the Foundation's risk management approach. Partner feedback and learning reviews inform updates to due diligence frameworks, while digital monitoring tools enhance oversight. The Foundation also aligns its practices with best global standards in development finance to ensure resilience and long-term value creation.

The comprehensive review covers five key pillars.

- **Legal & Regulatory Compliance**
- **Governance & Institutional Capacity**
- **Financial Due Diligence**
- **Technical & Delivery Capability**
- **Integrity, Risk & Reputation Screening**

Employee **Welfare**

Talent Management and Retention
Diversity, Equity and Inclusion (DEI)
Employee Engagement and Well-being

Employee Welfare

At the core of the Group's success are its people. Insights from internal stakeholder engagement highlight that employee experience, capability, and engagement are critical drivers of business performance and long-term sustainability. KCB remains committed to building a vibrant, inclusive, and future-ready workforce by continuously investing in employee growth, skills development, and long-term career fulfillment. KCB manages employee welfare across 3 broad categories:

Talent management and retention	Diversity, Equity and Inclusion (DEI)	Employee Engagement and Well-being

By fostering a high-performance, customer-centric culture, KCB empowers its workforce to drive responsible growth, contribute to the achievement of the UN Sustainable Development Goals (SDGs), and create lasting positive impact in the communities it serves.

KCB's 2025 Human Capital Strategy is anchored on four key pillars: a competitive employee value proposition; a safe, ethical, and inclusive workplace; structured career progression supported by continuous learning; and job security reinforced by strong leadership. The Group remains committed to fairness, equal opportunity, and inclusive practices that enable employees to thrive and contribute meaningfully.

KCB's Diversity, Equity, and Inclusion (DEI) approach is grounded in equal opportunity employment, gender and disability inclusion, and holistic wellbeing, supported by targeted, long-term initiatives. Progress in gender representation across the organisation reflects the sustained impact of the Women in Leadership (WIL) programme, launched in 2015/16 to advance gender equity through structured mentorship, leadership development, and strategic partnerships. Over time, the programme has strengthened the pipeline of female talent and enhanced representation across both workforce and management levels, signalling steady progress toward gender parity while acknowledging that more remains to be done.

Recognizing that transitioning the regional economy requires a resilient, future-ready, and highly engaged workforce, employee well-being is the essential engine that drives our long-term productivity and business performance. We are ensuring that our team is physically, mentally, and socially empowered to navigate the complexities of a changing economic landscape by implementing structured wellness programmes, including medical checkups, health awareness initiatives, wellness capacitybuilding, employee assistance support, and inclusive wellbeing forums, to support a healthy and engaged workforce.

The Group's competitive and responsible Employee Value Proposition (EVP) underpins its ability to attract, motivate, and retain top talent, while strengthening leadership depth and organisational performance across its markets. In 2025, staff attrition stood at 6.4%, compared to 6.2% in 2024, reflecting relative stability in workforce retention despite a highly competitive talent landscape.

Oversight

At the highest level, the Group Human Resources and Remuneration Committee (HRRC) provides Board-level oversight on talent strategy, succession planning, and employee well-being. This ensures that human capital considerations are embedded into the bank's long-term direction and risk management processes. Complementing this, the Ethics and Compliance Committee is responsible for enforcing adherence to the Code of Ethical Conduct, with a strong emphasis on integrity, workplace fairness, and equitable treatment across the organization.

At the executive level, the Executive Committee (ExCo) Talent Board oversees leadership continuity, evaluates development initiatives, and ensures that succession planning is actively implemented across all divisions embedding DEI considerations in the process. This process is dynamic and continuous, with monthly reviews at divisional level and quarterly evaluations by the ExCo Talent Board. In parallel, leadership development programmes are designed to build adaptable, collaborative leaders capable of managing diverse teams across geographies and generations.
These governance structures are supported by formal policy frameworks that standardise processes and reinforce accountability. The Talent Management Policy focuses on attracting and retaining skilled professionals, while the Performance Management Policy drives a high-performance culture through structured evaluations and performance-linked rewards. The Learning and Development Procedures Manual ensures that employee training and capacity-building initiatives are aligned with the Group's strategic objectives.

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In practice, these systems are reinforced through structured annual salary reviews, performance-based bonuses, and formal recognition programmes that reward both individual and team excellence. Together, the governance bodies, policies, and procedures create a transparent environment characterised by continuous feedback, fair grievance handling mechanisms, and secure channels for raising concerns. This integrated approach strengthens trust between employees and leadership, while ensuring that societal impact, particularly in terms of employee well-being, equity, and development, is actively managed and continuously improved. The Ethics and Compliance Committee complements this oversight by enforcing adherence to the Code of Ethical Conduct, with a strong focus on workplace fairness, non-discrimination, and equitable treatment across all levels of the organisation.

With a turnover rate of 6.4% in 2025

Our strategy for talent management and retention

Talent management strengthens KCB's business model by ensuring a highly skilled and future-ready workforce that can effectively execute the Bank's strategic and operational priorities. The Group Learning & Development Policy provides a structured framework for continuously building technical and leadership competencies across all business units. This supports consistent service delivery across the value chain, from customer onboarding and credit assessment to branch operations and corporate banking. The Bank's workforce underpins revenue generation, effective risk management, and continuity in customer relationships, making talent management a core driver of overall business performance.

Annual Training Needs Assessments (TNA) align workforce capabilities with emerging gaps, ensuring that employees remain adaptable to sector shifts and evolving customer expectations. The availability of zero-interest education loans, reimbursement for professional courses, and e-learning access enhances technical depth and reduces skill shortages, resulting in more consistent service delivery and fewer operational disruptions. Continued investment in these initiatives has supported improved workforce engagement, reflected in a reduction in staff attrition to 4.2% in 2025 from 6.2% in 2024, indicating stronger employee engagement across the Group.

Retention initiatives, such as improved onboarding, critical talent ring-fencing, career-pathing, coaching, mentorship, and succession programs, secure continuity in key roles and reduce turnover-related inefficiencies. With a turnover rate of 6.40% in 2025, KCB retains institutional knowledge and ensures stability across customer-facing and back-office functions, thereby supporting productivity, customer satisfaction, and operational resilience in the value chain. This improvement in workforce stability has translated into higher productivity, with profitability per staff increasing by 19.1% to KShs. 8.1 million from KES 6.8 million in the prior year. A further reduction in employee turnover, for example from 5% to 2%, could substantially lower annual recruitment and onboarding costs associated with interviews, background checks, medical assessments, paid leave, notice periods, and sign-on incentives.

Talent management enables informed and agile strategy execution by ensuring a strong leadership pipeline capable of responding effectively to emerging risks and opportunities. In the previous year, the Group launched the "Adopt a Branch" initiative, pairing each branch in Kenya with a member of Group leadership and senior management. The initiative aims to strengthen connections between leadership and frontline teams, driving collaboration, innovation, and localised problem-solving. As a result, the initiative has delivered strong outcomes, achieving a remarkable 94% closure rate and 98% satisfaction rate on issues raised. The initiative has generated numerous success stories across the branch network, from strengthening connections between leadership and frontline operations, enhancing staff professionalism and service culture to ultimately improving business growth.

The KCB Leadership Academy was designed using role-based competencies, Organisational Health Index (OHI) insights, and real leadership challenges, strengthens decision-making capability and leadership consistency across the Group. This supports strategic alignment and has contributed to improved leadership OHI scores of 82%. To date, 474 leaders have been developed, including 89 Heads who completed high impact Action Learning Projects (ALPs). Through a defined human capital framework that guarantees continuity, adaptation, and long-term value creation, KCB's strategy and business model exhibit significant resistance to talent-related risks. By lowering dependency on individual positions and enhancing its capacity to withstand workforce-related shocks like attrition, skills shortages, and leadership transitions, the Group has integrated personnel management as a strategic facilitator of corporate performance.
Demand-led skill development, which is based on annual training needs assessments, ongoing learning activities, and leadership development programs, strengthens workforce resilience. By decreasing exposure to skills obsolescence and execution risk, these tools allow the Group to anticipate changing capability requirements and quickly reskill employees in response to shifting market, regulatory, and digitalisation demands.

Internal talent pipelines, succession planning, and the ring-fencing of key positions all contribute to operational stability and leadership continuity. In order to preserve institutional knowledge and minimise disruption to strategic execution, regular reviews of high-potential people and key roles guarantee that management and specialised competencies are sustainably maintained across business units and locations. The Bank in Tanzania achieved an employee retention rate of 88.2%, reflecting its commitment to fostering a supportive and performance-driven work environment. This outcome was enabled by regular staff engagement surveys that assessed satisfaction levels and identified opportunities for improvement, ensuring employee feedback directly informed organizational development.

During the reporting period, employees completed an average of 65.6 training hours per person across areas such as technical banking skills, risk management, leadership development, compliance, and digital capabilities. This investment in continuous learning not only supported career advancement but also reinforced the Bank's ability to deliver on its sustainability priorities. Similarly, BPR Rwanda positioned talent management as a strategic priority for sustainable growth, fostering a workplace culture that promotes professional development and active participation in sustainability initiatives. To achieve this, the Bank invested in continuous learning programs designed to strengthen employee skills and embed sustainability across operations. During the reporting period, 499 staff members completed Climate Risk Management training via the Percipio e-learning platform, while bank-wide ESG refresher sessions reinforced awareness and compliance. Specialized workshops on climate risk and green finance enhanced expertise in sustainable finance, and Training of Trainers sessions ensured knowledge was cascaded across teams. In addition, tailored Green Finance training was delivered to key operational departments including Risk, Credit, Business Banking, and Internal Audit. Collectively, these initiatives demonstrate the Bank's commitment to building a knowledgeable workforce that drives sustainable practices, strengthens resilience, and supports long-term value creation.
By reducing the likelihood of voluntary turnover risk and promoting workforce stability, employee retention programs further enhance resilience.

Internal mobility, coaching and mentorship programs, career development pathways, and a competitive Employee Value Proposition all increase organisational loyalty and engagement while lowering the expense and operational impact of replacement hiring. Elevated turnover or reduced engagement could result in productivity losses of up to 10% in critical business units, potentially reducing revenue by over KES 100 million annually. Instability within credit-risk functions could also increase non-performing loans by approximately 1%, leading to additional impairment charges of up to KShs. 500 million. By maintaining leadership depth, scalable skills development, and a stable workforce, KCB ensures that its business model remains resilient, adaptable, and aligned with long-term strategic objectives, supporting sustainable growth and value creation for stakeholders.

Risk management

The Group identifies talent needs through a structured Annual Training Needs Assessment (TNA), which highlights workforce capability gaps and informs development priorities across the Group. Additionally, succession planning and identification of critical roles help the Bank detect potential leadership or expertise gaps early. The Bank continuously reviews critical talent and critical positions to determine where vulnerabilities exist and what interventions are needed. This supports organizational continuity and reduces the risk of capability loss.

KCB uses a combination of structured policies, performance systems, and leadership development frameworks to evaluate how well talent needs are being met. This is done through quarterly performance reviews that enable the Bank to assess employee performance, progress against goals, and alignment with competency expectations. Individual Development Plans (IDPs), created with supervisor support, provide a mechanism to evaluate whether employees are acquiring the skills and experience required for future roles.

Metric and Targets

KCB monitors talent outcomes through a strong KPI and policy governance structure, ensuring clear oversight over workforce performance and stability. The Bank tracks several human capital KPIs including:

- Staff Productivity
- Staff Cost to Income Ratio
- Revenue per Employee
- Talent Pipeline Strength (Talent Management & Development)
- Training & Development effectiveness
- Time to Hire
- Staff Turnover

These indicators provide continuous visibility into workforce performance, cost efficiency, stability, and capability strength.

Metric and Targets

Breakdown of the workforce	2024	2025
Break down	**12,090**	**11,252**
• Full Time Employees	10,078	9,539
• Part Time Employees	2,012	1,713
Total Number of Male Employees	**6,701**	**6,315**
• Full Time Employees	5,751	5,481
• Part Time Employees	950	834
Total Number of Female Employees	**5,389**	**4,937**
• Full Time Employees	4,327	4,058
• Part Time Employees	1,062	879
Total Number of New Hires	**1,491**	**1,256**
• Male Hires	833	706
• Female Hires	658	550
Total Number of Promotions	**627**	**630**
• Male Promotions	350	392
• Female Promotions	277	238
Total Number of Exits	**511**	**951**
Overall Employee Turnover Rate	**6.2%**	**6.4%**
Number of Employees who took Voluntary Early Retirement (VER)	**3**	**40**
Total Number of Interns	**28**	**23**
Number of Employees who belong to union	**1,007**	**1,204**

Capacity Building and training metrics

The Bank continued to prioritise employee development and well-being through structured capacity-building initiatives delivered under the Leadership and Retail Academies. These programs are designed to enhance technical expertise, strengthen leadership capability, and support career progression across various roles.

Leadership Academy

Under the Leadership Academy, the Bank achieved strong participation across all leadership tiers, training a total of 854 employees against a target of 865, representing an overall achievement of 99%. The Emerging Leaders programme recorded 467 participants against a target of 559, achieving 84%, reflecting continued focus on building the pipeline of future leaders. The consolidated participation results are presented below:

Level	Target	Trained	% of target achieved
Senior	87	91	105%
NextGen	217	237	109%
Emerging	559	467	84%
Total	**865**	**854**	**99%**

Retail Academy

During the period, a total of 2,465 staff members participated in the Retail Academy learning journeys. Key programmes included the Customer Service Consultants Learning Journey, the Admin Managers Learning Journey, and the DSR Learning Journey. Specialised training was delivered in emerging and strategic areas, including Data Governance and SQL through the Data Executives and Data Champions Learning Journeys. Other role-specific programmes included the MSQC, Mortgage RM, Cash Managers, and Advantage & Platinum RM Learning Journeys, alongside the Sales Managers programme. In line with the Bank's commitment to holistic employee welfare, employees also participated in the "Emotionally Smart Marketing" experiential programme, aimed at enhancing interpersonal effectiveness and emotional intelligence in customer engagement.

Course	Trained
Admin Managers Learning Journey	392
Data Executives Learning Journey – Unpacking Session 1 – Data Governance	142
MSQC Learning Journey	183
Universal Bankers Learning Journey	304
Advantage & Platinum RM Learning Journey	38
Data Champions Learning Journey – Unpacking Session 1 – Data Governance and SQL	104
Sales Managers Learning Journey	24
Customer Service Consultants Learning Journey Training	410
Mortgage RM Learning Journey	43
Branch Managers Learning Journey	204
Emotionally Smart Marketing: A 3-Part Experiential Journey (Session 1)	40
Cash Managers Learning Journey	37
UCC Learning Journey	200
DSR Learning Journey	344
Grand Total	**2465**

Completed courses increased by 20.0% (from 2,032 to 2,438), while total learning hours rose by 27.0% (from 390,875 to 496,355). Female staff recorded higher learner hours per staff at 59.45 compared to 52.05 for male staff highlighting greater participation in professional development.

Capacity Building Categories	2024	2025
Total Number of Completed Courses	2,032	2,438
Total Number of Learning Hours	390,875	496,355
Average Learner Hours per Staff	37.34	54.96
• Male Staff	34.36	52.05
• Female Staff	40.36	59.45

Promotions and Career Development

Promotions Per Grade	2024	2025
Clerk	18	1
Section Head	30	161
MLA	259	231
MLB	181	116
MLC	93	77
MLD	34	32
MLE	7	12
MLF+	5	0

Our Diversity, Equity, and Inclusion (DEI) strategy

KCB Group recognises Diversity, Equity, and Inclusion (DEI) as a key driver of its business model and long-term value creation. Our approach is grounded in equal opportunity employment, gender and disability inclusion, and holistic wellbeing, supported by targeted, long-term initiatives. Progress in gender representation across the organisation reflects the sustained.

Targeted initiatives, such as the Women in Leadership (WIL) programme, have supported steady improvements in gender representation, strengthening leadership pipelines and enabling more balanced decision-making across management and operational levels. Complementary efforts, including disability inclusion through the Beyond Barriers programme and inclusive wellness forums, further promote employee participation, engagement, and productivity, particularly in frontline and customer-facing roles. Over time, the programme has strengthened the pipeline of female talent and enhanced representation across both workforce and management levels, signalling steady progress toward gender parity while acknowledging that more remains to be done. Improved inclusion and engagement across these initiatives may increase workforce productivity by more than 5% in key business units, translating into an estimated KShs. 100 million increase in annual revenue. The Bank in Tanzania reinforced its commitment to fostering an inclusive workplace that champions equal opportunity and embraces gender diversity across all levels of the organization. Women accounted for 47% of the total workforce, reflecting the Bank's success in building a balanced talent pipeline. Progress was also evident in leadership representation, with women holding 15.87% of management positions. While there remains room for growth, these achievements highlight meaningful strides toward cultivating inclusive leadership and ensuring that diverse voices contribute to decision-making at the highest levels of the institution.

These DEI practices reinforce effective execution across KCB's value chain by enhancing workforce stability, leadership capability, and organisational resilience. In turn, this contributes to improved risk management, stronger service delivery at the branch level, and sustained business performance aligned with the Group's strategic and sustainability objectives. Greater diversity at senior-management level also supports stronger credit and investment decision-making outcomes, with the potential to reduce credit losses by more than 1%, from KShs. 29.8 billion in 2025 to approximately KShs. 29.5 billion. This represents an estimated KShs. 300 million in avoided impairment charges, assuming a KShs. 1.5 billion loan portfolio were otherwise downgraded to sub-standard classification under CBK prudential guidelines requiring a 20% specific provision.

DEI plays a central role in shaping KCB's strategic direction and leadership culture. Through a strong emphasis on inclusive leadership, supported by the Leadership Academy and related development programmes, the Bank ensures that diverse perspectives inform decision-making, strengthening ethical leadership, governance, and overall strategic alignment.

In parallel, the Group advances disability inclusion and accessibility through initiatives such as Beyond Barriers, which supports employees living with disabilities as well as those raising differently-abled children. This reinforces a culture of dignity, participation, and equitable access to opportunities for all employees.

At KCB, we consider our strategy and business model to be resilient to Diversity, Equity, and Inclusion (DEI)-related risks. Inclusive talent management, leadership development, and employee wellbeing practices are embedded across our people processes to support workforce stability, succession readiness, and effective execution across the value chain. These efforts strengthen our ability to attract, develop, and retain a diverse workforce aligned with the Group's strategic priorities. Initiatives focused on inclusive leadership, gender and disability inclusion, and equal-opportunity employment enhance decision-making, operational continuity, and employee engagement, particularly within frontline and customer-facing roles. A more diverse workforce also better reflects the Bank's customer base, potentially supporting a 2% increase in deposit growth equivalent to approximately KShs. 32 billion in additional deposits and generating an estimated KShs. 2 billion in incremental net interest income, assuming the net interest margin of 7.7% remains unchanged.

As workforce expectations and sustainability requirements continue to evolve, these measures position the Group to adapt effectively while sustaining performance and long-term value creation.

Risk Management

KCB Group manages Diversity, Equity and Inclusion (DEI) risks through a structured and continuous process of identification, assessment, and monitoring that is embedded within its broader human capital and governance frameworks.
The identification of DEI-related risks begins with active stakeholder engagement, particularly with employees across different levels, functions, and geographies. Through feedback mechanisms, internal surveys, and engagement platforms, the Bank gathers insights into employee experiences, perceptions of fairness, and inclusion gaps.
Assessment of DEI risks is primarily driven by workforce composition analysis and qualitative evaluation of inclusion needs. The Bank systematically tracks key demographic indicators, including gender representation across roles. This allows it to identify disparities in hiring, progression, and leadership representation. In parallel, inclusion is assessed through employee experience data, which helps evaluate whether the workplace environment supports equitable participation, psychological safety, and a sense of belonging for all employees.

Metrics and Targets
Group Age demographics

Group Headcount by Age	2024	2025
18-20 Years	2	0
21-30 Years	3,968	3,708
31-40 years	4,642	4,199
41-50 years	2,692	2,591
51-60 years	786	702
Over 60 years	0	53

Age Breakdown of New Hires	2024	2025
18-20 Years	0	0
21-30 Years	940	900
31-40 years	309	428
41-50 years	87	88
51-60 years	10	9
Over 60 years	0	1

Workforce Inclusion	2024	2025
Number of employees living with disabilities	32	54

Case **Study**

The Beyond Barriers Program

KCB Bank recognizes the unique and lifelong challenges faced by employees raising children with disabilities. In response, the Beyond Barriers Program was established to provide inclusive support and enhanced medical benefits, reflecting our values of being Closer, Connected, Courageous and guided by our purpose: For People, For Better.

Program Objectives:

- Promote the well-being and dignity of employees who are caregivers to children with disabilities.
- Ensure equitable access to healthcare services for dependents abled differently.
- Reduce financial and emotional strain by extending support throughout the employee's tenure at KCB.

Strategic Interventions

a) Retention of Differently Abled Dependents on the Medical Scheme

- Children abled differently remain eligible dependents on the staff medical scheme until the employee's retirement or official exit, regardless of age.
- The requirement to delist dependents at 24 years does not apply, provided medical or legal documentation confirms the child's condition.

b) Medical Benefits Upgrade

- Employees with differently abled dependents are automatically upgraded to a higher medical cover tier, one level above their grade's standard entitlement.
- The upgraded package includes:
- Extended coverage for therapies (occupational, physical, behavioral, speech).
- Coverage for assistive devices (hearing aids, wheelchairs, visual aids).
- Inclusion of home-based care and mental health support for both child and caregiver.

c) Employee Assistance Program (EAP)

- Employees may access financial planning and mental wellness support to strengthen resilience in caregiving.

Key Milestones Achieved

- Developed a Policy on Inclusion and Diversity, promoting dignity and well-being of caregivers to children with disabilities.
- Enhanced medical benefit limits to ensure equitable access to healthcare services.
- Extended eligibility for medical coverage beyond the defined age limit for differently abled dependents.
- Reduced financial and emotional strain by sustaining support throughout employees' tenure.
- Achieved remarkable enrollment due to reduced stigma and enhanced support for staff with differently abled dependents.
- Instituted annual staff engagement forums for Beyond Barriers and Persons Living with Disabilities (PLWDs) across the Bank

Our strategy on employee engagement and well-being

Employee well-being is a central element of the bank's 2024–2026 organizational strategy, which is built on the theme Transforming Today Together and the purpose For People, For Better. The strategy rests on all four pillars—Customer-Centered Value Proposition, Leveraging Group Capabilities, Digital Leadership, and Optimizing Data and Analytics. Employee wellbeing programs act as key enablers of the customer-centered value proposition, ensuring staff are supported and empowered to deliver on the brand's people-first commitment. Improved employee-engagement outcomes across key functions may translate into higher workforce productivity, supporting growth in annual revenue measured in millions of shillings.

To foster a responsible workplace wellness culture, the bank has established clear policies that promote fairness, clarity, and protection. These include stress management and support, anti-bullying and harassment, leave entitlements, substance abuse assistance, and reasonable accommodations for employees with disabilities or care giving responsibilities. Complementing these policies is a holistic Employee Wellness Program that addresses physical, mental, financial, and social wellbeing through initiatives such as health checks, counselling services, financial literacy programs, and team-building activities. A reduction in absenteeism of even one day per employee per year, across a workforce of 11,252 employees and assuming an average daily cost of KShs. 5,000, could yield annual cost savings of approximately KShs. 56 million.

One of these programs is the Employee Assistance Program (EAP) which strengthens wellness by creating a psychologically safe and inclusive environment. It provides confidential support channels, trains teams on respectful communication and diversity, equity, and inclusion, and equips employees to handle conflict constructively. Work-life integration is also prioritised, with measures to encourage healthy boundaries, flexible work arrangements, and regular reviews of workloads and staffing levels.
Across East Africa, the Bank has reinforced employee well-being as a cornerstone of its sustainability agenda, embedding health, safety, inclusivity, and professional development into its human capital strategy. These initiatives reflect a shared commitment to building resilient, engaged, and high-performing teams that drive long-term value creation.

In Rwanda, the Bank prioritized workplace safety, health, and inclusivity through equal employment practices, grievance management mechanisms, and active staff participation in sustainability initiatives. Programs included mental health awareness, chronic illness support, financial wellness coaching, medical insurance, annual health check-ups, wellness champions, and physical fitness activities such as sports events and discounted gym memberships.

In Tanzania, wellness programs focused on physical and mental health, offering gym facilities, free health screenings, medical insurance, counseling services, and awareness campaigns to promote healthy lifestyles. Effectiveness was measured through participation rates, health outcomes, employee feedback, and workplace metrics such as productivity and retention.

In Uganda, employee well-being was integrated into the broader ESG framework under the Social pillar. Senior Management and the ESG Committee oversaw initiatives that addressed physical, mental, financial, and social well-being, including medical insurance, workplace safety, gym access, counselling, stress management workshops, flexible work arrangements, financial literacy, retirement planning, preferential staff loans, and diversity and inclusion programs. Impact was tracked through engagement surveys, turnover rates, absenteeism trends, and utilization of wellness services.
In South Sudan, employee welfare was operationalized through formal policies covering staff wellness, medical care, and occupational health and safety. The Employee Wellness Program provided medical coverage for staff and families, mental health support, flexible work schedules, health education, protective equipment, recognition programs, pension benefits, bereavement assistance, and strong anti-discrimination measures. Success was evaluated through employee feedback, monitoring of complaints, and organizational indicators such as productivity and satisfaction.
Collectively, these country-level initiatives demonstrate the Bank's regional commitment to responsible employment practices, inclusive leadership, and comprehensive wellness programs. By embedding well-being into the Social pillar of ESG, the Bank has strengthened resilience, enhanced employee engagement, and ensured that diverse voices and healthy workplaces underpin sustainable growth across East Africa. Our holistic well-being programs, which address social, emotional, and physical health, boost worker resilience, lower absenteeism, and increase workforce stability. By maintaining staff performance, enhancing customer satisfaction, and promoting long-term operational continuity and cor-

porate sustainability, it directly correlates with customer retention and the successful adoption of our sustainable banking products. Improved well-being initiatives may also lower employee turnover by more than 1%, generating additional savings in recruitment and onboarding costs.

In addition to our employee well-being programs, our commitment to Occupational Health and Safety is supported through the formal review of work-related incidents and the implementation of corrective measures to minimise recurrence. These practices reflect our commitment to providing a safe and supportive working environment while reinforcing workforce stability and as we drive the transition toward a sustainable economy across the Group's operations.

In addition, managers are trained to recognize burnout, support psychologically safe teams, and champion wellbeing initiatives. Line managers, who directly influence daily employee experiences, receive additional training in emotional intelligence and supportive practices. Together, these efforts ensure that employee wellbeing is not treated as a standalone program but as an integral part of the bank's culture and strategic direction.

The Group considers its strategy and business model to be resilient to employee engagement and wellbeing-related risks. We embed engagement and holistic wellbeing considerations into our people and culture practices to support workforce stability, productivity, and consistent execution across the value chain. By prioritising physical, mental, and social wellbeing, we strengthen employee resilience and sustain performance in both operational and customer-facing functions.

Risk Mangement

The effectiveness of wellness initiatives is measured through an integrated system of monitoring, evaluation, and reporting that feeds into the organizational dashboard. This approach ensures that health and well-being programs are not only implemented but also assessed for impact. Key parameters include tracking employee access to and uptake of wellness services, evaluating the tangible benefits employees derive from these programs, monitoring risks to proactively address issues that could affect wellbeing, and managing costs to ensure sustainability. Together, these measures provide a comprehensive view of how wellness efforts contribute to both employee satisfaction and organizational performance.

Enhanced employee wellbeing can also reduce operational errors and compliance breaches. A reduction of up to 20% in operational incidents attributable to improved focus and morale could significantly lower associated operational losses on an annual basis

Insights from engagement levels, wellbeing outcomes, and people-related metrics inform management decisions on talent development, leadership capability, resource allocation, and workforce planning, ensured effective execution of the Group's strategic priorities.

Overall, sustained engagement and wellbeing enhance the Group's ability to adapt to evolving workforce expectations, manage people-related risks, and maintain service delivery during periods of change. These practices support informed decision-making, operational continuity, and long-term value creation, reinforcing the resilience of KCB's strategy and business model over time.

Metrics and Targets

Categories of the Wellness Initiatives	2024	2025
Number of employees who participated in a wellness programme	5,176	6,689
Average number of leave days taken	25	23.59
Paternity Leave		
• Number of staff	330	368
• Total days taken	4,333	5,085
Maternity Leave		
• Number of staff	233	230
• Total days taken	21,353	21,305

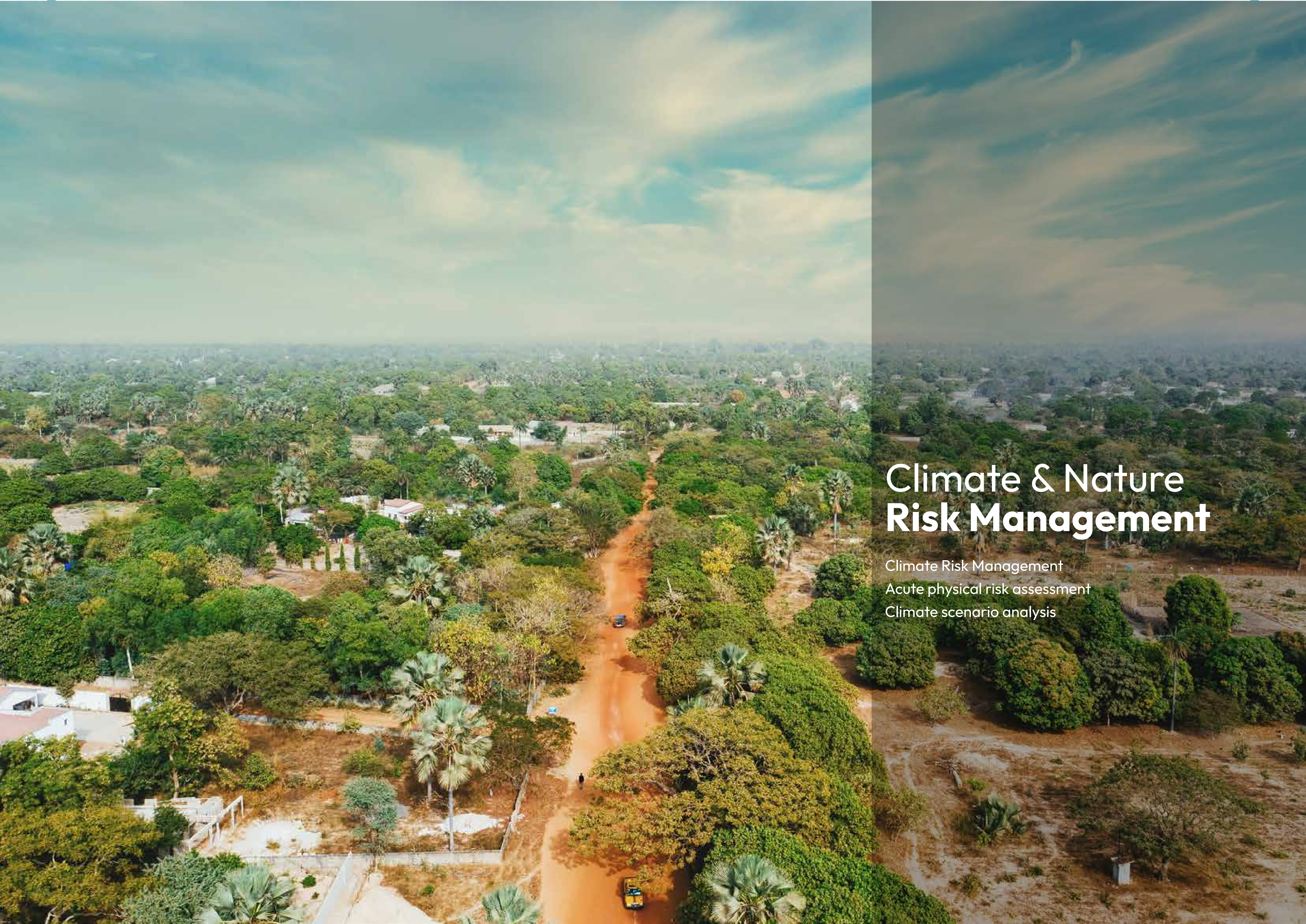
Case Study:

Holistic health and focus

KCB Bank Kenya has reinforced its commitment to employee well-being by launching the "Your Health Matters" Employee Wellness Check-Up Programme for 2025. The programme is set to run across the country, reaching staff in all branches and departments, aimed at promoting early disease detection, encouraging preventive habits, and supporting mental, emotional, and social well-being.

The Group continues to emphasise the Bank's commitment to its staff, which extends far beyond their professional productivity and performance. We want our employees to experience long-term growth in their professional productivity and career performance, as well as long-term improvement in their personal life. This collaborative spirit and synergy among personnel is important to firmly establishing KCB as a prominent participant in the regional scene.

KCB Bank Kenya has reinforced its commitment to employee well-being by Launching the "Your Health Matters" Employee Wellness Check-Up Programme for 2025



Climate & Nature **Risk Management**

Climate Risk Management
Acute physical risk assessment
Climate scenario analysis

Climate & Nature Risk Management

Climate Risk Management

KCB acknowledges that climate-related risks pose significant and material challenges to its operations, customer base, and the wider economy. These risks are broadly categorised into physical risks and transition risks, both of which may influence the Bank's financial performance, long-term resilience, and stability.

Physical risks stem from the direct consequences of climate change, including acute events such as floods, heatwaves, and wildfires, as well as longer-term shifts such as increasing temperatures and changing rainfall patterns. Transition risks arise from the economic and structural changes associated with the move toward a low-carbon economy, including evolving regulations, market forces, consumer behaviour, and technological advancement. Together, these risk types have the potential to disrupt operations, affect customer portfolios, and influence the Bank's overall financial position.

Climate-related financial risks manifest across the Group's footprint, with their level of significance varying according to geographic location, sector exposure, and the nature of underlying economic activities in each market of operation.
Oversight of climate-related risks and opportunities is exercised by the Group's Board of Directors, while senior management is responsible for execution, implementation, and ongoing monitoring. Climate considerations are integrated into the Group's governance structures, applicable policies, and Board-approved Risk Appetite Statement, supporting effective oversight, accountability, and alignment with regulatory expectations.
The Group assesses the potential implications of climate-related physical and transition risks on its business model, strategy, and financial performance across short, medium, and long-term horizons. Climate considerations are embedded into strategic planning processes, credit decision-making, and portfolio management activities to strengthen resilience and enable sustainable value creation.

For example, physical risks are explicitly factored into the Bank's collateral valuation and overall mortgage risk assessment. These risks can significantly affect the long-term marketability and value of properties used as collateral. Professional valuers assess location-specific exposure to climate hazards, including flood-prone zones, drainage systems, accessibility, and the structural resilience of buildings. Where adaptation measures are in place—such as flood-resistant design, effective storm water management, or other climate-resilient features—valuers recognize these as mitigating factors that help preserve property value and reduce vulnerability.

Valuation outcomes directly inform the Bank's credit structuring, influencing loan-to-value ratios, insurance requirements, and approval conditions. This ensures both the customer and the Bank are protected against climate- related risks. Valuers who partner with KCB are required to comply with climate risk considerations into the technical due diligence process.

Climate-related risks are identified, evaluated, and managed within the Group's Enterprise Risk Management framework. The Bank continues to enhance its risk monitoring and control capabilities to address the evolving nature of climate risk, including through capacity-building initiatives aimed at strengthening staff expertise. KCB also engages with regulators and industry bodies to stay informed on emerging developments, regulatory expectations, and recognised good practices in climate risk management.
The Bank applies climate-related scenario analysis and stress testing to evaluate potential financial impacts arising from both physical and transition risks. These exercises consider acute and chronic physical risk events alongside transition pathways driven by policy, market, and technological change. The resulting insights support the identification of vulnerable assets and sectors, inform mitigation actions, and enable proactive risk management at both portfolio and regional levels.

Through ongoing climate risk-mapping initiatives, KCB continues to strengthen a framework capable of addressing immediate and longer-term climate-related challenges. By identifying regional and sector-specific vulnerabilities and integrating data-driven tools, the Bank is better positioned to safeguard its portfolio, support customer resilience, and align with Kenya's transition objectives.

KCB monitors climate-related indicators, including greenhouse gas emissions and sustainable finance metrics, and reports them in line with regulatory and market requirements. The Group has committed to allocating part of its lending portfolio to renewable energy, climate-smart agriculture, energy efficiency, and green buildings, supported through its Green Loans Framework. Its Risk Appetite Statement reflects alignment with the Net Zero Banking Alliance, including a commitment to align lending and investment portfolios with net-zero emissions by 2050. Climate considerations are also embedded into due diligence processes to manage exposure to both physical and transition risks.

Acute physical risk assessment

Acute climate risks are modelled at a granular level across sectors and geographic zones, including river, urban, and coastal flooding, earthquakes, landslides, wildfires, extreme heat, and cyclones. Portfolio exposure is evaluated on a transaction-by-transaction basis for selected acute risks and weighted using a sensitivity variable under a disorderly transition scenario, with the disorderly transition assumed to commence in 2025.

Under this approach, KCB seeks to translate chronic climate shocks into macro-financial variables such as non-performing loans. While some models rely on proxies such as GDP, unemployment, or inflation, KCB's credit loss model focuses on assessing the long-term effects of temperature changes on Kenya's agricultural sector to estimate shifts in NPLs and potential market-based financial losses.

Climate scenario analysis

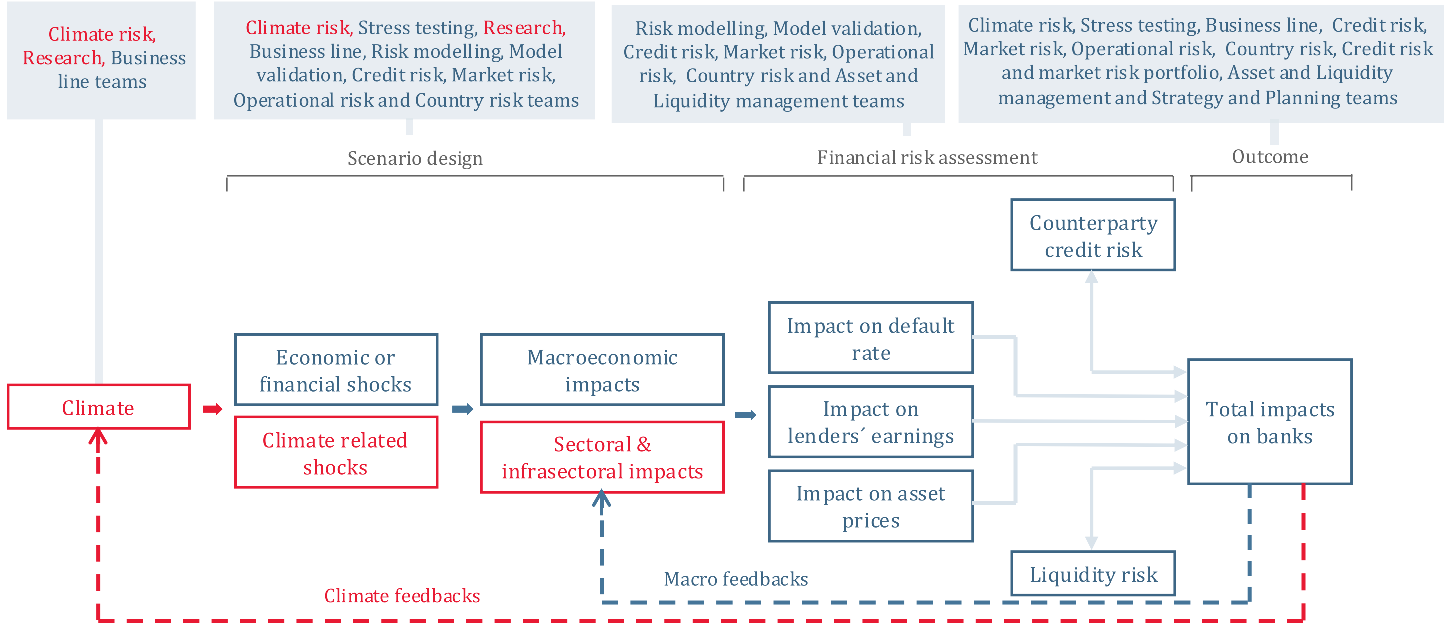
As climate risk assessment is a relatively new area for KCB Group, the Bank is developing more fundamental and structural models to estimate the effects of climate scenarios on its financial position. This approach differs from traditional stress-testing practices, which typically rely on historical events—such as past financial crises—to calibrate shocks, for example through GDP impacts.

The climate stress-testing framework evaluates KCB's vulnerability to the impacts of climate change in order to better understand the financial risks global warming presents to the financial system and how banking business models may be affected. The results of these exercises are being incorporated into the Group's risk management framework and risk appetite processes. Climate stress testing introduces new categories of risk across extended time horizons and is designed to identify existing gaps in risk assessment, including data constraints, while raising organisational awareness of climate risk management.

The initial phase of KCB's climate stress-testing programme focused on clearly defining objectives to guide the scope of the exercise and ensure alignment with strategic and regulatory priorities.

Two primary objectives were established:

Risk assessment, to evaluate how climate risks could affect the Bank's portfolio and financial stability by examining key drivers and uncertainties; and examining key drivers and uncertainties; and Regulatory compliance, to align with local and global regulatory expectations, including the Central Bank Climate Risk Disclosure Framework for the Banking Sector (August 2024), as well as international good practices such as TCFD, IFRS S2, and EBA Pillar 3 ESG ITS.



Looking ahead, the Group is developing a dedicated Nature Risk Framework for 2025. This framework will define how nature-related risks and opportunities are identified, assessed, and integrated within the Environmental and Social Due Diligence (ESDD) process, guided by the TNFD's LEAP methodology. Recognizing the evolving nature of this field, the Bank is committed to building internal capacity in line with regulatory expectations and market demands.

Beyond risk management, the Group is deliberately prioritizing adaptation financing to support climate-vulnerable communities. This ensures that resilience efforts translate into tangible social and environmental benefits, reinforcing the Group's role as a catalyst for sustainable development.

In closing, KCB's comprehensive approach to climate risk management underscores its commitment to safeguarding financial stability while supporting the transition to a low-carbon economy. By embedding climate considerations into governance, risk frameworks, and strategic planning, as well as onboarding nature risk management processes, the Bank is not only strengthening resilience against climate and nature risks but also positioning itself as a proactive leader in sustainable finance.

Through scenario analysis, stress testing, and ongoing engagement with regulators and industry bodies, KCB continues to refine its capabilities, ensuring that its portfolio remains robust, its customers are supported, and its operations align with both national and global climate objectives.

Integration of nature risk

The Group is progressively embedding nature-related risks and existing climate risks into the Bank's credit and risk framework, strengthening resilience and preparedness across its risk analysis and operations. In alignment with emerging global frameworks such as the Taskforce on Nature-related Financial Disclosures, the Group undertook an assessment of nature-related risks across its portfolio, including the identification of priority locations guided by the TNFD Leap approach. This review highlighted agriculture, tourism, and infrastructure as key sectors with elevated exposure due to their high dependency on natural systems. Building on these insights, the Bank initiated the integration of nature-related risk considerations into its portfolio assessment processes in 2024. In 2025, the Group further advanced this work in collaboration with the TNFD Standards by developing a draft transition plan to operationalise nature risk management across these priority sectors. Given the critical reliance of these industries on ecosystem services, the integration of nature-related considerations and the development of a structured transition pathway are essential to strengthening portfolio resilience and supporting sustainable sector growth.

Looking ahead, the Group is developing a dedicated Nature Risk Framework for 2026. This framework will define how nature-related risks and opportunities are identified, assessed, and integrated within the Environmental and Social Due Diligence (ESDD) process. The Bank is committed to building internal capacity in line with regulatory expectations and market demands. As such, the Bank has also implemented training for nature-related risks for all Bank staff to equip them with the identification and analysis of nature-related risks. Beyond risk management, the Group is deliberately prioritising adaptation financing to support climate-vulnerable communities. This ensures that resilience efforts translate into tangible social and environmental benefits, reinforcing the Group's role as a catalyst for sustainable development. This includes scaling up its water-related facilities and agricultural finance targeting biodiversity and ecosystem restoration.

In closing, KCB's comprehensive approach to climate and nature risk management underscores its commitment to safeguarding financial stability while supporting the transition to a low-carbon economy. By embedding climate considerations into governance, risk frameworks, and strategic planning, as well as onboarding nature-risk management processes, the Bank is not only strengthening resilience against climate and nature risks but also positioning itself as a proactive leader in sustainable finance. KCB continues to refine its capabilities, ensuring that its portfolio remains robust; its customers are supported, and its operations align with both national and global climate objectives.

In 2025, the Group further advanced this work in collaboration with the TNFD Standards by developing a draft transition plan to operationalise nature risk management across these priority sectors.

Appendices

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Independent Assurance Practitioner's Limited Assurance Report on Selected Key Performance Indicators

To the Directors of KCB Group Plc

Report on Selected Key Performance Indicators

We have undertaken a limited assurance engagement on selected key performance indicators (KPIs), as described below, and presented in the Sustainability Report 2025 of KCB Group Plc ("KCB Group") for the year ended 2025 (the Report). This engagement was conducted by a multidisciplinary team including assurance specialists with relevant experience in sustainability reporting.

Subject Matter

We have been engaged to provide a limited assurance conclusion in our report on the following selected KPIs, marked with an "LA" on the relevant pages in the Report. The selected KPIs described below have been prepared in accordance with the relevant KPI definitions set out in Appendix B of the Report ("reporting criteria").

Human Capital Key Performance Indicators	Unit of measurement	Boundary	Page number
Number of employees who completed the anti-money laundering course in the year	Number	KCB Group	8 – 9
Number of employees who signed the Staff Declaration forms in the year	Number	KCB Group	8 – 9
Number of employees who completed the ethics e-learning course in the year	Number	KCB Group	8 – 9
Number of new permanent and pensionable employees at year end	Number	KCB Group	8 – 9
Number of male permanent and pensionable employees at year end	Number	KCB Group	8 – 9
Number of female permanent and pensionable employees at year end	Number	KCB Group	8 – 9
Total number of full-time equivalent (FTE) group employees at year end	Number	KCB Group	8 – 9
Number of full-time equivalent (FTE) group employees belonging to a union at year end (Kenya)	Number	KCB Bank Kenya Limited	8 – 9
Percentage composition of women on the KCB Group Board at year end	Percentage	KCB Group	8 – 9

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Economic Key Performance Indicators	Unit of measurement	Boundary	Page number
Value of KCB M-Pesa loans disbursed in the year	Kenyan Shilling	KCB Group	8 – 9
Number of Mobi loans disbursed in the year	Number	KCB Bank Kenya Limited	8 – 9
Number of Bancassurance policies written in the year	Number	KCB Group	8 – 9
Value of Bancassurance premiums written in the year	Kenyan Shilling	KCB Group	8 – 9
Social Key Performance Indicators	**Unit of measurement**	**Boundary**	**Page number**
Number of female student beneficiaries under the Scholarship Programme in the year	Number	KCB Group	8 – 9
Number of male student beneficiaries under the Scholarship Programme in the year	Number	KCB Group	8 – 9
Number of Females who participated in the 2jiajiri Program training in the year	Number	KCB Group	8 – 9
Number of Males who participated in the 2jiajiri Program training in the year	Number	KCB Group	8 – 9
Environmental Key Performance Indicators	**Unit of measurement**	**Boundary**	**Page number**
Value of green loans verified as climate-eligible in CAFI in the year	Kenyan Shilling	KCB Group	8 – 9
Customer Excellence Key Performance Indicators	**Unit of measurement**	**Boundary**	**Page number**
Customer complaint resolution time in the year	Days	KCB Group	8 – 9
Customer Net Promoter Score in the year[α]	Score	KCB Group	8 – 9
Customer Effort Score in the year[α]	Score	KCB Group	8 – 9
Procurement Key Performance Indicators	**Unit of measurement**	**Boundary**	**Page number**
Value of local procurement spend in the year[α]	Kenyan Shilling	KCB Group excluding KCB Burundi, KCB South Sudan & Trust Merchant Bank SA	8 – 9
Value of international procurement spend in the year[α]	Kenyan Shilling	KCB Group excluding KCB Burundi, KCB South Sudan & Trust Merchant Bank SA	8 – 9

[α] *KPI new in scope for assurance*

Directors' Responsibilities

The Directors are responsible for the selection, preparation and presentation of the selected KPIs in accordance with the reporting criteria. This responsibility includes the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance and design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error. The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected KPIs and for ensuring that those criteria are publicly available to the Report users.

Our Independence and Quality Control

We have complied with the independence and all other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Deloitte & Touche LLP applies the International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the selected KPIs based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board. This Standard requires that we plan and perform our engagement to obtain limited assurance about whether the selected KPIs are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) involves assessing the suitability in the circumstances of KCB Group's use of its reporting criteria as the basis of preparation for the selected KPIs, assessing the risks of material misstatement of the selected KPIs whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected KPIs. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Inspected documentation to corroborate the statements of management and senior executives in our interviews;
- Performed a walkthrough of the processes and systems to generate, collate, aggregate, monitor and report the selected KPIs;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria; and
- Evaluated whether the selected KPIs presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at KCB Group.

The procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether KCB Group's selected KPIs have been prepared, in all material respects, in accordance with the accompanying KCB Group's reporting criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected KPIs as set out in the Subject Matter section above for the year ended 2025 are not prepared, in all material respects, in accordance with the reporting criteria.

Other Matters

Our report involves the provision of limited assurance on selected KPIs, as indicated in the "Subject matter" section above, on which we were previously not required to provide assurance.

The maintenance and integrity of KCB Group's website is the responsibility of KCB Group's management. Our procedures did not involve consideration of these matters and, accordingly, we accept no responsibility for any changes to either the information in the Report or our independent limited assurance report that may have occurred since the initial date of its presentation on KCB Group's website.

Restriction of Liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected KPIs to the Directors of KCB Group in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than KCB Group, for our work, for this report, or for the conclusion we have reached.

The engagement partner responsible for the independent assurance engagement resulting in this independent limited assurance report is **CPA Fredrick Okwiri,** Practising Certificate **No. 1699.**

Deloitte & Touche LLP

For and on behalf of Deloitte & Touche LLP
Certified Public Accountants (Kenya)
Nairobi

30 April 2026

Appendix B: KPI Definitions

Human Capital	Definition	Unit of Measurement
Number of employees who completed the anti-money laundering course in the year	Full-time and part-time KCB Group employees who completed the annual anti-money laundering course within the reporting year.	Number
Number of employees who signed the Staff Declaration forms in the year	Full-time and part-time KCB Group employees who signed the annual staff declaration forms as part of ethics compliance within the reporting year.	Number
Number of employees who completed the ethics e-learning course in the year	Number of full-time and part-time KCB Group employees who completed the annual ethics course within the reporting year.	Number
Number of new permanent and pensionable employees at year end	New full-time KCB Group employees at year end	Number
Number of male permanent and pensionable employees at year end	Male full-time KCB Group employees at year end	Number
Number of female permanent and pensionable employees at year end	Female full-time KCB Group employees at year end	Number
Total number of full-time equivalent (FTE) group employees at year end	Total full-time KCB Group employees at year end	Number
Number of full-time equivalent (FTE) group employees belonging to a union at year end	Full-time employees in Kenya belonging to either Banking Insurance and Finance Union (Kenya) or Kenya Union of Commercial, Food and Allied Workers (KUCFAW) at year end	Number
Percentage composition of women on the KCB Group Board at year end	Percentage composition of women on the KCB Group Board at year end	Percentage

Economic	Definition	Unit of Measurement
Value of KCB M-Pesa loans disbursed in the year	KCB M-Pesa is a loan and savings product offered by KCB Bank Kenya Ltd to Safaricom M-Pesa customers through the Safaricom mobile channel.	Kenya Shilling
Number of Mobi Loans disbursed in the year	KCB Mobi is a loan product exclusively offered by KCB Bank Kenya Ltd to KCB Bank Kenya Ltd customers through its mobile channels.	Number
Number of Bancassurance policies written in the year	Number of Bancassurance insurance policies written in the year across KCB Group.	Number
Value of Bancassurance premiums written in the year	Value of gross written premiums for Bancassurance insurance policies written in the year across KCB Group.	Kenya Shilling

Appendix B: KPI Definitions

Social	Definition	Unit of Measurement
Number of female student beneficiaries under the Scholarship Programme in the year	The Scholarship Programme offers full secondary and tertiary school scholarships to support bright students from disadvantaged backgrounds.	Number
Number of male student beneficiaries under the Scholarship Programme in the year	The Scholarship Programme offers full secondary and tertiary school scholarships to support bright students from disadvantaged backgrounds.	Number
Number of Females who participated in the 2jiajiri Program training in the year	2Jiajiri is a Workforce Development programme training to empower the youth to grow microenterprises by providing them with technical and vocational education and training.	Number
Number of Males who participated in the 2jiajiri Program training in the year	2Jiajiri is a Workforce Development programme training to empower the youth to grow microenterprises by providing them with technical and vocational education and training.	Number

Environmental	Definition	Unit of Measurement
Value of green loans verified as climate-eligible in CAFI in the year	Green loans are loans for projects that support environmental sustainability and climate resilience. The Climate Assessment for Financial Institutions (CAFI) tool is a platform that allows financial institutions to verify whether a project meets internationally agreed-upon criteria for climate finance in line with IFC's Definitions for Climate-Related Activities and the Common Principles for Climate Mitigation Finance Tracking.	Kenya Shilling

Customer Excellence	Definition	Unit of Measurement
Customer complaint resolution time in the year	Average time taken to resolve customer complaints. The Group has a Customer Relationship Manager (CRM) system where all complaints are tracked for timely and quality resolution.	Days
Customer Net Promoter Score in the year	The Net Promoter Score (NPS) measures how likely customers are to recommend KCB to others, using a scale from 0 (least likely) to 10 (most likely). NPS is calculated by subtracting the percentage of detractors (scores 0-6) from the percentage of promoters (scores 9-10).	Score
Customer Effort Score in the year	The Customer Effort Score (CES) measures the percentage of customers who find it difficult to resolve their issues with the bank by asking customers to rate how easily their issues were resolved, using a scale from 1 (very easy) to 5 (very difficult). The CES represents the proportion of customers who rate their experience as either difficult (4) or very difficult (5).	Score

Procurement	Definition	Unit of Measurement
Value of local procurement spend in the year	Value of Purchase Orders (POs) approved within the year directed to local suppliers. Local suppliers are registered in the same country as the procuring KCB subsidiary.	Kenya Shilling
Value of international procurement spend in the year	Value of Purchase Orders (POs) approved within the year directed to international suppliers. International suppliers are registered outside the country of the procuring KCB subsidiary.	Kenya Shilling

ISSB **Disclosures Index**

	Disclosure Requirement	IFRS S1	IFRS S2	Disclosure within report
About governance body (s) or individual (s) responsible for oversight of Sr/ Cr ROs	1. Which governance body(s), oversee the effective management of Sr/CrROs across the entity?	27 (a)	6 (a)	Governance of sustainability
	2. How are responsibilities for Sr/CrROs reflected in the terms of reference, mandates, role descriptors and other related policies applicable to the governance body?	27 (a) (i)	6 (a) (i)	Governance of sustainability
	3. How are appropriate skills and competencies of the governance bodies determined or developed to oversee strategy designed to respond to Sr/CrROs?	27 (a) (ii)	6 (a) (ii)	Governance of sustainability
	4. How and how often are those in the governance body(s) informed about the organisation's related risks and opportunities?	27 (a) (iii)	6 (a) (iii)	Governance of sustainability
	5. Explain how those in (1) consider Sr/CrROs when overseeing the entity's strategy, decisions on major transactions, and its risk management process and related policies? Have those in (1) considered tradeoffs associated with those risks and opportunities?	27 (a) (iv)	6 (a) (iv)	Governance of sustainability
	6. How do those in (1) oversee the setting of targets related to Sr/ CrRO, and monitor progress towards those targets? Have related performance metrics been included in remuneration policies? If so, how?	27 (a) (v)	6 (a) (v)	Governance of sustainability
About Management	1. Is management directly involved in the Sr/CrRO activities of their entity? Demonstrate how they are involved?	27 (b)	6 (b)	Executive leadership and management
	2. Does the management possess sufficient knowledge of all major business lines to ensure that appropriate policies, processes, controls and risk monitoring systems are in place and that accountability and lines of authority are clearly delineated?	Not Specified	Not Specified	committees Executive leadership and management committees
	3. How has the management deployed the appropriate skills to ensure that appropriate processes, controls and procedures are carried out to monitor, manage and oversee Sr/CrRO's?	27 (b) (ii)	6 (b) (ii)	Executive leadership and management committees
	4. Is the management role delegated to a specific management level position or management-level committee? How is oversight exercised over that position or committee?	27 (b) (ii)	6 (b) (i)	Executive leadership and management committees
	5. What controls and procedures are used to support the oversight of Sr/CrRO? How are these controls and procedures integrated with other internal functions?	27 (b) (ii)	6 (b) (i)	Executive leadership and management committees
Sustainability & Climate-related Risks and Opportunities (SrRO)	1. Identify and describe Sr/CrRO that could reasonably be expected to affect the entity's prospects.	29 (a)	10 (a)	Our 2025 Material topics
	2. How are key stakeholders engaged on sustainability and climate related issues to better enable the institution to develop strategies to address relevant concerns?	29 (a)	9 (a)	Stakeholder engagement

ISSB **Disclosures Index**

	Disclosure Requirement	IFRS S1	IFRS S2	Disclosure within report
About governance body (s) or individual (s) responsible for oversight of Sr/ Cr ROs	1. Which governance body(s), oversee the effective management of Sr/CrROs across the entity?	27 (a)	6 (a)	Governance of sustainability
	2. How are responsibilities for Sr/CrROs reflected in the terms of reference, mandates, role descriptors and other related policies applicable to the governance body?	27 (a) (i)	6 (a) (i)	Governance of sustainability
	3. How are appropriate skills and competencies of the governance bodies determined or developed to oversee strategy designed to respond to Sr/CrROs?	27 (a) (ii)	6 (a) (ii)	Governance of sustainability
	4. How and how often are those in the governance body(s) informed about the organisation's related risks and opportunities?	27 (a) (iii)	6 (a) (iii)	Governance of sustainability
	5. Explain how those in (1) consider Sr/CrROs when overseeing the entity's strategy, decisions on major transactions, and its risk management process and related policies? Have those in (1) considered tradeoffs associated with those risks and opportunities?	27 (a) (iv)	6 (a) (iv)	Governance of sustainability
	6. How do those in (1) oversee the setting of targets related to Sr/ CrRO, and monitor progress towards those targets? Have related performance metrics been included in remuneration policies? If so, how?	27 (a) (v)	6 (a) (v)	Governance of sustainability
About Management	1. Is management directly involved in the Sr/CrRO activities of their entity? Demonstrate how they are involved?	27 (b)	6 (b)	Executive leadership and management
	2. Does the management possess sufficient knowledge of all major business lines to ensure that appropriate policies, processes, controls and risk monitoring systems are in place and that accountability and lines of authority are clearly delineated?	Not Specified	Not Specified	committees Executive leadership and management committees
	3. How has the management deployed the appropriate skills to ensure that appropriate processes, controls and procedures are carried out to monitor, manage and oversee Sr/CrRO's?	27 (b) (ii)	6 (b) (ii)	Executive leadership and management committees
	4. Is the management role delegated to a specific management level position or management-level committee? How is oversight exercised over that position or committee?	27 (b) (ii)	6 (b) (i)	Executive leadership and management committees
	5. What controls and procedures are used to support the oversight of Sr/CrRO? How are these controls and procedures integrated with other internal functions?	27 (b) (ii)	6 (b) (i)	Executive leadership and management committees
Sustainability & Climate-related Risks and Opportunities (SrRO)	1. Identify and describe Sr/CrRO that could reasonably be expected to affect the entity's prospects.	29 (a)	10 (a)	Our 2025 Material topics
	2. How are key stakeholders engaged on sustainability and climate related issues to better enable the institution to develop strategies to address relevant concerns?	29 (a)	9 (a)	Stakeholder engagement

ISSB **Disclosures Index**

	Disclosure Requirement	IFRS S1	IFRS S2	Disclosure within report
	3. Categorise each identified climate related risk as either a physical risk or transition risk.	Not Specified	6 (a)	Climate Risk Management
	4. Specify the time horizons—short, medium or long term—over which the effects of each of those Sr/CrRO could reasonably be expected to occur. Explain how the time horizons link to the planning horizons used for the entity's strategic decision making.	30 (b)	6 (a) (i)	Not disclosed
Value chain and business model	1. Describe the current and anticipated effects of Sr/CrRO on the entity's business model and value chain.	32 (a)	13 (a)	Our strategy on business ethics
	2. Where in the entity's business model and value chain are Sr/CrRO concentrated? (for example, geographical areas, facilities and types of assets)	32 (b)	13 (b)	Our strategy on sustainable Finance
Strategy and decision making	1. Describe how the entity responded to, and plans to respond to, Sr/ CrRO in its strategy and decision-making	33 (a)	14 (a)	
	2. Describe any current and anticipated changes to the business model attributable to climate-related risks and opportunities including changes in resource allocation e.g., plans to manage or decommission carbon, energy or water-intensive operations, changes in demand or supply chain, or investments and expenditure, including on research and development, acquisitions and divestments?	Not Specified	14 (a) (i)	Our strategy on climate Action: Adaptation, Conservation and Mitigation
	3. Describe any current and anticipated direct mitigation and adaptation efforts, for example, energy use, fleet management, employee commute, water consumption, resource consumption and usage of paper.	Not Specified	14 (a) (ii)	Our strategy for digital innovation for competitive advantage and efficiency
	4. Describe any current and anticipated indirect mitigation and adaptation efforts, (for example, through working with customers and supply chains)	Not Specified	14 (a) (iii)	Our Strategy for cyber security & data privacy
	5. Details on any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies.	Not Specified	14 (a) (iv)	Our strategy for financial inclusion
	6. Details of how the entity plans to achieve any climate-related targets including greenhouse gas emissions targets it has set and any targets it is required to meet by law or regulation	Not Specified	14 (a) (v)	Our strategy for customer satisfaction and experience
	7. How is the entity resourcing or plans to resource the activities attributable to climate-related risks and opportunities?	Not Specified	14 (b)	Our strategy for product innovation and customization
	8. What's the progress against plans the entity has disclosed in previous reporting periods? Include both quantitative and qualitative information	Not Specified	14 (c)	
	9. Describe how the entity considered trade-offs between SrRO e.g. cost of training employees vis a vis skill development	33 (c)	Not Specified	

ISSB **Disclosures Index**

	Disclosure Requirement	IFRS S1	IFRS S2	Disclosure within report
Financial position, financial performance, cash flows and financial planning	1. Describe the current and anticipated effects of Sr/CrRO on the entity's business model and value chain.	34(a) (b)	15 (a) (b)	
	2. Over the short-, medium- and long-term, disclose quantitative and qualitative information about the financial effects of Sr/CrRO. Include how the entity expects its financial position to change, given its strategy to manage Sr/CrRO, taking into consideration: • Investment and disposal plans, and, • Its planned sources of funding to implement its strategy	35 (c)	15 (c)	Our Strategy for societal impact Our strategy for community action through partnerships
	3. Disclose quantitative and qualitative information about how the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage Sr/CrRO.	40 (b) (c)	21 (b) (c)	Our strategy for talent management and retention
The organisation's capacity to adjust to uncertainties arising from sustainability related risks	1. Disclose information that explains the entity's capacity to adjust to the uncertainties arising from Sr/CrRO. Include, where applicable, quantitative and qualitative assessment of the resilience of its strategy and business model and explain how and when the organisation carried out that assessment	41	22 (a)	Our Diversity, Equity, and Inclusion (DEI) strategy Our strategy on employee engagement and well-being
	2. For climate-related risks and opportunities, an entity shall use climate-related scenario analysis to assess its climate resilience and disclose: • The implications of the entity's resilience assessment, including potential responses to the possible outcomes identified in the scenario analysis. • Areas of uncertainty that affect the organisation's resilience assessment. • The organisation's capacity to adjust its strategy and business model over the short, medium and long term.	Not Specified	22 (b)	
	3. For climate-related risks and opportunities, disclose how and when the organisation did its climate-related scenario analysis, including how many and what type of scenarios the organisation used and why Include the time horizons and scope of operations to which the analysis applied.	Not Specified	22 (b) (i)	
	4. For climate-related risks and opportunities, what were the key assumptions made in the scenario analysis?	Not Specified	22 (b) (ii)	
	5. For climate-related risks and opportunities, what was the reporting period in which the climate-related scenario analysis was carried out?	Not Specified	22 (b) (iii)	
Risk identification and monitoring process	1. How does the entity identify, assess and prioritize sustainability/ climate-related risks?	44 (a)	25 (a)	Climate & Nature Risk Management
	2. How does this process monitor sustainability/ climate-related risks?	44 (a) (v)	25 (a) (v)	Climate & Nature Risk Management
	3. What inputs and parameters (for example, information about data sources and the scope of operations covered in the processes) does the entity apply to assess, prioritise and monitor sustainability/ climate-related risks?	44 (a) (i)	25 (a) (i)	

ISSB **Disclosures Index**

	Disclosure Requirement	IFRS S1	IFRS S2	Disclosure within report
Risk identification and monitoring process	4. How does the entity apply scenario analysis to inform its identification of sustaiclimate-related risks? If so, how?	44 (a) (ii)	25 (a) (ii)	Governance – Risk Management Environmental Stewardship – Risk Management Digital Leadership– Risk Management Customer Excellence– Risk Management Community Action– Risk Management Employee Welfare – Risk Management
	5. How does the entity assess the nature, likelihood and magnitude of the effects of those risks?	44 (a) (iii)	25 (a) (iii)	
	6. How does this process consider qualitative factors, quantitative thresholds, or other criteria?	44 (a) (iii)	25 (a) (iii)	
	7. How does this process prioritise sustainability/ climate-related risks relative to other types of risk?	44 (a) (iv)	25 (a) (iv)	
	8. How has the entity changed the processes it uses compared with the previous reporting period? If so, how?	44 (a) (vi)	25 (a) (vi)	
	9. What processes does the entity have in place to manage Sr/CrROs?	43 (b)	25 (c)	
	10. Is scenario analysis integrated into and does it inform the entity's overall risk management framework?	44 (c)	25 (c)	Climate & Nature Risk Management
	11. How has the entity considered that circumstances might change over time? Which in turn will affect the organisation's approach to scenario and climate-related scenario analysis?	Not Specified	Not Specified	Climate & Nature Risk Management
Opportunities identification and monitoring process	1. How does the entity identify, assess, prioritize and monitor sustainability/ climate-related opportunities relative to other types of opportunities?	44 (b)	25 (b)	Our 2025 Material topics
	2. What inputs and parameters (for example, information about data sources and the scope of operations covered in the processes) does the entity apply to assess, prioritise and monitor sustainability/ climate-related opportunities?	44 (a) (i)	25 (a) (i)	Stakeholder engagement
For each sustainability/ climate-related risk and opportunity that could reasonably be expected to affect the company's prospects, the company is required to disclose metrics.	1. For each Sr/CrRO, what metrics are required by an applicable IFRS Sustainability Disclosure Standard.	46 (a)	27	Environmental Stewardship – Climate Action – Metrics and Targets
	2. For each Sr/CrRO, what metrics does the entity use to measure and monitor that SrRO and its performance in relation to that SrRO, including progress towards any targets the organisation has set, and any targets it is required to meet by law or regulation.	46 (b)	28 (c)	Environmental Stewardship – Climate Action – Resource Utilization / Metrics and Targets
	3. Do you apply a metric that is taken from another source other than IFRS Sustainability Disclosure Standard? If so, explain: • How the metric is defined; • Whether the metric is an absolute measure, a measure expressed in relation to another metric or a qualitative measure; • Whether the metric is validated by a third party and, if so, which party • The method used to calculate the metric and the inputs to the calculation, including the limitations of the method used and the significant assumptions made	50 (a - d)	33 (a-g)	Not Reported

ISSB **Disclosures Index**

	Disclosure Requirement	IFRS S1	IFRS S2	Disclosure within report
For each sustainability/ climate-related risk and opportunity that could reasonably be expected to affect the company's prospects, the company is required to disclose metrics.	4. Which approach, inputs and assumptions does the entity use to measure its GHG emissions?	Not Specified	29 (a) (iii) (1)	Environmental Stewardship – Climate Action – Resource Utilization / Metrics and Targets
	5. Why has the entity chosen to use the approach, inputs and assumptions it uses to measure the GHG emissions?	Not Specified	29 (a) (iii) (2)	
	6. Have there been any changes in the measurement approach, inputs and assumptions the entity has used during the reporting period? Why were there changes?	Not Specified	29 (a) (iii) (3)	Not Reported
	7. How are the Scope 1 and Scope 2 GHG emissions disaggregated between the consolidated accounting entity and other investees such as associates, joint ventures and unconsolidated subsidiaries?	Not Specified	29 (a) (iv)	Environmental Stewardship – Climate Action
	8. How are the Scope 2 GHG emissions disaggregated per location, and which are their associated contractual instruments?	Not Specified	29 (a) (v)	Environmental Stewardship – Climate Action
	9. What categories are included in the entity's measurement of Scope 3 greenhouse gas emissions, according to the categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3)?	Not Specified	29 (a) (vi) (1)	Not Reported
	10. Which category 15 GHG emissions are associated with the entity's investments (financed emissions)?	Not Specified	29 (a) (vi) (2)	Environmental Stewardship – (Sustainable Finance Financed Emissions
	11. Does the entity apply a carbon price in decision-making? If so, how?	Not Specified	29 (f)	Not Reported
	12. Does the entity factor climate related considerations into executive remuneration? If so, how?	Not Specified	29 (g)	Not Reported
Targets	Which approach has the entity used while setting each target? Has the approach been validated by a third party?	51	34 (a)	Not Reported
	Have there been revisions to the targets? If so, why?	51 (g)	34 (d)	Not Reported
	How does the entity review each target and monitor its progress against it?	51 (g)	34 (b)	Disclosed under each material topic, under the Strategy and Metrics and Targets section:
	How has the entity been performing against each of the set targets? Have there been trends and changes in the entity's performance?	51 (f)	35	Governance
	For each metric, indicate: 1. The metric used to set the target 2. The objective of the target 3. The part of the entity to which the target applies e.g., entire or part of the entity, specific business unit etc. 4. The base period from which progress is measured 5. Existing milestones and interim targets 6. Whether the quantitative target is an absolute or intensity target 7. How has the target been informed by the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement?	51 (a-g)	36	Environmental Stewardship Digital Leadership Customer Excellence Community Action Employee Welfare

ISSB **Disclosures Index**

	Disclosure Requirement	IFRS S1	IFRS S2	Disclosure within report
GHG Emission targets	Which GHG emissions are covered by the target? In which category (Scope 1, 2 and 3) does these emissions fall?	Not Specified	36 (a)	Environmental Stewardship – Climate Action – Resource Consumption
	Is the target a gross GHG emission target or a net GHG emission target? If net, has the entity separately disclosed the associated gross greenhouse gas emission target?	Not Specified	36 (c)	Not Reported
	Was the target derived using a sectoral decarbonization approach?	Not Specified	36 (d)	Not Reported
	To what extent does the entity rely on the use of carbon credit to achieve its net GHG emissions target?	Not Specified	36 (e) (i)	Not Reported
	Which third-party scheme verified or certified the carbon credits used by the entity?	Not Specified	36 (e) (ii)	Not Reported
	Which type of carbon credit did the entity use?	Not Specified	36 (e) (iii)	Not Reported
	Was the underlying offset nature-based or based on technological carbon removals?	Not Specified	36 (e) (iii)	Not Reported
	Was the underlying offset achieved through carbon reduction or carbon removal?	Not Specified	36 (e) (iii)	Not Reported
	Which other factors may be considered to verify the credibility and integrity of the carbon credits the entity has used/ plans to use?	Not Specified	36 (e) (iv)	Not Reported

Principles for **Responsible Banking (PRB)**

The Bank adopted the Principles for Responsible Banking (PRBs) in 2019, and 2025 marks the sixth year that the Bank has reported on its integration of the six principles into its operations. This includes aligning our activities with the UN Sustainable Development Goals, the Paris Agreement on Climate Action, and other sustainability frameworks.

We have identified our priority impact areas, set targets, and continue to make progress against them. Stakeholder engagement is a core part of how we operate, with ongoing collaboration across a range of groups to drive impact at all levels. Governance alongside transparency and accountability are key pillars that guide our approach towards making progress.

The PRB Principles	Our Commitment	Our Progress
Alignment	We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and international standards	In 2025, the Bank continued to make steady progress in aligning its business strategy with sustainable development goals and other globally and locally recognized frameworks. We continued to track progress towards the adopted SDG Goals. To note, the Bank adopted fourteen out of the seventeen goals and tracks over 60 KPIs across the region. The Bank has also ensured to broaden the scope for the adopted goals to ensure that we are tracking the values within our subsidiary markets. Our balance sheet currently sits at KSh. 2.15 trillion; with such financial strength we can spearhead the economic growth within the region and further drive sustainable growth in the region. This progress has meant that we meet the needs of all our customers whilst accelerating sustainable development within the region.
Impact and Target Setting	We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.	We have maintained customer experience at the core of our business, and it remains a focus area for the Bank. In 2025, we achieved an NPS score of 70 which reflects a strong level of client satisfaction and high likelihood of client recommendation. In addition, the Bank has invested in redesigning and digitizing priority customer journeys across its mobile banking platforms as well as agency banking. We have also expanded financing and solutions that contribute to inclusive and sustainable growth with a focus on female led and micro enterprises across the country. Notably, the Bank disbursed Ksh. 3.1 billion in loans through its FLME Engagement and mobilized Ksh. 3.08 billion in deposits from the FLME customers reflecting strong confidence and asset growth. In addition, we have also grown our green lending portfolio to Ksh. 48.8 billion worth of projects targeting renewable energy, energy efficiency and green buildings supporting our customers to transition towards a low carbon economy. Through ongoing client engagement, structured feedback mechanisms, and increased green financing we are enabling economic activities that contribute to shared prosperity, for current and future generations while continuing to deepen our overall impact.
Stakeholders	We will proactively and responsibly consult, engage, and partner with relevant stakeholders to achieve society's goals.	We have strengthened our approach to stakeholder engagement by proactively consulting, engaging, and partnering with relevant stakeholders across the value chain. KCB Group continues to actively engage its key stakeholders including customers, employees, suppliers, investors, regulators, policy makers, and business partners. These engagements form a crucial part of our decision-making process to ensure that our activities remain aligned with the broader societal goals.

The PRB Principles	Our Commitment	Our Progress
Governance & Culture	We will implement our commitment to these Principles through effective governance and a culture of responsible banking.	We have continued to strengthen governance and culture to support the effective implementation of our responsible banking commitments. Oversight of sustainability and responsible banking has been embedded within our governance structures, with clear accountability at senior management and Board levels to ensure alignment with strategic objectives. The Board of Directors plays a critical role in overseeing systemic, sustainability, and climate-related risks, ensuring that these risks, including ethical conduct considerations, are integrated into strategic decision-making and long-term planning. This governance approach is reinforced by clearly defined reporting lines and escalation mechanisms across the Group. At the subsidiary level, each operating entity has its own Board Risk Management Committee responsible for overseeing local risk matters, including ethical and conduct-related risks. These committees ensure that risks specific to each subsidiary are identified early, managed effectively, and escalated to the Group level where necessary.
Transparency & Accountability	We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.	The Bank aligns its reporting to its ESG progress and achievements through its sustainability report which is aligned to the IFRS S1 and S2 reporting standards. In addition, the Bank also ensures that its report has undergone limited assurance for the second year in a row. In addition, we continue to align to global best practice to ensure we have embedded transparency to ensure our stakeholders have a clear and holistic view of our contribution to society's goals. Accountability is reinforced through governance oversight and internal reporting lines that ensure reviews are escalated appropriately and translated into action.

List of **acronyms**

1. ALPs-Action Learning Projects
2. AML-Anti money Laundering
3. BaaS-Building-as-a Service
4. BII-British International Investment
5. CAFI-Climate Assessment for Financial Institution
6. CCAK-Clean Cooking Association of Kenya
7. CES-Customer Effort Score
8. CFT-Countering the Financing of Terrorism
9. CX-Customer Excellence
10. DEI-Diversity, Equity and Inclusion
11. DFIs-Development Financial Institutions
12. DFS-Digital Financial Services
13. DPD-Day of Persons with Disability
14. DPO-Data Protection Officer
15. DSR-Direct Sales Representative
16. EAP-Employee Assistance Programme
17. ERM-Enterprise Risk Management
18. ESDD-Environmental and Social Due Diligence
19. ESG-Environmental, Social and Governance
20. ESMS-Environmental and Social Management
21. EVPs-Employee Value Prepositions
22. EVs-Electric Vehicles
23. EXCO-Executive Committee
24. FGM - Female Genital Mutilation
25. FLME-Female-Led and Made Enterprises
26. FTE-Full-Time Equivalent
27. GARC-Group Audit and Risk Committee
28. GCF-Green Climate Funds
29. GDCoE-Group Digital Centre of Excellence
30. GDP-Gross Domestic Product
31. GORCCO-Group Operation Risk and Compliance Committee
32. HRRC-Human Resources and Remuneration Committee
33. IDPs-Individual Development Plans
34. IFRS-International Financial Reporting Standards
35. IROs-Impact, Risks and Opportunities
36. ISAE-International Standard on Assurance Engagements
37. ISSB-International Sustainability Standard Boad
38. KBA-Kenya Bankers Association
39. KCBF-KCB Foundation
40. KCB-Kenya Commercial Bank
41. KCBR-KCB Rwanda
42. KCBSS-KCB South Sudan
43. KCBT-KCB Tanzania
44. KCBU-KCB Uganda
45. KEPSA- Kenya Private Sector Alliance
46. KPI-Key Performance Indicators
47. KYC-Know Your Customer
48. LPG-Liquified Petroleum Gas
49. MBP-Mobile Banking Platform
50. MSMES-Micro, Small and Medium Enterprises
51. MSQC-Manger Service Quality and Compliance
52. NPLs-Non-Performing Loans
53. NPS-Net Promoter Score
54. NZBA-Net Zero Banking Alliance
55. ODPCs-Office of the Data Protection Commissioner
56. OHI-Organizational Health Index
57. PAPSS-Pan Africa Payments Settlement System
58. PBT-Profit Before Tax
59. PLWDs-Persons Living with Disabilities
60. POs-Purchase Orders
61. PRB-Principles of Responsible Banking
62. RM-Relationship Manager
63. SDG-Sustainable Development Goals
64. SDN-Software-Defined Networking
65. SFI-Sustainable Finance Initiative
66. SIDA-Swedish International Development Agency
67. SMEs-Small and Medium Entreprises
68. SSDLC-Secure Software Development Lifecycle
69. SSDs-Spinning drives to Solid Stated drives
70. TAT-Turn Around Time
71. TNA-Training Needs Assessment
72. TNFD-Task Force Nature-related Financial Disclosure
73. UNEP-FI-United Nations Environment Programme-Financial Institution
74. UNGC-United Nation Global Compact
75. VER-Voluntary Early Retirement
76. WILN-Women In Leadership Network

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