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KCB Foundation

Since 2007, the KCB Foundation has worked to create shared value aimed at inclusive progress by supporting empowerment through targeted initiatives within East African communities.

To date, the KCB Foundation has invested an estimated 1 billion Kenyan Shillings into community programmes in Kenya, South Sudan, Rwanda, Tanzania, Uganda and Burundi creating value for communities in the region.

This report provides an overview of our activities for 2018.

A special thanks to those involved in writing this report: Jane Mwangi, Judith Sidi Odhiambo, John Waimiri, Peter Mwaura, Jerry Abuga, June Migui, Cecilia Bjerborn Murai and Kimberlee Brown-Onyuna.

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8000





100 youth

are released into the Kenyan job market every year. We need to invest in their potential.



HIGHLIGHTS

Since 2007, KCB Foundation has been working to address the most pressing challenges faced by our East African communities related to enterprise development, education, health and the environment.

**KSHS
1 BILLION**

Invested in community programs in Kenya, Burundi, Rwanda, South Sudan and Tanzania since 2007

**KSHS 260
MILLION**

For enterprise development programmes in 2018

6,250

Jobs created through 2jiajiri programme in 2018

10,201

Youth reached through the 2Jiajiri youth employment empowerment programme in 2018

240

Students received
4 year scholarships
to continue their
secondary education
in 2018

36,000

Farmers reached
through the
Mifugo Ni Mali
livestock
programme
in 2018

**KSHS 79
MILLION**

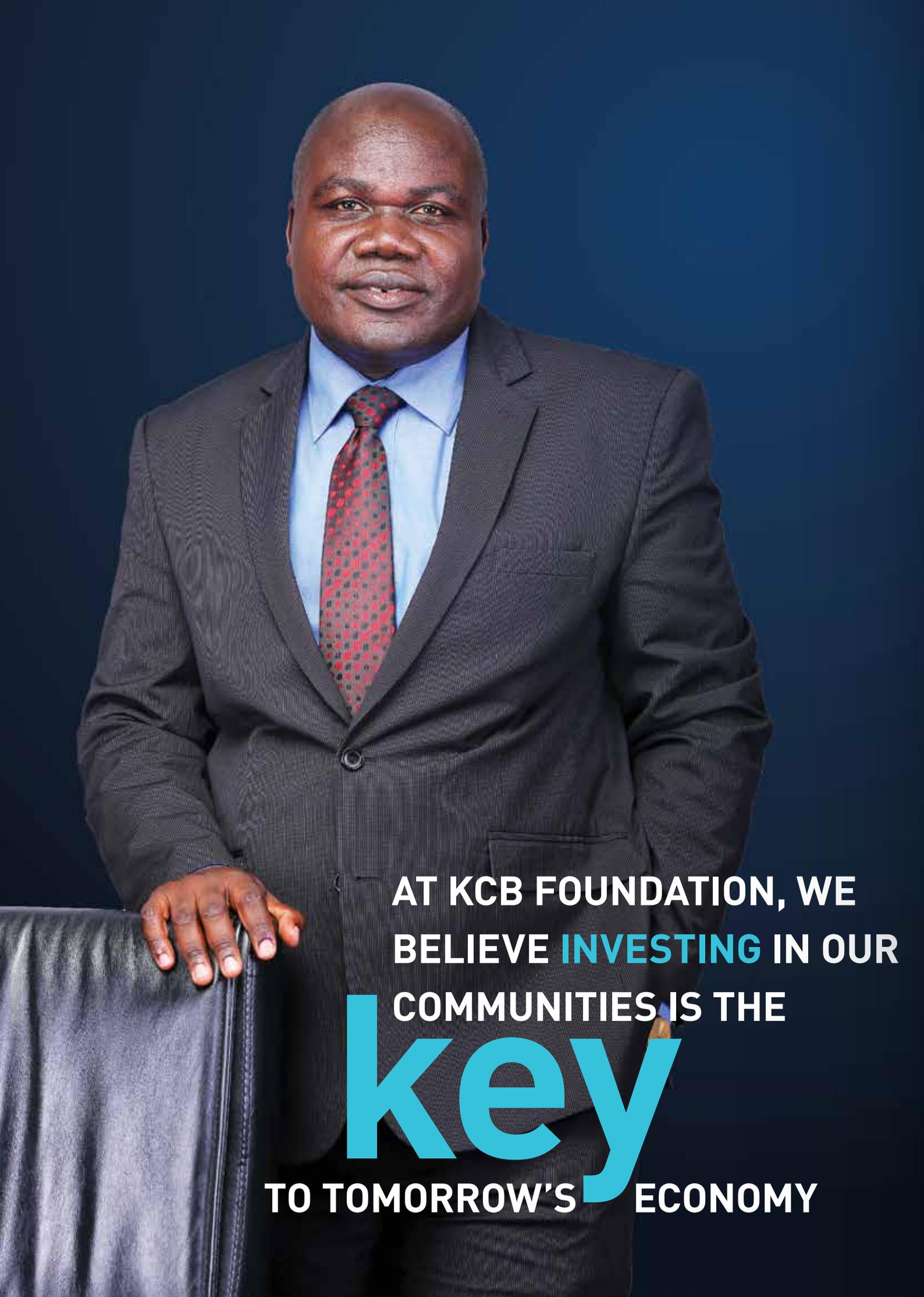
For secondary education
scholarships in 2018

36,391

Cattle tagged in 2018

7

Franchising agreements
reached in 2018



AT KCB FOUNDATION, WE
BELIEVE **INVESTING** IN OUR
COMMUNITIES IS THE
key
TO TOMORROW'S ECONOMY

A MESSAGE FROM OUR FOUNDATION CHAIRMAN

Most businesses aim to make a profit, but KCB Group is committed to creating long-term wealth—not only for its business, but also for those within our local communities.

At KCB Foundation, we firmly believe that investing in our communities today is the key to realising the benefits of tomorrow's circular economy—one in which Foundation activities support society in a way that complements the Group's future business development. This increases not only the longevity of such programmes, but also their potential for impact.

2 key challenges affect our region's future growth ability: youth unemployment and an informal and underperforming livestock sector. By empowering youth and livestock farmers with the skills necessary to access finance through the Foundation's 2jijiri and Mifugo Ni Mali programmes, we are enhancing their potential to increase their income, better provide for their families and amplify their contributions to society.

We are privileged to be in a situation in which we dedicate substantial resources to making such initiatives a reality. At the same time, we are equally blessed with a team of dedicated and experienced staff who work tirelessly to ensure Foundation activities are successful.

In 2018, the Foundation also benefited from numerous partnerships with the larger donor community, national and county governments, as well as local organisations. Together, we share the common objectives of achieving Kenya's Vision 2030, as well as the UN Sustainable Development Goals.

Moving forward, the Foundation intends to scale up existing initiatives by leveraging our branch network. We will similarly continue to ensure strategic alignment between Group and Foundation goals to maintain continuity and maximise impact through innovative and long-term solutions for those most in need.

The following pages reflect upon all we have been able to accomplish by working together in 2018. We thank you for your interest.

Austen Baraza

“KCB Foundation supports inclusive progress by developing long-term capacities for key members of our communities, enabling them to reach their full potential and become active participants in today's circular economy.”

Austen Baraza
KCB FOUNDATION CHAIRMAN



AS WE LOOK AHEAD, WE
EXPECT TO SEE MORE
EMPLOYEES BECOME
employers

A MESSAGE FROM OUR FOUNDATION MANAGING DIRECTOR

For KCB Foundation, the year 2018 will be remembered as the year of impact—a year during which all the hard work from the previous years of forming our shared value programmes reached fruition.

In 2018, we helped over 10,000 youth receive the necessary skills to become entrepreneurs, empowering them to create productive and sustainable futures through our Zjjajiri programme. We embarked upon franchising agreements with several locally-owned businesses such as Ashley's Hair Salon and Naivas to create immediate jobs for our graduates, while providing a cushion for those not quite ready to branch out on their own. We have also been in discussions with government and donor communities, which are looking into the possibilities of replicating the model elsewhere.

Meanwhile, we reached 36,000 farmers, through 74 cooperatives to provide KShs. 123 million in low-interest loan financing, helping them to increase their incomes and support their families. We leveraged new infrared technology to tag over 36,000 cattle aimed at reducing conflict over ownership rights in our arid and semi-arid regions.

As we look ahead, we expect to see more employees become employers, increased livelihoods and reduced conflict over scarce resources resulting from the Foundation's efforts. We set our goals high because we know what is at stake if we fail, just as we know what is possible when we succeed.

We are grateful to all who contributed to making this possible. We could not have done it alone.

“Over the past year, we have begun to see employees become employers. At the same time, our programmes are gaining traction from other like-minded organisations for their replicability to maximise impact.”

Jane Mwangi
KCB FOUNDATION MANAGING DIRECTOR

Jane Mwangi

OUR PARTNERS

Since 2007, the KCB Foundation has invested an estimated KShs. 1 billion in community programmes in Kenya, Burundi, Rwanda, South Sudan, Tanzania and Uganda, creating value for communities in the region. Below are some of our partners who help us achieve this:

Alibhai Shariff	Kenya National Chamber of Commerce and Industry
AMAYA Triangle Initiative	Kenya Private Sector Alliance (KEPSA)
Ashleys Kenya Limited	Kenya Property Developers Association (KPDA)
BIDCO Africa	Kuza Biashara Limited
Brand Strategy & Design East Africa	LVCT Health
Coderstrust	Microsoft Philanthropies
County Government of Baringo	Millenium Water Alliance
County Government of Isiolo	Miramar International College
County Government of Kajiado	MPESA Foundation
County Government of Kilifi	Naivas Supermarkets
County Government of Kwale	National Council of Persons Living with Disabilities
County Government of Laikipia	Neo Amadiva Limited (Revlon)
County Government of Makeni	PZ Cussons
County Government of Marsabit	Robert Bosch EA
County Government of Meru	Research Triangle International (RTI) / Kenya Youth Employment and Skills Programme (KYES)
County Government of Mombasa	Safal MRM
County Government of Narok	San Valencia Limited
County Government of Samburu	Show of Force
County Government of Taita Taveta	Top Quality Motors
County Government of Turkana	Toyota Kenya
Digital Opportunity Trust - DOT	The Kenya Institute of Special Education
East Africa Portland Cement Company	Tullow Kenya
Egerton University	Tusker Mattress Limited (Tuskys)
FHI 360	Victoria Gold Agencies & Style Industries Limited (Darling)
Gearbox	Wajir East Constituency
Generations Kenya	World Vision
GIZ E4D/SOGA	
Kazi Kasi	
Kenya Market Trust Kenya	

OUR FOUNDATION

INTRODUCTION

Since 2007, the KCB Foundation has invested an estimated KShs. 1 billion in community programmes in Kenya, Burundi, Rwanda, South Sudan, Tanzania and Uganda, creating direct value for communities and individuals.

We have done this by working in partnership with various organisations, businesses and the government to support our local communities. As the needs identified have evolved, so have our activities.

Today, 80% of the Foundation’s annual budget—approximately 1.5% of KCB Groups’ annual profit—is allocated to activities that create shared value. These programmes are aimed at advancing the economic and social conditions in the communities in which we operate, while simultaneously enhancing the competitiveness of KCB Group. This enables us to have a longer-term perspective on the activities we support to ensure inclusive progress so that no one is left behind.

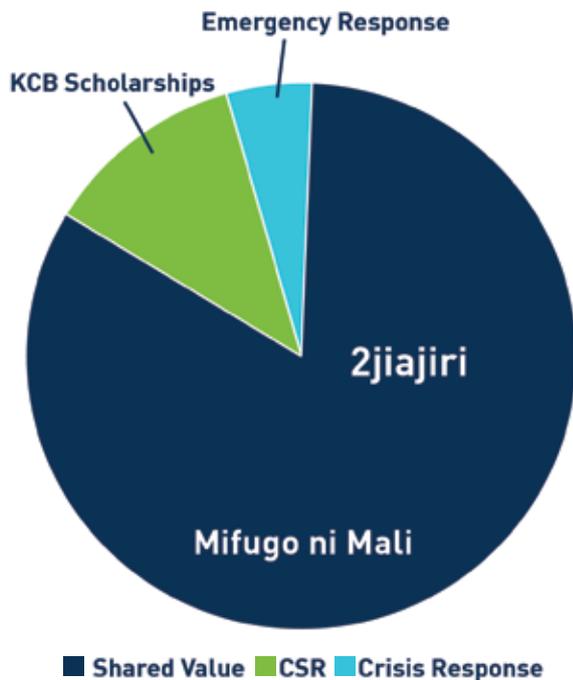
Our flagship shared value programmes include Zjajiri and Mifugo Ni Mali - launched in 2016 and 2014 respectively - which empower today’s youth and farmers with the tools necessary to increase livelihoods by increasing employment and income potential.

Meanwhile, we continue to offer 4 - year scholarships through our KCB Scholarships programme to help those who would otherwise be unable to financially afford secondary education. We also participate in smaller community initiatives on a need basis.

These programmes are central to our contribution to the achievement of the United Nations Sustainable Development Goals - 8 of which were adopted by KCB Group in 2017.

Foundation programmes work in partnership to eliminate poverty and inequality by offering education, employment and financing opportunities to today’s youth, farmers and persons who are physically challenged. Our activities strive to empower individuals to build communities in which young people create jobs and in which farmers farm responsibly and receive fair wages for their goods.

This is how we help transform lives to enable progress.



2jiajiri

empowers youth
with the freedom
of self-employment.
Training provides
skills needed to
be competitive
in today's world.



2JIAJIRI

KCB FOUNDATION'S IMPACT ON KENYAN YOUTH UNEMPLOYMENT THROUGH 2JIAJIRI

- 23,059 youth received technical skills and financial literacy
- KShs. 100 million in loans disbursed to beneficiaries
- 47% of youth skilled are female
- 13,953 youth skilled in Agribusiness
- 4,459 youth skilled in Building and Construction
- 2,119 youth skilled in Beauty and Personal Care
- 1,383 youth skilled in Automotive Engineering
- 1,145 youth skilled in Domestic Services
- 6,562 youth have accessed Business Development Support

2Jiajiri was launched in 2016, with the goal to support at least 50,000 entrepreneurs in 5 years, aimed at creating at least 2.5 million direct and indirect jobs.

INTRODUCTION

Today, an average 800,000 Kenyan youth enter the labour force each year. For many of them fresh out of university, these once aspiring students find it challenging to enter the labour force faced with limited-to-no job possibilities. For those unable to attend university, but of job seeking age, the task appears similarly daunting. In turn, many of today's youth are unable to positively contribute to a growing economy. For these hard workers, progress seems anything but inclusive.

When faced with no job prospects locally, one option is to create them. Starting a small business is often the first entry point for many aspiring entrepreneurs. But many of today's youth, whether university trained or not, lack the skills necessary to start their own business as well as access to affordable financing options.

Recognising this societal challenge, KCB Foundation

launched its 2Jiajiri programme in 2016 to develop a new cadre of youthful entrepreneurs in the informal sector to bridge the youth unemployment gap.

2Jiajiri seeks to empower and equip unemployed and out-of-school youth with technical skill training and financing opportunities needed to launch or grow their businesses. It operates through a three-step approach: Inception (training), Incubation (business development and support) and Maturity (linking to markets, creating jobs and wealth).

"We are providing new opportunities for today's youth that did not exist previously. By helping them launch their own businesses, many are becoming employers themselves. There is great satisfaction in that."

*-Rachel Gathoni,
Head of Programmes KCB Foundation*

3 Step Process



STEP 1

INCEPTION (TRAINING)



STEP 2

**INCUBATION
(BUSINESS DEVELOPMENT
AND SUPPORT)**



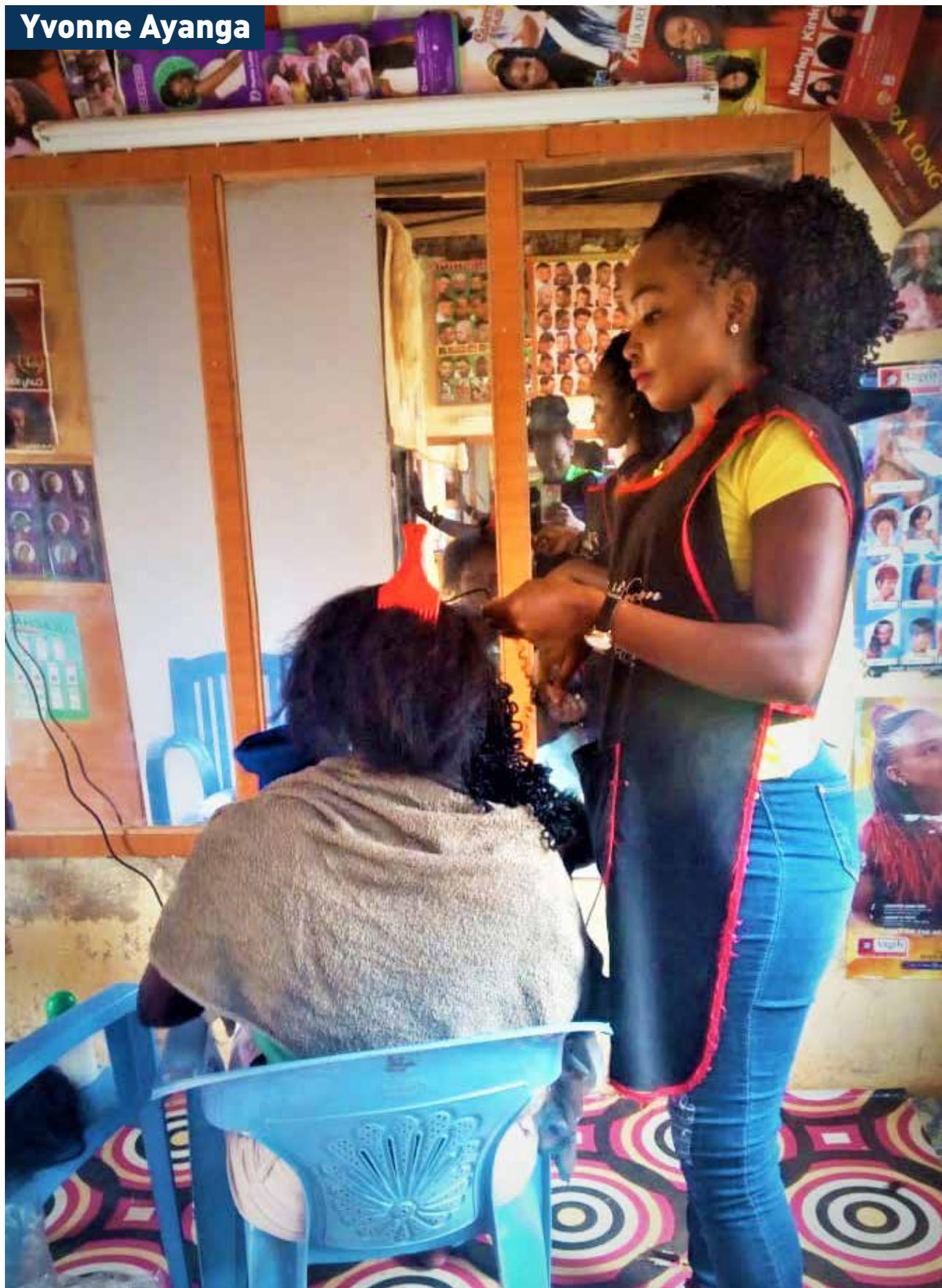
STEP 3

**MATURITY (LINKING TO
MARKETS, CREATING JOBS
AND WEALTH)**

2JIAJIRI

SUPPORTING SUCCESS IN WESTERN PROVINCE

Yvonne Ayanga



Young and energetic, Yvonne Ayanga is a determined beautician and savvy businesswoman. The 22-year-old studied up to form 4. Although she did not perform well at school, she had an entrepreneurial spirit.

The beauty industry was her passion. Starting off as an apprentice, she learned the basics of the trade. Her commission however was only 20% of the salon's profit per day, heavily dependent upon the number of clients served. On a good day, the most she made was KShs. 300.

Yvonne wasn't satisfied with only being an employee. She wanted to be an employer. She began investigating her options. She knew she was lacking some basic business skills and the financing to make it happen.

In 2017, Yvonne heard about KCB Foundation's 2jijiri programme. She was accepted into the programme which helped her enrol in a 6-month beauty and hairdressing programme at Vihiga Integrated College. There she learned how to master new hair styles and the benefits of various salon products. She was also trained in how to properly do manicures and pedicures.

During 2jijiri's business incubation stage, through the Business Development Support (BDS) team, Yvonne registered her business Cute Curlz Salon and Kinyozi in Mbale town, a salon and barber shop. The BDS team also supported her in developing a business plan and to open a bank account. Yvonne's business plan facilitated her to receive a business

start-up loan of KShs 100,000 which she used to launch her business. The BDS Accounting officer created her physical books of accounts during each visit, while the Marketing officer supported her in branding her business.

During her incubation period, Yvonne met with her business development services officer twice a month. He provided her with ongoing guidance about daily records management and separating personal from business expenses.

The programme helped her add a large sink, pedicure bath and a barber shop to her business. As a result, Cute Curlz saloon and Kinyozi serves 10 clients per day, raising her salon income to KShs. 1,500 per day. Meanwhile, her barber shop averages income of KShs. 700 per day. She has also created employment for 3 people – 2 in her salon and 1 in her barber shop. And she has achieved this while servicing her loan repayments on time.

Looking ahead, Yvonne envisions expanding Cute Curl to open branches in Kisumu and Kakamega and increasing her number of employees to 15.

“Thanks to the 2jijiri program I am no longer an employee, but an employer. The skills, training and access to finance helped me launch my own business, increase my salary and employ 3 other people.”

Yvonne Ayanga

2JIAJIRI

DRESSMAKING IN MARSABIT TOWN

Asha Mohamed



29-year-old Asha Mohamed Borisso was a housewife raising her 3 sons. Her husband was the sole breadwinner of the family.

In 2016, she enrolled in KCB Foundation's 2jijiri programme. She studied dressmaking at Saku Vocational Training and successfully passed her exams. This enabled her to open her own retail shop at the heart of Marsabit town, taking home about KShs. 15,000 per month.

Following additional business development support through the programme in 2018, Asha discovered a gap for quality diras in her town, given most readymade diras lost their original colours in a span of three months. To exploit the opportunity, she received support to register her business as ASHA

DIRAS SHOP and successfully applied for a loan of KShs. 30,000. This loan enabled her to purchase rolls of quality fabric that she then used to make high quality diras.

By adding the high quality diras to her product offering, Asha boosted her income from KShs. 15,000 to KShs. 25,000. She is currently able to make her monthly loan repayments of KShs. 2,500 and send her 3 young children to quality schools in the town. Her once small retail shop is filled with diras and other retail products as her diras are among the most sought after in town.

Looking ahead, Asha dreams of opening large retail shops for each of her sons by the time they are through with their studies.

“KCB Foundation's 2jijiri program supported me to open my own dress shop in town. I hope to one day be able to open 3 more retail shops—one for each of my sons.”

— Asha Mohamed Borisso, ASHA DIRAS SHOP



Business Development Support

2JIAJIRI

LEVERAGING THE FRANCHISING MODEL IN THE BEAUTY INDUSTRY

Budding hair and beauty professionals undergoing training at Ashleys Hair & Beauty Academy in Nairobi.



25 - year-old Nancy Mnanga always wanted to be a hairdresser. She spent hours styling her sister's hair and that of other children in her Kawangware neighbourhood. Her mother, a live-in house help in Kileleshwa, however could not afford the fees to take her to college.

One day, her mother's employer mentioned that KCB Foundation was offering scholarships for beauty and personal care training and urged Nancy to apply. As a result, Nancy became one of 203 beneficiaries trained through a partnership between the KCB Foundation and YMCA Shauri Moyo.

Following the 7 - month training course, Nancy secured employment at Ashleys Salon in Lavington - one of 13 branches owned by Terry Mungai, CEO and founder of Ashleys Kenya Limited.

Although Nancy dreamt of opening her own business, she was not yet ready to take the plunge. She first needed to gain some experience and learn how to work with clients. Nancy's story is similar to that of some 2,000 2jijiri beauty and personal care graduates yearning to tap into the multi-billion beauty sector, but lack adequate salon management competencies and access to capital. Franchise agreements, such as those with Ashleys, help make their dreams possible.

Under this model, container salons will be opened under the Ashleys brand name in different counties in 2019 to absorb all 203 students trained under the Ashleys - 2jijiri partnership. To differentiate these businesses from the existing Ashleys Coiffure and Spas, the new salons will carry the brand name Ashleys Mtaani and set their prices below existing salons.

Ashleys will provide first hand industry knowledge in business management, operations support, loan repayment and financial management and reporting to substitute the incubation services provided by KCB Foundation.

For those interested in entrepreneurship, Ashleys helps them start their own salons. In return, KCB Foundation will provide loans and take up equity together with the 2jijiri beneficiaries and Ashleys Kenya, to be divested upon loan repayment or as otherwise defined.

The partnership further enables Ashleys to expand without having to borrow money.

Partnerships such as this one are key to 2jijiri's success.

“The partnership with KCB Foundation works well for Ashleys brand because we share a similar vision – improving the lives of our youth. When a customer visits an Ashleys Mtaani salon, they will get the same service but at a subsidised price. We will maintain oversight to ensure the salons are managed to the same standards as our other beauty centres.”

Terry Mungai, CEO and Founder of Ashleys Kenya Limited

Mifugo Ni Mali

**incubating
farmers
throughout the
livestock
value chain**





MIFUGO NI MALI

INCUBATING FARMERS THROUGHOUT THE LIVESTOCK VALUE CHAIN KCB FOUNDATION CONTRIBUTION TO KENYA'S LIVESTOCK INDUSTRY

- 75,008 farmers reached through Mifugo Ni Mali
- 10 arid and semi-arid counties served in Kenya
- 154 trained on governance, business planning and access to finance
- 36,391 cattle tagged using Radio Frequency Identification technology
- 45% increase in milk production
- 87% earning increase for cooperatives through milk value addition support
- KShs. 80 million in sales for pastoralists to access the market through annual goat auctions
- KShs. 123 million loans disbursed as loans to cooperatives, KShs. 55 million of which has already been repaid
- 2 livestock markets constructed
- KShs. 25 million raised for livestock keepers through auction

The livestock sector employs about 90% of persons living in the arid and semi-arid areas of Kenya. However, the sector's informality, low productivity and underdevelopment rarely attracts much attention or investment. For most livestock smallholders, their chances of rising out of poverty depend directly on their ability to increase productivity of crop and livestock husbandry activities.

Since 2014, KCB Foundation's Mifugo Ni Mali programme has been working with pastoralists to commercialise the sector and transform it into a vibrant segment in which livestock producers can realise maximum returns. The 10 - year programme aims to reach producer organisations contributing to the livestock value chain in the dairy, meat, honey and fish sectors and offer access to finance and markets for cooperatives, ranches and Beach Management Units. The programme works with livestock farmer groups to strengthen husbandry and animal management. It also works with producer organisations to provide training in business development and financial literacy, risk management and insurance, governance, leadership and management, value addition and market development activities as well as collective bargaining.

The programme is currently underway in Baringo, Taita-Taveta, Narok, Kwale, Laikipia, Kilifi, Samburu, Kajiado, Marsabit and Mombasa counties.

The programme has been made possible because of the long-term financial backing of KCB Group with technical support from the government.

In 2018, the biggest achievement was the tagging of about 40,000 cattle with a Radio Frequency Identification Device. The tags were geo-located, making it possible to trace the cattle to their owners. The device also helps to track the growth of the cattle, enabling one to tell its productivity and therefore value, for credit scoring, which is important for insurance purposes, as well as for increasing access to finance opportunities for livestock owners.

"The Foundation is engaging in a sector in which few were previously willing to because of the risk involved. Today, our program efforts are helping provide the skills farmers need to access finance and increase their earning potential."

Benard Barasa, Mifugo ni Mali Programme Manager

IMPROVING THE LIVESTOCK VALUE CHAIN ONE COOPERATIVE AT A TIME



One of Baringo County's oldest cooperatives, since 1964, Tugen Hills Cooperative Society was formed to collect and market its members' produce. Its members specialise in coffee and pyrethrum farming, as well as milk production in Kabarnet Town. Today, out of an active membership of about 600 farmers, 120 work in the dairy sector.

According to Nicholus Chebon, Chairman of the Tugen Hills Cooperative Society, members chose the dairy sector as one of its primary business segments due to its high profit margins. In mid-October 2017, members of the cooperative approached KCB Foundation to learn more about its Mifugo Ni Mali programme.

Through the programme, members of the cooperative received training on modern dairy farming techniques, hydroponic farming, milk hygiene and valuable business skills, such as how to write a business plan. The business plan skills were invaluable to securing Tugen a KShs. 2 million loan, which enabled the cooperative to purchase 13 dairy cows.

Prior to KCB Foundation support, the co-operative was averaging 100 litres of milk production per day. Today, it is producing 300 litres per day within Baringo North and Baringo Central. They are now supplying government institutions and hotels at between KShs. 50 and KShs. 60 per litre.

Since the co-operative received support from KCB Foundation, members are grateful as they now receive increased income given their increased supply of milk. At the same time, the community is now ensured of quality milk supply.

In the future, members hope to be able to apply for and receive another loan which would enable them to produce value-added dairy products such as yoghurt and mala. This would enable the cooperative to employ more local women and youth.

“Thanks to KCB Foundation support, we were able to increase our milk production by 200%. I can also say today our milk is in great demand because of its high quality.”

Nicholus Chebon, Chairman of Tugen Hills Cooperative

MIFUGO NI MALI

MAKING MILK MORE PROFITABLE BY LEVERAGING THE VALUE CHAIN FOR BARINGO'S DAIRY COOP MEMBERS

Leveraging Dairy Industries



In 1972, a group of farmers in Baringo County's Koibatek district formed Mumberes Farmers' Cooperative Society to enhance the profitability of their milk production. Aside from collecting milk, the co-operative also sold relevant agricultural and veterinary supplies to its farmers. Over the years, membership grew from 72 to 3,700, about 1,700 of which are active today.

The co-operative uses its trucks to pick up the milk each day, grade it and chill it to prepare it for sale. About 20% is sold locally, while the other 80% is sold to processors, such as Daima, Brookside or New KCC.

The co-operative was doing well, but the Board recognised the potential of enhancing Mumberes' activities to include some additional value-added dairy products and services. While milk was fetching between KShs. 50 and KShs. 60 per litre, yoghurt and mala (the popular sour milk) fetched higher prices per litre. At the same time, Mumberes realised a sizeable chunk of profits was being consumed on purchasing water for internal use. These ideas however required additional support and financing.

In 2016, Mumberes' management learned of a new programme sponsored by KCB Foundation. The Mifugo Ni Mali programme provided them the necessary training to help enhance their value addition within the co-operative, which included improving milk quality and benchmarking against others in the sector. The programme also supported Mumberes' to create a business plan that secured them a KShs. 3.5 million discounted loan.

According to the Cooperative's Chairman, David Kimutai, KCB Foundation is part and parcel of Mumberes' growth. Thanks to its support, the co-op's milk production grew from 5,000 to 10,000 litres per day.

The loan helped the company procure basic machinery to make yoghurt as a value-added product, providing the company with a niche product.

Meanwhile, because water is a scarce commodity in Baringo County, the co-operative also used some of the financing to drill a borehole. The borehole supplies water not only to the co-operative, but also to the neighbouring primary school and 200 households. Mumberes receives between KShs.5 to KShs. 10 Kenya Shilling per 20 litres depending upon the season. This has given the co-operative a supplemental source of income, which contributes to its loan repayments, while simultaneously providing safe and affordable water to their community.

Members are happy as they receive bigger returns from their milk than they did previously. The community also benefits from a more accessible water source.

“KCB Foundation has helped us grow our cooperative enabling us to not only increase the income of our member farmers, but also non-members as well. As a result, we are seen as a source of inspiration and support to the communities around us.”

David Kimutai, Chairman of Mumberes Farmers' Cooperative Society



KCB SCHOLARSHIPS
MAKING HIGHER
EDUCATION POSSIBLE

KCB SCHOLARSHIPS

MAKING HIGHER EDUCATION POSSIBLE

KCB FOUNDATION'S IMPACT ON CHILDREN'S EDUCATION

- 1,500 beneficiaries since 2007 have received 4 year scholarships
- 16% of beneficiaries are persons who are physically challenged
- 98-99% completion rates of beneficiaries

Although tuition at government primary schools is free in Kenya, higher education is not. For many students across the country, their ability to enter secondary school and beyond is largely dependent upon their ability to finance it. As a result, a substantial proportion of the country's children are unable to continue their formal schooling once they complete primary school, typically at 13 years of age.

Through its KCB Scholarship programme, the Foundation awards 240 students each year a scholarship to pay their school, book and uniform fees throughout the 4 years of secondary school.

The Foundation also targets students with physical challenges to help them receive the support and

education they may otherwise not have received. Currently, 16% of our scholarship recipients (about 200 students) are children with disabilities enrolled in national and top tier extra-county schools.

In 2018, KCB Foundation signed a Memorandum of Agreement with the M-PESA Foundation Academy to admit 40 students with disabilities. M-PESA Academy is a state-of-the-art, co-educational and residential high school offering the Kenyan National Curriculum. Driven by leadership, entrepreneurship, technology and innovation, the Nairobi-based Academy serves talented but economically disadvantaged students with demonstrated leadership potential.

“The ability to afford higher education does not mean you will automatically excel in life. However, the inability to afford it often prevents otherwise ambitious students from reaching their true potential. Each year, Foundation scholarships offer 240 financially disadvantaged students the ability to continue their secondary education.”

Jane Mwangi, KCBF Managing Director

Beneficiaries of KCB Scholarships receive the following benefits:

- School fees for the 4 years of secondary school as specified in the official school fees structure
- Uniform (provided in Form 1 and 3)
- Mandatory set books (as specified by Kenya National Examinations Council) for students as they go to Form 3
- Quarterly one-on-one mentorship sessions

KCB SCHOLARSHIPS

Mariam Mbodze



Mariam Mboze's earliest memories of her childhood were those of watching her single mom work long hours as a hairdresser in Mombasa, only to struggle to make ends meet. The only child of her often-sickly mother, Mariam was taken to the village to live with her aunt, the 2nd wife of a retired soldier.

According to Mariam, life in the village was no better. Schools were miles away and poverty was visible everywhere she turned. She often fell sick due to malnutrition. After a lengthy drought in the village, Mariam moved back to the city to stay with her mother.

There, she enrolled in public school. Mariam excelled during her final primary examination. Unfortunately, in spite of her academic achievements, she had little hope to further her studies. Unable to watch her only child's dreams shatter, her mother researched about available scholarship opportunities for people in need.

Mariam applied for four different scholarships, but was not awarded any of them. On the verge of giving up, she heard about another scholarship administered by KCB Foundation. She sent in an application and prayed. A few days later, she attended an interview and her prayers were answered.

KCB Foundation selected Mariam for a 4-year scholarship at Limuru Girls High School in Nairobi. She says the programme also mentored her into becoming the young woman she is today.

Miriam is now a happy Bachelor of Commerce student at the University of Nairobi.

Not only did KCB Foundation lift a tremendous burden from her mother's shoulders, but it also gave Miriam a chance to smile. Today, she believes there is hope for everyone. KCB Foundation's Scholarship programme helped make that possible.



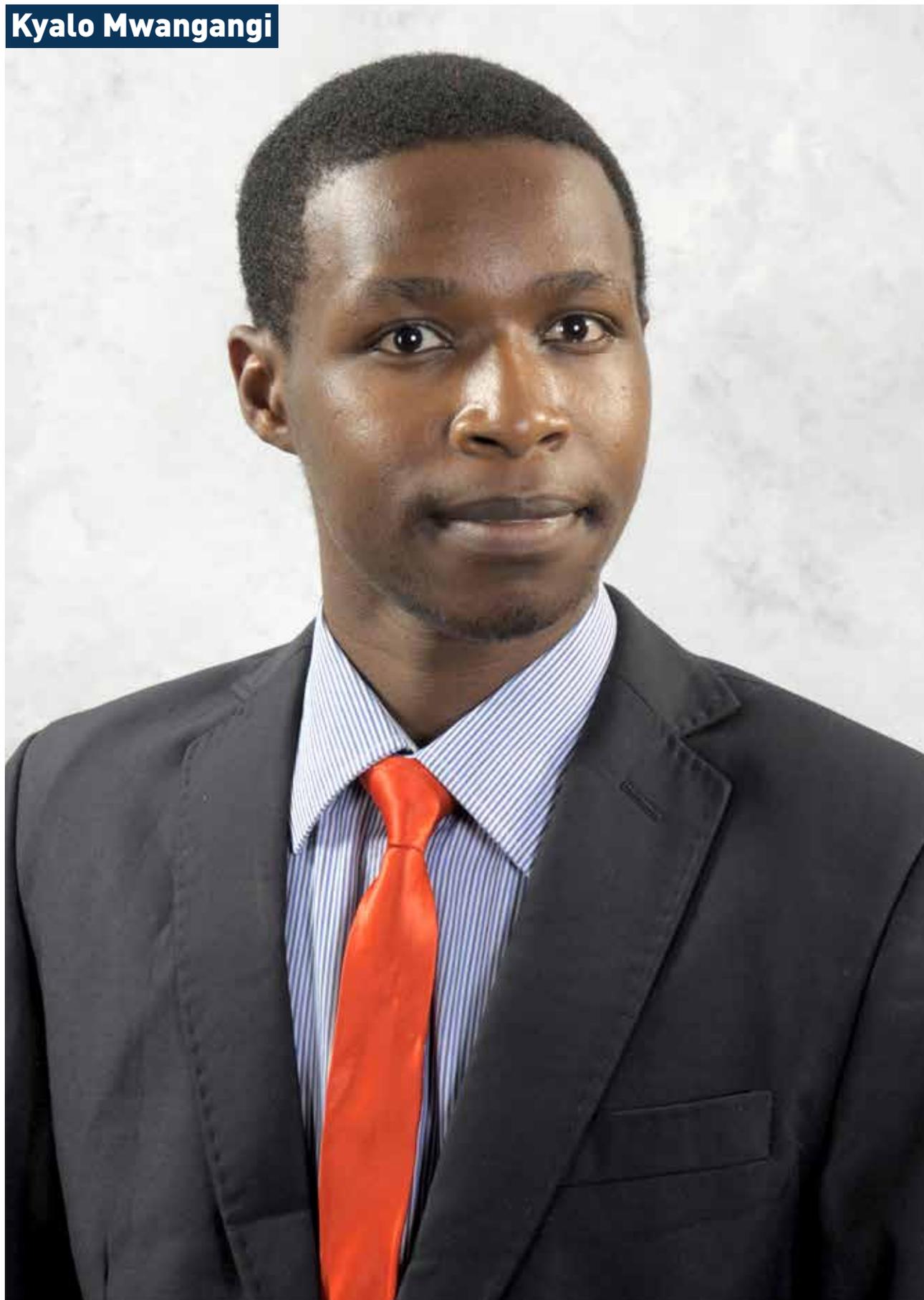
***Dreams can be
achieved and
goals can be
accomplished.
I am indebted
to KCB
Foundation.
Thank you!***



Mariam Mboze

KCB SCHOLARSHIPS

Kyalo Mwangangi



MAKING HIGHER EDUCATION POSSIBLE

In 2013, Kyalo Mwangangi, may not have been the most academically gifted child in his class, but he was full of life and aspired for something more.

Unfortunately, after graduating from primary school in Makutano Kyumvi in Machakos, his parents went through a divorce. His mother had to start a new life from scratch, while fending for 2 kids. It was challenging for her.

Having heard about KCB Foundation Scholarships, Kyalo applied and was extended a 4 - year scholarship at Alliance High School.

Throughout his studies, Kyalo held numerous leadership positions in school. He represented his school in the Diamond Challenge African round, which selects entrepreneurs with innovative ideas and won. He also represented his school in the S A G E Africa Cup and Won in the Techno-business category in the D A A S T E M camp at Brookhouse and placed 2nd in the Oracle Biz Pitch.

After high school, Kyalo took a gap year to explore his interests and build his CV. During this time, he joined the Chandaria Business Innovation and Incubation Centre based in Kenyatta University where he worked on the Beem Solutions project which sought to reduce the cost of advertising while increasing its impact in the Internet. This fuelled his desire to work in Silicon Valley and study in the USA. He started studying for the American university entrance exam, known as the Scholastic Aptitude Test (SAT).

As he did this, he interned at a STEM education company called Engineering Lab Africa and became

a junior hacker, after which he joined the Global Peace Foundation as an entrepreneurship facilitator. He sat for the SAT, which he passed with a score of 1450-placing him in the 99th percentile of test takers in the USA, 98th percentile worldwide.

Kyalo's resume and SAT score got him accepted into Lehigh University's Integrated Degree in Engineering, Arts and Sciences Honours programme, in the US East Coast state of Pennsylvania, before switching to the Integrated Business Engineering Honours programme. He also became a Rapidly Accelerated Research Experience (RARE) Scholar for which he'll be doing research in STEM fields for the next 4 years. At the same time, he had just completed his 7 month at Dalberg Advisors, a leading global development consultancy firm.

Kyalo's story is inspiring. His thirst for knowledge and something more has taken him to where he is today. KCB Foundation is delighted to have helped quench that thirst.

“KCB Foundation supported me through my journey and significantly contributed to my growth as a human being. I'll forever be grateful to the program. I promise to pay it forward. Thank you so much for believing in me. It wasn't in vain.”

Kyalo Mwangangi

KCB SCHOLARSHIPS

Samuel Muoki Matheka



EMPOWERING STUDENTS WITH DISABILITIES TO REACH THEIR FULL POTENTIAL

Today, Matheka Samuel Muoki is 17 years old and enrolled in the M-PESA Foundation Academy, a state-of-the-art, co-educational and residential high school offering the Kenyan National Curriculum. Driven by leadership, entrepreneurship, technology and innovation, the Nairobi-based Academy serves talented but economically disadvantaged students with demonstrated leadership potential.

Raised in Machakos, about 60 kilometres SouthEast of Nairobi, Samuel noticed a growth on his leg when he was eight years old and in class 2. A trip to the hospital revealed that it was more serious than they originally thought. He ended up having a bone removed and spent 1½ years being rehabilitated. By the time he was back at home, he was unable to catch up and join class 2, hence repeated class 1 to recover subject matter he had forgotten.

In 2014, Samuel transferred to Masaku School for the Physically Disabled, a public-owned co-ed boarding primary school. There he found encouragement from teachers and other students like him, affected by physical disabilities. He was a good student, but like many of his peers, worried about how he would afford further education. His parents owned and operated a small hotel in his hometown, but he was also 1 of 3 siblings, and finances were always tight.

He learned of the MPESA Foundation Academy and quickly applied for a scholarship. He was grateful when he learned he had been awarded a scholarship covering his 4 years in secondary school. Only upon arriving at the Academy did he realise that it was KCB Foundation who had sponsored his enrolment.

The Academy is equipped to support students like Samuel who have special needs. He also noted that although his disability may be isolating under certain circumstances, such as when he arrives at a place that is not accessible to him, he does not face the same problem at the Academy. He also noted that he generally fits in well among his peers, who he feels are open-minded having perhaps been exposed to more people facing similar challenges.

Samuel is one of 47 KCB Foundation Scholarship beneficiaries currently enrolled at the MPESA Foundation Academy. He is studying to be an accountant. Thanks to art courses he has taken at the Academy, Samuel has also learned he is good at art and is also considering pursuing interior design as a secondary field.

“I am grateful to have this opportunity. If it was not for KCB Foundation and MPESA Academy, I don’t know where I would be today. To other students in similar situations, I just want to say that success does not just find you. You must work hard to be successful. And, the harder you work, the more you will enjoy doing what you want to do.”

Matheka Samuel Muoki

KCB SCHOLARSHIPS

Rachael Lubanga Awinja



INSPIRING OTHERS WITH CHALLENGES TO BE THE BEST THEY CAN BE

Rachael Lubanga Awinja stands out. Not only because of her lighter-than-usual skin and hair colour, but because of her courage, determination, and inspirational spirit.

Growing up in a small town in Kakamega along the border with Uganda, Rachael was the youngest of 8 children. Her mother was a strong soul who not only raised her family, together with her father, but did so faced with the whispers and rejection among those in their community.

The fear arose from the fact that Rachael has albinism, a genetic condition in which a person is born without the usual pigment in their bodies resulting in pale skin, hair and eyes. Albinism also often causes vision problems, making learning under traditional education methods challenging.

At age 4, Rachael's mother learned of a special primary school in Siaya County which taught children with albinism and could cater to her special needs. She helped enrol her daughter in the school.

There, teachers inscribed larger on the blackboards to ensure all students could follow the daily lessons, while workbooks and/or worksheets were also prepared specifically with such needs in mind. The school also taught students with albinism to read braille in the daunting, yet possible event they go blind. Rachael was also one of two students in her school selected to visit California, USA on a 3-month program, which she says was one of the highlights from this period of her life.

The specialised attention that catered to her needs, as well as those of the other special needs students around her, showed Rachael that education was not beyond her reach and that anything was now possible. In this way, the school empowered Rachael in as many ways as possible given her age, to succeed in school and life.

A teacher at Rachael's school encouraged her to apply for a scholarship to attend the MPESA Foundation Academy school in Nairobi. She submitted the application and jumped for joy when she heard she had been accepted.

Rachael has about 2½ years left of her 4-year programme. She hopes to attend university and is contemplating becoming a lawyer and motivational speaker to help others overcome challenges like her own.

“To KCB Foundation, I wish to say Thank you for this opportunity. I will not let you down. To other students living with albinism, I wish to say, be true to yourselves. Do not change your personality and do not let your self-esteem be lowered. You will face challenges. Even if you go to the best school, you will probably not be among those who understand your challenges. Stand up for yourself and be the best you can be.”

Rachael Lubanga Awinja

FOUNDATION FOCUS IN RWANDA AND TANZANIA



The first beneficiaries of the inaugural “Igire” class during their graduation on 10 November 2018 at Kimisagara Youth Employment and Productive Centre in Kigali in Rwanda.

RWANDA



In April 2018, KCB Foundation launched the Igire Programme, a sister programme to our 2jijiri programme in Kenya, to support Rwandese youth to access education in enterprise development. 100 students were sponsored to study information and communication technology, culinary art and domestic electrical engineering in Integrated Polytechnic Regional Centres based in Kigali, Ngoma and Huye, respectively.

Through the programme, beneficiaries were given mentorship and networking opportunities to learn how to prepare a business proposal. All proposals were reviewed by a joint panel comprised of the National Youth Council and KCB staff members and the five best projects were awarded seed capital to start their own businesses.

Meanwhile, in support of the 24th National Commemoration to remember the victims of the 1994 genocide, KCB Foundation donated biochemistry medical equipment to the AVEGA Health Centre in

Rwamagana District for the 20,000 members of the Association of Genocide Widows, known as AVEGA. The equipment will help screen for non-communicable diseases aimed at improving the overall health of the widows. The Foundation also made a donation towards construction of Eastern Province's Rwamagana District genocide memorial.

In September, 50 households in the Southern Province's Ruhango District received 1,500 pieces of iron sheets to support rehabilitation of communities affected by heavy rainfall in early 2018.

In 2018, the Foundation was able to expand its reach through its subsidiaries, most notably in Rwanda and Tanzania.

“Acquisition of technical skills will not only enable our young people to get into self-employment, but will also promote their contribution to the economy when beneficiaries create jobs for their peers.”

Emmanuel Bigenimana, Rwanda Ministry of Youth Affairs Permanent Secretary



KCB Bank Rwanda Managing Director George Odhiambo hands over medical equipment to AVEGA Health Centre in Rwamagana during commemoration of the 1994 Rwanda Genocide.



KCB Bank Rwanda and Rwanda's Ministry of Disaster Management and Refugees' (MIDIMAR) staff hand over iron sheets to households affected by floods in the Southern Province's Ruhango District.



KCB Bank Rwanda Managing Director George Odhiambo and staff lay a wreath at Kigabiro genocide memorial site in Rwamagana District in Eastern Province.



KCB Bank Rwanda staff participate in the Genocide Commemoration Walk.

TANZANIA



Through its 2jiajiri women empowerment Social Investment initiative dubbed 'Malkia wa Nguvu', the Foundation supported 240 women on technical, financial and business management skills in four regions of the country to help them start or grow their businesses.

In September 2018, the Foundation sponsored KCB Usafi Day clean-up activity for residents of Mbagala Zakhem, South of Dar es Salaam's Central Business District.

KCB Bank Tanzania extended a hand when over 200 people died after the sinking of a ferry, MV Nyerere in Lake Victoria just a few meters from the dock in the Ukerewe District on 20th September 2018 . As part of KCB Bank Tanzania's CSR initiatives, the Board of Directors, Management and staff condoled with

the families of those who lost their beloved ones in the tragic accident and presented funding to the government's special fund for the tragedy.

In 2018, the Foundation also made a donation of medical equipment to the women's ward at Amana Hospital in Dar es Salaam. Items donated included: 10 hospital beds, 10 mattresses and 20 bed sheets.



KCB Bank Tanzania Head of Marketing and Corporate Affairs Christine Manyenye (left) hands over hospital equipment to the Amana Regional Referral Hospital acting Medical Officer in Charge Dr. Amimu Kilomoni.



KCB Bank Tanzania staff participate in a clean-up of Temeke District in Dar es Salaam dubbed 'KCB Usafi Day'.



KCB Bank Tanzania Board Chairperson Ms. Zuhura Muro and Temeke District Commissioner Honourable Felix Lyaniva officially launch the 'KCB Usafi Day'.

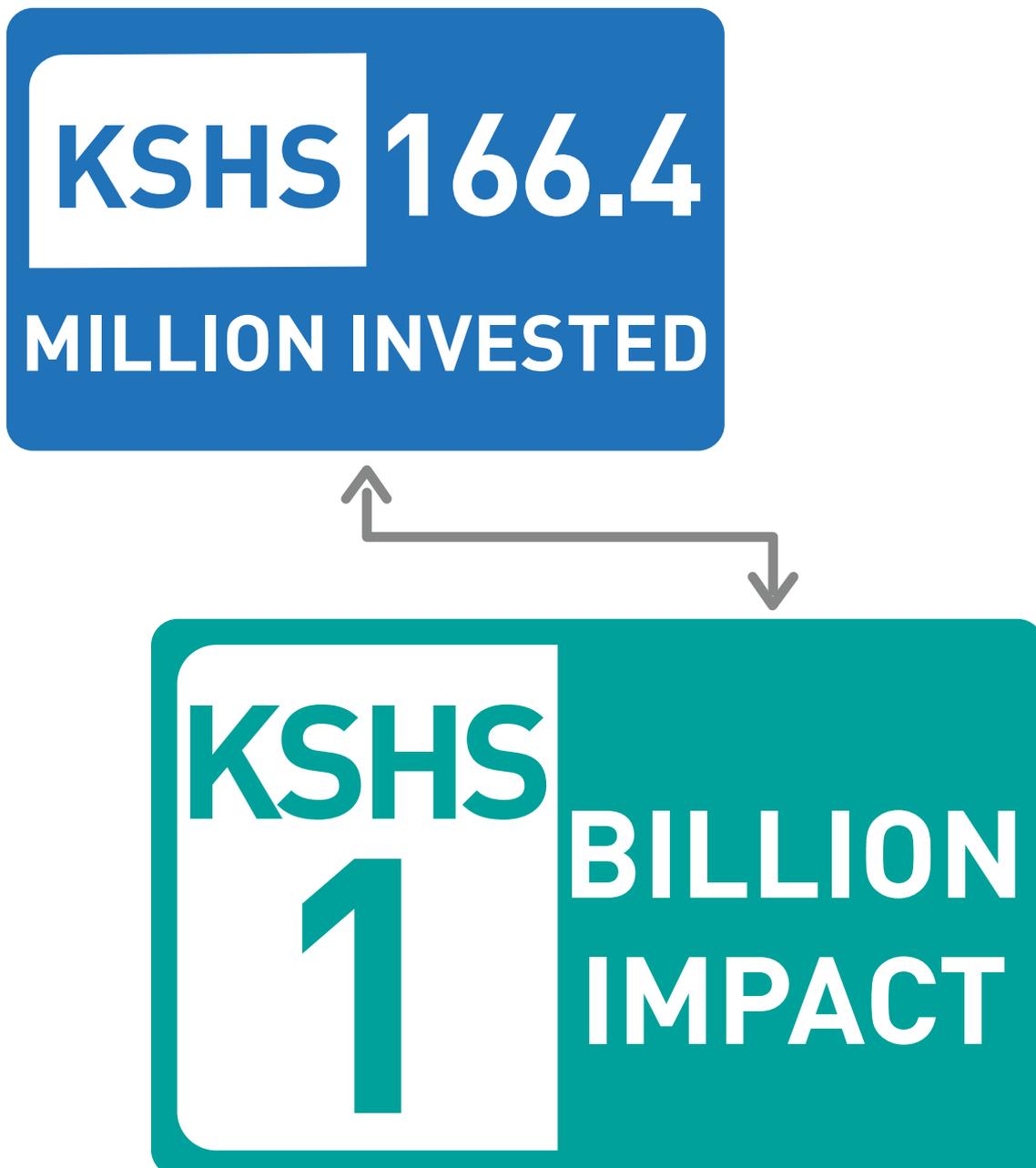
SOCIAL RETURN ON INVESTMENT

In 2017, KCB Group commissioned a study to calculate its social return on investment for three key Group programmes. The Foundation's 2jiajiri programme was among those reviewed.

The report concluded that based upon the KShs. 166.4 million investment that went into 2jiajiri, KShs. 1 billion was created.

Beneficiaries reported a variety of positive impacts at the personal, financial and psychological levels. It was also concluded that the impact was valued, not only by the direct participants, but also by the greater community at large.

2JIAJIRI'S SOCIAL RETURN ON INVESTMENT 2016-2017



METHODOLOGY

The SROI study was based upon a sample of 74 face-to-face interviews, 97 questionnaires and 10 valuation games throughout Ahero, Busia, Eldoret, Kisumu, Mombasa, Nairobi, Nakuru, Nyeri and Mombasa counties out of the programme’s 2,234 beneficiaries.

The SROI study’s calculated results involved three different methods: primary, secondary and combined sources revealing a SROI ratio between 1:2 to 1:7, meaning that for every one Kenyan Shilling invested in the programme, each beneficiary received between KShs. 2 and KShs. 7 in additional benefits based upon a total value creation between KShs. 238 million to KShs. 1 billion.

“Social Return on Investment (SROI) is a framework for measuring and accounting for the value of intended actions and activities. The methodology incorporates social, environmental and economic costs and benefits thus reducing inequalities and environmental degradation.”

KCB SROI Report: Measuring our Impact, Sustainable Square



OUR BENEFICIARIES



Arafina Wambui attends to a client at the Ashley's Rhapta Road Branch.



Irene Wangari at her salon at Skuta area in Nyeri town.



2jijiri Automotive Engineering beneficiaries who have established a business, Quod Champions Garage and Carwash.



President Uhuru Kenyatta, KCB Group CEO and MD Joshua Oigara and Ministry of Public Service, Youth and Gender Affairs Cabinet Secretary Prof Margaret Kobia visit the Greenlife Veggies stand at the '2jijiri City' at the 2018 2jijiri graduation.



KCB Group CEO and MD Joshua Oigara at the Gearbox stand at the '2jijiri City' during the 2018 2jijiri graduation.

PUBLIC RECOGNITION, AWARENESS AND ADVOCACY

In November 2018, KCB Foundation won the "Bank of the Year – for Banking in the Community" award from the Financial Times-owned Banker Magazine for our 2jijiri youth empowerment programme.



From right: KCB Group Chief Operating Officer Samuel Makome, KCB Foundation Managing Director Jane Mwangi, KCB Group Head of Corporate and Regulatory Affairs Judith Sidi Odhiambo and KCB Head of Strategy Reginald Kikwai with the "Bank of the Year – for Banking in the Community" award in London on 29 November 2018.

KCB FOUNDATION IN THE NEWS

KCB, Makueni County to train 150 youth in Agribusiness
 August 8, 2018
 18 SHARES



Hydroponics farming is a soil-less farming method, and a subset of hydroculture, where plants are grown using only a mineral nutrient solution in a water solvent.

State House Kenya @State-houseKenya · 6 Dec 2018
 President @UKiryaalla tours the KCB Foundation #2Jiajiri exhibition booths at Kasarani. The young entrepreneurs displayed various technical skills they have acquired from the program including agribusiness, automotive engineering, building & construction, among others #KCS2Night



Rwanda Updates @Rwandoupdates24 · 14 Sep 2017
 @KCBRwanda also offered consultancy & free eye checkup for its customers who appreciated the gesture. #KCBsr #KCBFoundation #Rwanda #Rwot



CAPITAL BUSINESS

Home About Us

KCB Foundation Launches Innovative Franchise Container Salon Model



Chamber and KCB Foundation sign small firms support deal
 November 10, 2018



KCB announces 2jiajiri recruitment drive

EMPOWERMENT: KCB Foundation has launched recruitment of beneficiaries for 2jiajiri programme. This year, the Foundation and various partners seek to recruit 10,000 beneficiaries in agribusiness, automotive engineering, beauty and personal care, building and construction and domestic services at various technical training institutions in Nairobi, Machakos, Kilifi, Nakuru, Nyeri, Uasin Gishu, Kisumu and Mombasa counties. The recruitment is open for scholarships under 2Jiajiri and the Skills and Enterprise Development project implemented in partnership with the German Agency for International Cooperation. Interviews will be conducted across the country from March 5 to 10. —MILLIAM MURIGI

The New Times RWANDA'S LEADING DAILY
 News Opinions Sports Lifestyle Events TimesTV Jobs & Tenders Weekender

FEATURED: Young entrepreneurs graduate from KCB Foundation's Igire Programme
 By Eddie Nziabimana · Published: November 10, 2018



GOVERNANCE



**AUSTEN BARAZA
CHAIRMAN**

Austen is a portfolio, programme and project management specialist with over 19 years' experience as a practitioner, consultant and lecturer at university level.

He has completed Ph.D. studies in Project Management from Jomo Kenyatta University of Agriculture and Technology, holds both an MBA and a BCom Degree from the University of Nairobi. He also holds a Graduate diploma in Management Studies as well as one in Purchasing and Supply Management from the United Kingdom.

He is a Certified Public Secretary, Certified Project Management Professional, Certified Project Scheduling Professional, Certified Risk Management Professional and a Certified PRINCE2 Practitioner.



**JOSHUA OIGARA
TRUSTEE**

Joshua was appointed as the KCB Group CEO in January, 2013. He previously served as the Chief Financial Officer of the Bank prior to his appointment. He holds a Master's Degree in Business Administration with a distinction in International Business Management from Edith Cowan University, Australia (2011), a Bachelor of Commerce Degree, Accounting Option, from the University of Nairobi, Kenya (1997). He is also an Advanced Management Program Graduate from INSEAD, Fontainebleau, France (2010).

In addition, he is a graduate of the Program for Management Development (JuMP), Fuqua School of Business, Duke University, North Carolina, USA (2006), as well as a Certified Public Accountant of Kenya, CPA (K), from the School of Accountancy, Strathmore University, Kenya (1997).



**GEORGINA MALOMBE
TRUSTEE**

Georgina Malombe is an audit professional. She holds a Bachelors Degree in Agribusiness Management from Egerton University and a MBA, Finance Option from the University of Nairobi. She is a Certified Public Accountant (CPA (K)) and professional trainer. She also holds a Certificate in Arbitration and her key technical competencies include Audit Quality Assurance, Auditing, Accounting, Finance and Financial Reporting. Malombe is a Member of the Group Supply Chain, Audit and Risk Committees and serves as Chairman of the IT and Innovation Committee. Malombe currently serves in the Board of the Association of Women Accountants of Kenya (AWAK) as the Vice Chairperson. She is also a member of Professional Trainers Association of Kenya (PTAK). Previously, she worked for the Registration of Accountants Board as the Executive Officer, the Institute of Certified Public Accountants of Kenya (ICPAK) as the Manager, Public Policy and Governance as well as the Head of Compliance and Regulatory Affairs. Malombe is currently the Managing Partner of the audit firm, Gemal and Company.



**ALICE KIRENGE
TRUSTEE**

Alice holds a BCom. in Management and an MBA in Strategic Marketing. She is a Fellow of the Life Management Institute, USA, a qualified Underwriter, and an Associate in Customer Service. In addition, she has qualifications in project management, enterprise development and is an alumnus of Strathmore Business School and the Babson Business School – Boston, Mass, USA.

She has several years' experience in senior management roles in the corporate world with close to 30 years in the insurance/financial services sector. Her experience in the insurance industry includes serving as the General Manager at Monarch Insurance Company and the Director of Operations at CFC Life Insurance Company. She has also had a stint in banking with the CFC Bank Group and served as General Manager in the healthcare and property development sectors.

She is a founding member of the Starehe Girls Centre and has served on the Women's Enterprises International Board. She currently sits on the Board of Sokoni Women's Development Initiative and the Lamu Port South Sudan Ethiopia Transport Corridor Board where she serves as the Chair of the Finance and Administration Committee. She is also member of the Institute of Directors.



**JANE MWANGI
TRUSTEE**

Jane was appointed as the KCB Foundation Director in July 2015. She is passionate about designing development solutions that work. She has experience spanning over 30 years in international development giving her a unique edge enabling her to identify and steer ideas from concept to reality.

She previously worked with the USAID Mission in different capacities serving the East and Southern African region. She designed programs that built alliances between the US government and private sector for the purpose of accelerating and sustaining development.

Jane is a multiple graduate of the United States International University-Africa. She holds an MBA in Finance with a minor in Strategic Management and a BSC (Cum Laude) in Accounting.



**VIRGINIA KARANJA
SECRETARY TO
THE BOARD**

Virginia joined the Bank in 2014 and was appointed as the Secretary to the Board of KCB Foundation in 2015. She holds a Bachelor of Laws (LLB) Degree from the University of Nairobi and a Post Graduate Diploma in Law from the Kenya School of Law.

Virginia is an Advocate of the High Court of Kenya and an Associate member to the Chartered Institute of Arbitrators (Kenya Chapter). She is also a registered Certified Public Secretary of Kenya (CPS – K) and an Accredited Governance Auditor.

MOVING FORWARD

Over the past year, we watched as our flagship Zjijiri and Mifugo Ni Mali programmes began to bear fruit. We are proud of how far we have come in a relatively short time to not only launch programmes that are today creating shared value, but ones which are being viewed as models for future employment and wealth creation by our government and donor communities alike.

In the coming year, we expect to see even greater achievements in terms of the number of youth and farmers we will have supported. We expect these figures to be multiplied even further given their Social Return On Investment (SROI). We will also continue to work on extending the Foundations reach through our subsidiaries. Building upon achievements in Rwanda and Tanzania, we are investigating possibilities of how we may further support regional communities in Burundi, South Sudan and Uganda.

In the medium to long terms, we will continue to monitor our progress, adopting what works well, and discontinuing what does not work. These lessons learned enable us to perfect our programmes and examine other potential long-term value adding activities that also make sense for the Group. In this way, KCB Foundation expects to be able to create shared value for years to come.





KEEP

MOVING

FORWARD