

KIB MONTHLY

BANKERS JOURNAL

APRIL 2022 EDITION



- New Strategic Plan 2022-2025
- Training Department Revamp
- KIB Events Across the Year



National Bank House 20th floor, Harambee Avenue Nairobi, Kenya.
P.O. Box 73530-00200, Nairobi. | Phone: 020 2160317 | 020 8000114
Mobile: +254-700631433 | +254754111386
Email: thebanker@kib.co.ke | info@kib.co.ke | Twitter: @KIBankers
Facebook: Kenya Institute of Bankers | LinkedIn: Kenya Institute of Bankers

Upcoming Interbank Sports

The Interbank Sports is a flagship event that is planned and organized by the Kenya Institute of Bankers. It is a galvanizing event that brings together all the staff members of various banks, for a full week of sporting events that are essential to the strengthening of the common goals and aspirations shared across board, both for posterity and growth.

The Interbank Sports 2022, which is scheduled for October 22th – 29th, 2022 at the Kenya School of Monetary Studies [KSMS], will equally be held at a **regional** level in Kisumu and Eldoret. The Kisumu Interbank Sports 2022 is scheduled for September 10th - 17th, 2022. The Eldoret edition is scheduled for September 5th - 11th, 2022. These two events at the regional level will mirror the main event in Nairobi, and will be a precursor to the latter.

There is an array of sporting activities in which bank employees and representatives can register to participate. The Interbank Sports is a signature event for the Kenya Institute of Bankers, and has been running for over two decades.

Sporting events categories

1.	Football [men & women]	14.	Table Tennis (Men)	27.	400 metres (women)
2.	Basketball (men)	15.	Darts	28.	800 metres (men)
3.	Basketball (women)	16.	Snooker	29.	800 metres (women)
4.	Squash (men)	17.	Draughts	30.	4 x 100 metres (men)
5.	Squash (women)	18.	Chess	31.	4 x 100 metres (women)
6.	Badminton	19.	Handball	32.	4 x 400 metres (men)
7.	Volleyball(Men/Women)	20.	Scrabble	33.	4 x 400 metres (women)
8.	Swimming (men)	21.	100 metres (men)	34.	1500 metres (men)
9.	Swimming (Women)	22.	100 metres (women)	35.	Golf
10.	Netball	23.	200 metres (men)	36.	Table Tennis(Women)
11.	Tug-of-War	24.	200 metres (women)	37.	Corporate Run
12.	Lawn Tennis (men)	25.	400 metres (men)	38.	CEO's Run
13.	Lawn Tennis (women)	26.	400 metres (women)		

Editorial Board

Editorial Consultant:	Oliver Odhiambo
Creative Designer:	Daniel Kadenge
Head of Membership:	Peter Gitau
Chief Executive Officer:	Julias Alego
Governing Council Chair:	John Rioba
KIB Patron:	Dr. Patrick Njoroge

Table of Contents

Editorial Board	2
The Chairman's Note	4
From the CEO's Desk	5
Section 1: The Governing Council Enclave	7
1. The Strategic Plan (2022-2025)	7
2. The Council structure and mandate	8
3. Strengthen departmental capabilities, policies and controls	9
4. Corporate Governance Policy	9
Section 2: Training & Consultancy Department	10
1. Training Department Revamp	10
2. AML E-learning Resource	10
3. Recent Training Activities	11
4. Training Calendar for 2022	12
Section 3: Membership & Partnerships Report	14
1. Individual Membership engagement forum	14
2. CEO Courtesy visits to various institutions	15
3. MOUs entered into by the Institute	15
4. Corporate Members Annual subscriptions	17
Section 4: The Academic Unit Progress	18
1. Restructuring the Academic Board	18
2. Registration of the KIB School of Banking & Finance	18
3. Review of the KIB Curriculum and Syllabus	19
Section 5: ICT Department's progress report	19
Section 6: Communication & Marketing report	20
Section 7: KIB Events schedule across the year	22
Section 8: Industry news and Updates	24
Kenyan banks report staggering profits	24
Equity Group Net Profit Rises 99% to KSh40.1 Billion in 2021	24
Stanchart's full-year net earnings up 67 per cent in 2021	25
NCBA Group Net Profit Doubled to KSh10.2 Billion in 2021	26
Absa Bank records a Ksh10.9 Billion Profit after Tax	26
Early 2022 developments in the Kenyan financial sector	27
CBK invites debate on digital currency	27
Mobile banking uptake increases to 58 percent	28
Mauritius Holdings Acquires 73% Stake in Key Microfinance Bank	28
Bank ATM Visits Decline by 9.8% as Mobile Banking Continues to Reign - KBA	29
CBK Grants Cellulant a Payment Service Authorization	29

The Chairman's Note



The current Governing Council of the Kenya Institute of Bankers was elected into office in December 2021 with a firm mandate to steer the institute towards a sustainable growth and development trajectory.

We embarked on this task with commitment and dedication to ensure our objective for growth is institutionalized right at the onset of our tenure. On behalf of the other members of the Governing Council, I'm happy to report that to this end, we have had significant progresses on various fronts which I wish to document herein for our consideration. It gives me great pleasure to inform you that the Institute embarked

on a Transformation Journey in early 2021, to help build a momentum that would create the right platform for sustainable development. At the time, our immediate task was to identify and recruit a CEO who would take up the mandate of overseeing this growth agenda at the Institute.

In February 2021, Mr. Julius Alego took over the reins at the helm of KIB as the Chief Executive Officer. The Governing Council embarked on the transformation Journey with him, and his immediate task during the year was to develop the right policies and frameworks to govern KIB's growth in the coming years. The Transformation Journey was institutionalized in the form of Five-Pillars, namely; Governance & People, Value Proposition & Visibility, Digitization, Partnerships & Collaboration, and Business Sustainability.



These Key Pillars have been at the core of the key activities of the Institute for the last one year. The progress made already in regards to these pillars is laudable. At the Governance level, we developed governance policies and structures that have galvanized the Institute into a formidable organization that can deliver to its members and stakeholders.

We have also developed a value proposition for the membership of KIB in order to serve them better. We have greatly improved our visibility through social media and other media-related platforms, and have digitized most of our operations and learning. We have reached out to many institutions for partnerships and collaborations, and are in the process of ensuring KIB is a self-sustaining organization in terms of business. As you will see in this monthly Bankers Journal, we are on course to achieve the greater agenda of the current Governing Council. We are grateful for your support, and look forward to serving you better.

John Rioba

Chair of the Governing Council

From the CEO's Desk



We have had a remarkable journey at the institute in the last one year since I took over as CEO. We have worked well, thanks to the support of the Corporate and individual members of KIB, our Patron, Dr. Patrick Njoroge, the Governing Council and the Secretariat of the Institute.

We have had our fair share of successes, and plenty of lessons have been learnt as well. As we embarked on the important assignment to turn around the Institute in early 2021, we were met by a dire environment that stemmed from the Covid-19 pandemic, which heavily threatened the major activities of the Institute. We couldn't undertake some

of our core activities, which mainly require the physical presence of individual participants. In other words, our trainings became limited in numbers; and our flagship events couldn't take off due to Covid-19 restrictions.

As you may all be aware, we couldn't organize the annual Interbank Sports, the Banking Essay and Quiz, the Banking Conference, the East African Banking School, and the Annual KIB Dinner, which in the past have been important undertakings for the institute. Worse still, we couldn't have enough students to enroll for our academic courses in the form of Diploma and Advanced Diploma in Banking & Financial Services.

But in spite of these obvious bottlenecks, we sought to keep trying our hand at all available activities we could still run. That is how we ended up with online learning through various e-learning platforms. We managed to stay on track, in spite of very trying times, thanks largely to the support from corporate members who remit their annual membership fees to the Institute to ensure our activities are secure.

As we extend gratitude to members of the Institute for this outstanding support, we wish to duly report that we are now fully on track to recover, as we focus all our efforts on the Transformation Agenda at KIB, which is institutionalized in the Five-Pillar Strategy, as has been articulated by the Governing Council Chair, Mr. John Rioba, elsewhere on this journal.

This year, we are well-poised to hold the Banking Essay and Quiz, the Interbank Sports and the Annual Dinner, which this time round will feature the newly-introduced KIB Banking Awards, which seeks to celebrate individual bankers for their exemplary work and contribution to the financial sector.

We have also re-vamped our training agenda to feature several banking and finance-related trainings, which we couldn't do last year due to Covid-19. A detailed training Agenda, as well as an Events Calendar, are shared in this journal for your attention.

Further afield, we are in the process of revamping our Academic department to address the changing needs and demands of the banking sector in the 21st century. In this regard, we have re-constituted the Academic Board, and are the process of reviewing and adopting a new curriculum for the institute.

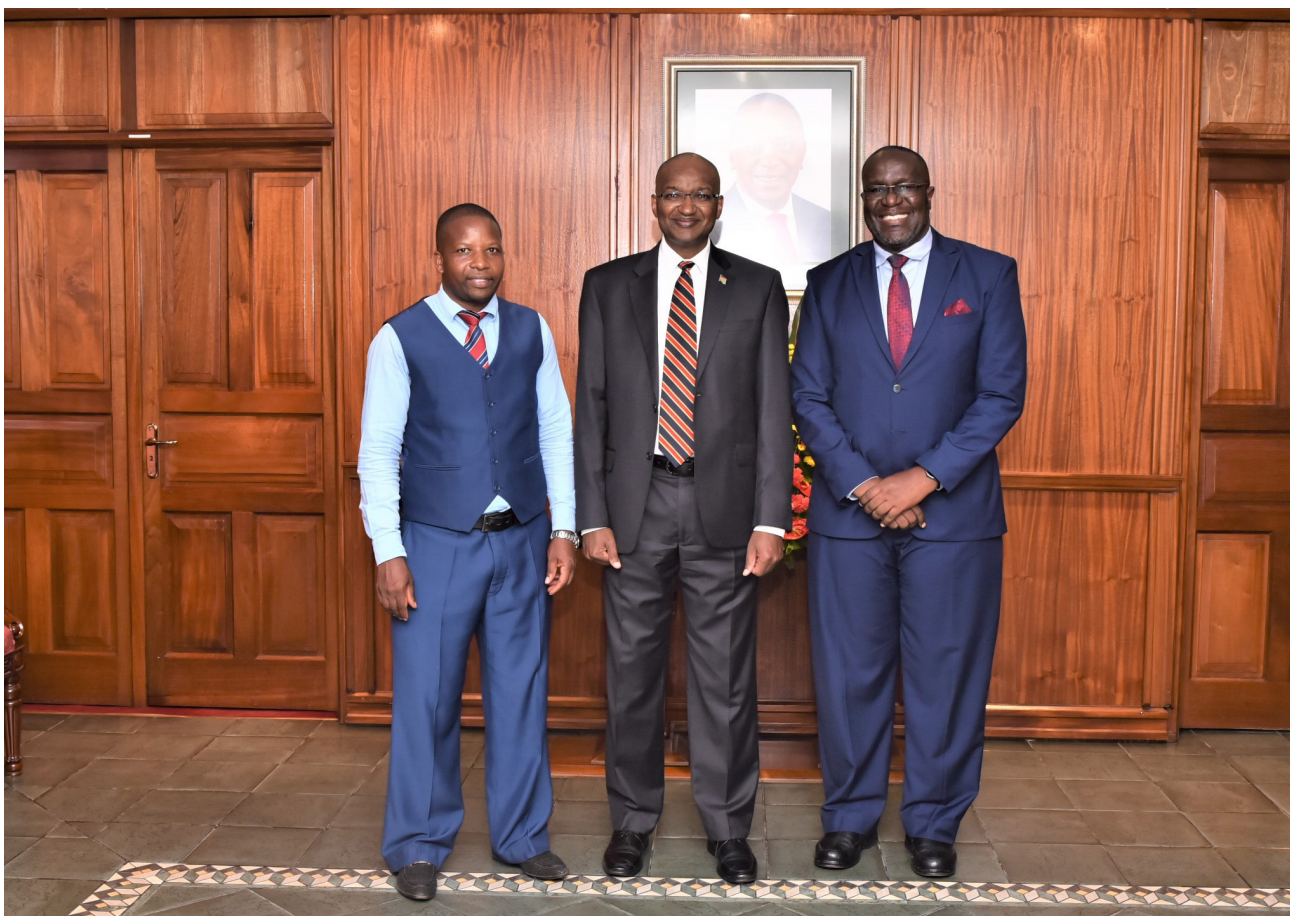
We are also delighted by the successful registration of the KIB School of Banking & Finance, which will take over all the Academic undertakings at the Institute from this year. These are important engagements that will not only give us the impetus we need

for success, but will also enable us to serve banking sector professionals better, and with greater competency and efficiency.

You will find other important information and news in this journal, which will add great value to this copy. We hope you will find value in every section of this journal. Our complement is that we will seek to produce a copy every so often to keep you updated with the undertakings of the Institute and the changes in the financial sector at large.

Julias Alego

CEO, Kenya Institute of Bankers



KIB Chair Mr. John Rioba (Left), KIB Patron Dr. Patrick Njoroge (Centre) and KIB CEO Mr. Julias Alego (Right) during a recent consultative meeting.

This year, we are well-poised to hold the Banking Essay and Quiz, the Interbank Sports and the Annual Dinner, which this time round will feature the newly-introduced KIB Banking Awards, which seeks to celebrate individual bankers for their exemplary work and contribution to the financial sector.



Section 1: The Governing Council Enclave

The Governing Council of the Kenya Institute of Bankers has had numerous undertakings in the last few weeks since the beginning of 2022.

After successfully holding an AGM that saw the election into office of a new Council, the task at hand has never been clearer. These are some of the key undertakings, as enumerated by the Council, that have defined the recent weeks of the Council's tenure in 2022.

1. The Strategic Plan (2022-2025)

The Governing Council, through the CEO's office, secured the services of a Strategic Plan Consultant to help the Institute craft a Strategy document that will be used for the next four [4]

years.

The Consultant engaged the staff of the institute to gather their views on what they may want to see on the strategy document. Eventually, the same was compiled and finally presented to the Governing Council at a Retreat in Naivasha, for consideration and improvement.

During a recent meeting upon which the Governing Council members met KIB Patron, Dr. Patrick Njoroge, who is also the Governor of CBK, discussions were fostered on how best the document would serve the Institute and the industry at large.

From that meeting, it was agreed that the team would move with speed to finalize on the document and officially adopt it for use.

Some of the key highlights of the Strategic Plan include

the following;

- Change of the KIB Vision, Mission and Values to reflect the current state of affairs
- The strategic Pillars that will govern the Institute for the next four years [The Five-Pillar Transformation Strategy]
- Strategic Objectives, Priorities, Goals and Activities that will be undertaken to implement the document.

The Strategic Plan aligns, mostly, with the Five-Pillar Transformation Agenda at KIB, and is a quality document that will be available to members once adopted, for consideration in the long run, and for posterity.

2. The Council structure and mandate

The Governing Council has also strengthened and re-aligned its working Committees to ensure all areas of assignment are tackled effectively. The Committees work together to ensure the following key responsibilities of the Council are properly executed.

The KIB Governing Council is charged with the overall leadership and management of the Institute. It has a

crucial role of ensuring that the Institute fulfills its foundation goals and is managed in a way that ensures its long-term sustainability. Some of its most important responsibilities include:

- Providing institutional leadership and oversight on behalf of the Corporate and Individual members
- Recruiting a well-qualified CEO to lead and manage the Institute overseeing their performance
- Implementing and overseeing an effective CEO succession plan
- Creating an appropriate and effective delegation system of authority and responsibility for Council management to the CEO and the Senior Management (*through the CEO*)
- Exercise thorough and diligent oversight over Institute affairs by setting up effective oversight structures without duplicating CEO and Senior management roles
- Outline areas where the



KIB Governing Council Members at a recent meeting at KIB Headquarters in Nairobi.

Council will get involved directly at an operational level e.g. relationship with external auditors and executive compensation

- Prioritizing the collective goals of all Corporate

and Individual Members while representing the Corporate Members on whose behalf they hold their appointments.

The Council has been accomplishing these tasks through its well-established

committees, which are listed as follows;

1. The Executive/ Governance Committee (E-C/G-C)
2. The Audit, Risk and Compliance Committee

- (ARC-C)
- 3. Human Resources, Academic and, Membership Committee (HAM-C)
- 4. Projects and Partnerships Committee (PP-C)

3. Strengthen departmental capabilities, policies and controls

The Governing Council has been working tirelessly to ensure all departments at KIB have been aligned in

terms of Human Resource, structural and capital resource requirements.

There has been strengthening at all levels, with new personnel deployed in various departments to bolster the institutes capacity to serve its members and stakeholders.

The Council through the CEO, created the Communications & Marketing Department, which features in-house staff members and consultants to help with Public Relations, effective communication and

marketing of the institute.

Other departments that have been bolstered include the Training & Consultancy Department, the Admin and Finance Department, and the Academic Unit. New staff members have been recruited and deployed appropriately.

Various Audits have also been completed to identify need areas, including HR Audit, ICT Audit and Finance Audit. All recommendations in all these audits are in the process of being implemented, or have been completed already.



KIB staff and Chair during a staff retreat in December 2021.

4. Corporate Governance Policy

The Governing Council is also overseeing the Implementation of a Corporate Governance Policy, which was developed and adopted in 2021.

This Corporate Governance Policy (CGP) document and associated appendices and checklists document KIB's commitment, intention, and obligation to adopt, execute, and maintain a sound Corporate Governance framework.

The policies on this document underpin the Institute's all other policies, management, operations, interactions, conduct, and engagements and will direct accountability and responsibility of all arms of the Institute.



Section 2: Training & Consultancy Department

The Institute undertakes a broad range of Short skills upgrading Courses and other services for the banking sector. These courses are provided both as open forums or in-house, directly to Banks and Financial Institutions upon request. The short courses (1 to 5 days) cover the entire spectrum of banking operations and specific job functions or roles in Banks/ Financial Institutions.

Equally, the institute provides consultancy services in various areas of interest to sectoral stakeholders who may want to improve on sectional areas of their organizations. These areas may include HR Review and Recruitment, Specific Audit assignments, Capacity Building and Organizational Restructuring among others.

1. Training Department Revamp

KIB management has been able to revamp the training department with the recruitment of the Head of Training & Consultancy, Margaret Munene. She carries a wealth of experience in Training that has been accumulated over the years as she worked in the banking sector.

She took over the department in February, when former department head, Martin Muroki, departed the Institute for a new assignment elsewhere. Margaret Munene will be instrumental in spearheading the Training & Consultancy Department, which is one of the critical areas of engagement for KIB and its members.

Through her leadership, the Institute has not

only embarked on a reconstruction exercise in this department, but has also settled on a better approach in terms of training delivery, whether in person or online.

2. AML E-learning Resource

Recently, through the ICT Department, the Training team was able to develop an **AML E-learning Resource** that is now available for banking sector professionals. The Course is purely online, and once done, ends with a Certificate issuance from the Institute.

The Department is in the process of developing several other such online courses to cater for the needs of banking professionals who might be too busy to attend physical trainings organized by KIB on various topics of courses

of interest.

Equally, the department has received a significant boost from the management through the enhancement of internet capacity, which would help with online trainings through webinars e-learning portals available at KIB.

3. Recent Training Activities

Since the onset of year 2022, the department has conducted various trainings with different institutions for good measure. The

following are some of the trainings that have been conducted so far;

- KCB Group – Laws Relating to Banking Course, which was conducted in a hybrid approach [both virtual and in-person] for the first time in the history of KIB. There was a 100% completion rate for this training, which culminated in a Virtual Graduation as well, a first in KIB.
- SBM Bank – Banking 101 Training
- Mayfair-CIB Bank – Induction of Directors

- ABC Bank – Cashiers Training
- DTB – Compliance in Banking Operations Training
- DTB – Credit Training
- Bank of Baroda – Corporate Governance Training for Directors

Participants in these trainings have expressed their satisfaction with KIB's new and Transformative approach to training, which includes the use of highly effective, appealing and presentable presentations; as well as the use of new training techniques which make the sessions lively,



Mayfair-CIB Bank Board Members at a KIB training in Nairobi

proactive and engaging.

KIB is keen to maintain and improve on its training methods and approach in order to meet the changing demands in the financial sector, which is rapidly affected by technological advancement.

Other training areas, for which KIB Training Department is fully equipped to handle include the following;

- Anti-money laundering (AML) & Know Your Customer (KYC)
- Customer Relationship Management
- Liquidity Management Training
- Personal Development Simplified: Be the best version of yourself
- Employee Transition Training
- Credit Appraisal Techniques & Analysis
- Cyber-crime & Information Security Risk Management
- International Trade Finance (ITF)
- Wealth Management Training
- Impactful Presentation Skills
- Personal Financial Management
- Trainer of Trainers Course

4. Training Calendar for 2022

The Department has developed a three-month training Calendar which is hereby shared for your planning and participation;

KIB TRAINING CALENDAR: MAY -JULY 2022

SN	Course Title	Target Audience	Start-End Date	Duration	Mode
1	Principles of Banking Course (Introduction to banking)	Entry Level	16th May-20 th May 2022	5 days	Blended/In Person
2	Anti-money laundering (AML)&Know Your Customer (KYC)	All staff levels	23 rd -24 th May 2022	2 Days	Blended/In Person
3	Customer Relationship Management	All Staff levels	25th-27 th May 2022	3 days	Blended/In Person
4	Liquidity management training	Middle-Senior staff Levels	30 th – 31 st May 2022	2 days	Blended/In Person
5	Personal Development simplified: Be the best version of yourself	All staff levels	2nd -3rd June 2022	2 days	Blended/In Person

6	Employee Transition training	All staff levels	5 th -9 th June 2022	5 days	In person
7	Credit appraisal techniques & analysis	Operations, front facing & Credit Department	13 th -16 th June 2022	4 days	Blended/In Person
8	Cyber-crime & information security risk management	All staff levels	21 st -24 th June 2022	4 days	Blended/In Person
9	International Trade Finance (ITF)	Trade Finance staff, Relationship officers & Managers	27 th -1 st July 2022	5 Days	Blended/In Person
10	Wealth Management Training	Relationship officers & Managers	4 th -6 th July 2022	3 Days	Blended/In Person
11	Impactful presentation skills	All staff levels	11 th -14 th July 2022	4 Days	In person
12	Personal Financial Management	All staff levels	18 th -19 th July 2022	2 Days	Blended/In Person
13	Training of trainers (TOT)	Subject matter experts, HR personnel, team leaders & training coordinators	25 th -26 th July 2022	2 Days	In Person



SBM executives during a KIB training in Nairobi in April 2022

For Bookings to participate, you may contact us through; training@kib.co.ke or thebanker@kib.co.ke. Or Call: 0202160317. Head of Training, Margaret Munene, can be reached on 0723441378. You may log onto our website www.kib.co.ke for more information as well.



Section 3: Membership & Partnerships Report

KIB is a professional organization whose membership is drawn from the banking sector at large. The Institute features both Corporate and Individual membership, which information is available on the Institute’s website, and on the Membership Value Proposition.

The department has had significant progresses in 2022. There have been different activities to reinforce and boost the department’s efficacy, and its capacity to serve different categories of members successfully.

In an effort to grow KIB’s influence in regards to its services to the members, 2022 has seen an escalation of activities that have fruitfully benefitted KIB members. In this section, we will give coverage to the goings-on at the department, and how efforts

to give KIB greater relevance and reach are bearing fruit.

1. Individual Membership engagement forum

KIB organized a members meeting in February to interact with individual members, and to take stock of their expectations, thoughts on areas the Institute should improve on, and largely for the members to network among themselves.

The event featured presentations from KIB CEO Julius Alego and KIB Head of Membership & Partnerships, Peter Gitau, Who was also the event moderator. Members were largely enlightened on what KIB is doing in the new dispensation to offer critical threshold in terms of service

value provision.

Mr. Alego reminded the members that their role was crucial in ensuring KIB continues to carry the fundamental role of offering members professional training.

“We are equally determined to build a database of fit-and-proper bankers who will then play the pivotal role of enhancing the integrity fundamentals of the financial sector in Kenya,” Mr. Alego told members. “Even then, your role is often more critical because you are our greatest ambassadors in the market place. How you carry yourself and execute your mandate will reflect strongly on your relationship with KIB, and whether you hold ethos of integrity and the right work ethic at the core of your jurisdiction.”

It was agreed during the meeting, that KIB and the

individual members will continue to cohesively work towards strengthening the institute, and that the value proposition from KIB will be a great point of convergence in the coming months.

2. CEO Courtesy visits to various institutions

KIB Chief Executive Officer, Julius Alego, has been paying courtesy visits to various heads of institutions drawn from the financial sector and other inter-

related sectors at large.

The courtesy visits, which began in earnest in 2021, have seen Mr. Alego visit over 10 bank CEOs and several other heads of institutions that provide services crucial to the banking sector posterity.

Out of these visits, KIB has been able to re-engage with its corporate member organizations, and to forge stronger alliances within which the institutions can find symbiotic collaborative frameworks.

Apart from the Corporate member banks, some of the

other institutional heads that KIB CEO has reached out to and held consultative meetings with include the Asset Recovery Agency [ARA], Banking Fraud Investigation Unit [BFIU], Kenya Deposit Insurance Corporation [KDIC] among others.

There are several propositions in the pipeline on how these meetings will formulate working memorandums and partnerships. Already, KDIC has expressed interest in partnering with KIB to hold some of its training events.



3. MOUs signed by the Institute

Coupled with the CEO visits, the Institute has entered into MOUs with various institutions that would offer complementary services for

the benefit of the members of KIB.

These MOU's include the following;

ij MOU with Abojani Investments: Abojani is one of the leading financial literacy consultancy firms

in Kenya, with a broad reach and following among financial sector practitioners.

The organization provides quality analysis on the financial sector trends and happenings, as well as trainings on various

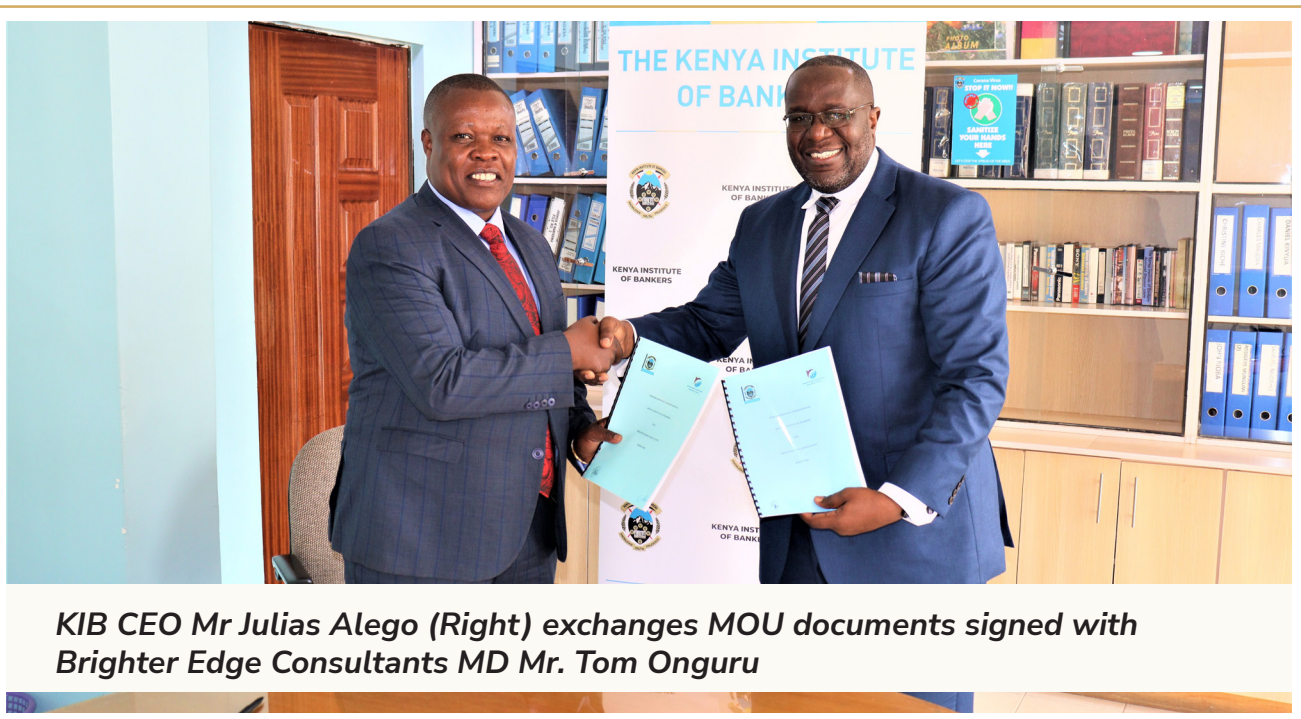
topics that include personal finance, financial investment options, trading in stocks etc. KIB entered into an MOU with Abojani in order to have an expert hand on quality analysis that would be disseminated to industry players in the financial sector. Equally, KIB would partner with Abojani to develop trainings in the various areas of finance, wherein Abojani has greater leverage.

ii] MOU with the Leadership Group: KIB also entered into an agreement with the Leadership Group, which is led by former KCB Group CEO Martin Oduor. The leadership group is instrumental in trainings and capacity building for top executives in various institutions.

The MOU will ensure KIB is able to offer bank executives with the quality training

they need to be competitive and effective in the rapidly-changing banking sector marketplace.

iii] MOU with Tustawi: KIB struck a working framework with Tustawi. The organization is East Africa's intuitive online learning provider, and will be instrumental in helping KIB upgrade and enhance its e-learning capability and capacity through the



KIB CEO Mr Julias Alego (Right) exchanges MOU documents signed with Brighter Edge Consultants MD Mr. Tom Onguru

development of a stronger E-learning framework.

Tustawi's intuitive educational interface helps individuals gain the knowledge and skills needed to perform personally and professionally. Tustawi curates, customizes and creates e-learning content to help you unlock career skills and professional development.

They advance knowledge by providing learning materials and information that reflect current global and regional trends. They also develop effective, relevant, and cost-efficient training solutions.

iv] MOU with Brighter Edge Consultants: KIB also penned an MOU with Brighter Edge Consultants who have a wide pedigree and expertise in event planning and organizing.

The organization will be instrumental in helping KIB to upscale its events platforms in order to maximize on capacity and exploit the possible potential available in this regard.

v] Working Framework with KDIC, ARA and BFIU: Plans are at an advanced stage to formally enter into partnership with Kenya Deposit Insurance

Corporation [KDIC], Asset Recovery Agency [ARA] and Banking Fraud Investigation Unit [BFIU], in order to strengthen KIB's efforts to streamline issues of integrity in the banking sector. It is equally to help the Institute in its quest for fit-and-proper bankers in Kenya.

Other partnership areas are

under consideration, and KIB will be looking to secure them as they come.

"We are determined to foster as many beneficial partnerships as we can," says Head of Membership & Partnerships at KIB, Mr. Peter Gitau. "I'm particularly delighted that in the Transformation Agenda to

take KIB to the next level, we are deploying every available resource to help us regain our glory and relevance in the Kenyan banking sector."



KIB Head of Membership and Partnerships, Mr. Peter Gitau

4. Corporate Members Annual subscriptions

According to Peter Gitau, who heads the Membership & Partnerships agenda at KIB, the Corporate members of KIB have consistently supported the Institute over the years. The annual subscriptions help run the affairs of the secretariat daily.

"Even at the height of the Covid-19 Pandemic, the

members kept remitting their annual subscription fees, which payments are crucial to the execution of the KIB agenda and mandate," Mr. Gitau says. "We truly appreciate the various banks who have stayed steadfast with their annual remittances."

Mr. Peter urged the Corporate member banks who hadn't made their remittances for 2022 to do so in order to help with the overall budgetary outlay for the Institute.

"Any member who hasn't made their remittance can do so with ease," Peter says. "Our team is always on hand to assist with payments and any inquiries regarding the same. Should you have any queries, call our team on the numbers we have provided on various platforms including our website, www.kib.co.ke."



Section 4: The Academic Unit Progress

The Academic Unit at KIB has experienced significant transformation in the last few months. After an audit that was carried out some time back, it was agreed that the Academic Unit needed a complete overhaul.

In the last few months, there has been progress on this front, which will eventually help streamline the department and make it competitive in the Kenyan financial sector literacy circles.



1. Restructuring the Academic Board

The Governing Council has been working to restructure the Academic Board, which will be mandated with the task to oversee the successful implementation

of training and examinations. The Academic Board will feature members drawn from the council as well as the Academic Department, who will oversee the transitions at the Academic wing



2. Registration of the KIB School of Banking & Finance

We have also successfully registered and institutionalized the

KIB School of Banking & Finance, which will be in charge of all Academic training at the Institute.

Once fully ready and equipped, we will roll out KIB School of Banking and Finance, which will replace

the current academic wing that handles educational training.

3. Review of the KIB Curriculum and Syllabus

We have reviewed, and are in the process of restructuring our Curriculum to fit the current market changes and global trends in banking and finance. We have adopted the TVETA-CDACC Curriculum, and are in the process of refining it for final adoption and use in the Academic Department.



At KIB, we have been working day and night to digitized our systems, and completely transform the institute in terms of digital applications and use of the online space.

There has been a progressive approach towards digitizing our data, which can be traced to almost 42 years ago since the inception of the Institute. This process will help to declutter the institute and wean it off the use of old and archaic methods of data storage and management.

The ICT Department, led by Stephen Otieno, who is our IT Consultant, has made remarkable progress

in helping the Institute to modernize its services by embracing new ICT infrastructure available for use.

The Unit has been able to do the following;

- Secured and deployed the use of **Office 365** as an important undertaking to secure our data at all levels. The teams at KIB have been on-boarded onto the platform, and are in the process of being oriented on the use of Office 365.
- The department has helped in the securing of **modern computer equipment** – including laptops and desktops that have the capacity to handle KIB assignments efficiently.
- E-Learning [online and web-based learning] Platforms are also being developed to cater for learning needs of industry stakeholders who would prefer online learning to the physical one-on-one set ups. Already, **AML E-learning** platform is up and running.
- A revamped and **modern website** is also active since last year, and has interactive features that provide for all dynamic

use of content. KIB has been able to develop a section within the website that will be a focal point for the industry in terms of important financial analysis and various developments in the financial sector.

- A reliable and stable internet has been secured to ensure e-learning and other online based activities run smoothly. It is also to ensure communication is not hampered at any one given time.

There has been a progressive approach towards digitizing our data, which can be traced to almost 42 years ago since the inception of the Institute.



Section 6: Communication & Marketing report

The Institute developed a Communications Department last year to help drive the agenda for publicity and marketing at large. The department has been instrumental in transforming content at KIB, and the use of the same content on various applications and platforms.

The report from the department of communications and marketing reflect the following progresses made

so far this year;

- A revamped **social media strategy** has ensured that our social media presence is now stronger and growing rapidly. Our Twitter handle has recently been elected as one of the most active in the industry. We have strong presence on LinkedIn and Facebook, which go a long way to position us better in the marketplace. Our YouTube account

is slowly gaining pace as we work on video content as well. You can follow us on twitter, LinkedIn, Facebook and YouTube by searching for **Kenya Institute of Bankers**.

- Our website now boasts of a collection of highly interactive stories, blogs, video and photo gallery that is rich in content. We have constant updates of the happenings in the industry. Our activities

as KIB are equally reported on the website for good measure. All the courses undertaken at the Institute are also available on the www.kib.co.ke webpage.

- The Communications Department developed a one-year strategy document titled **“The Integrated PR & Marketing Communications Plan (2021 –2022)”**, which is currently running, and has yielded plenty of positive results and reviews both internally and at the sector level.
- We have recently

recruited a Creative Designer to ensure all our work is properly designed for various presentations across all departments. You will notice that our training material have greatly improved in outlook and appeal, owing to this move to acquire the services of a graphic designer.

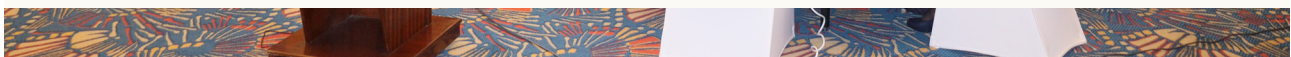
- This monthly Journal is equally an important outlay for the Institute, and is developed and published by the communications department.
- We have also been

able to develop and initiate great links with the mainstream media practitioners to help us push our publicity agenda. These links have helped us already to do media placements we seek to amplify in the coming months for the greater good.

Communication and marketing are at the core of KIB’s quest for improved visibility, and will continue to play a major role indeed, in ensuring KIB becomes a reputable and recognizable brand in the coming years.



KIB Members during a Cybersecurity Training Breakfast at Serena Hotel in October 2021.





Section 7: KIB Events schedule across the year

Ms. Maria Murey, who is an employee of KIB, was appointed to lead the Events department at KIB in February. The Institute has in the past years organized events without a proper department that has the day-to-day mandate to do so.

This move has given the Institute the incentive needed to spur a stronger appreciation of the events

KIB holds across the year. Given that the Covid-19 pandemic had greatly hampered our delivery in terms of events for close to two years, 2022 has begun remarkably well.

The KIB Signature events are scheduled already, and will take place across the year as planned. The event schedule will be shared herein for our appreciation.

However, some of the

events that have already taken place include the following;

Individual Membership engagement forum:

KIB organized a members meeting in February to interact with individual members, and to take stock of their expectations, thoughts on areas



Participants follow proceedings at a past KIB Cybersecurity Conference.

the Institute should improve on, and largely for the members to network among themselves.

The event featured presentations from KIB CEO Julius Alego, as well as a moderation role from KIB Head of Membership & Partnerships, Peter Gitau. Members were largely enlightened on what KIB is doing in the new dispensation to offer critical threshold in terms of service value provision.

CBDC Discussion Forum at Movenpick Hotel: Bank executives gathered in Westlands to give their views, contributions and concerns on the Central Bank Digital Currency proposals. KIB organized the event, and successfully uploaded the outcome of the event onto KIB Website, as the same information was transmitted to the Central Bank of Kenya for consideration.

The other events that are lined up across the year as shown in the calendar of major events include;

- The Banking Quiz & Essay, slated for June 25-29, 2022
- The Interbank Sports, scheduled for October 22-29, 2022
- Cybersecurity Conference, slated for October 26-28, 2022
- Annual Dinner & Awards Gala, which is scheduled for November 25, 2022



Executives from Kenyan Banks share a photo moment at CBDC Discussion in April 2022.



Section 8: Industry news and Updates

Kenyan banks report staggering profits

By KIB Media Team

March was the critical month during which Kenyan banks declared eye-watering profits and record dividend payout to shareholders during their annual financial reports for the year ended December 31, 2021.

After a period of reduction in net earnings, mass layoffs and freezing of dividends in 2020, Kenyan lenders have suddenly bounced

back amid modest growth in revenues and reduction in operating expenses.

All of the major banks have published their financial performance figures for the 12 months to December 31, posting on average over 80 percent growth in net profit.

These are Absa Bank Kenya which recorded the highest jump in net profit by 161 percent, followed by Equity Bank (99 percent), KCB (74 percent), Standard Chartered Bank Kenya (66 percent), Co-operative bank (53 percent) and Stanbic

Holdings Ltd (39 percent).

Our Media team assembled the events that occurred in the second half of March, and hereby present them to you, our reader for your reference. Enjoy the read.



All of the major banks have published their financial performance.

Equity Group Net Profit Rises 99% to KSh40.1 Billion in 2021

According to the Kenyan Wallstreet, Equity Group Holdings posted a Profit

After Tax (PAT) of KSh40.1 Billion from KSh20.1 Billion in 2020, an increase of 99%.

According to the Equity Group's audited financial statements and other disclosures for the year ended 31st December 2021, this performance now ranks

Equity Group as the most profitable lender in Kenya in 2021.

Shareholders will be significantly rewarded after directors of the bank declared a 50% increase in dividend payouts to KSh11.8 billion. This is the first time

Equity is rewarding its shareholders since the last dividend payout of 2018. The dividend is at the rate of KSh3 per share.

The lender's Pre-Tax Profit increased significantly to KSh51.9 billion in 2021 from KSh20.9 billion in 2020.

The Group's Balance Sheet

size grew from KSh1.015 trillion in 2020 to KSh1.305 trillion in 2021, a growth of 29% growth. Equity Group's profitability, as measured by Earnings per Share (EPS), grew 98% to KSh10.40 in 2021 from KSh5.20 in 2020

Net loans to customers rose from KSh477.8 billion to

KSh587.8 billion at the end of 2021.

Subject to Shareholders' Approval, Equity Group will pay the declared dividend to its shareholders on or before June 30th June 2022 to members on the register on or before the closure date of 20th May 2022.

KCB Records historic 74 per cent rise in profit after tax

KCB Group Plc recorded a historic 74% rise in profit after tax for the full year ending December 2021, riding on economic recovery across markets.

Net profit grew to KSh34.2 billion compared to KSh19.6 billion a year earlier, on the back of increased income, cost management and lower credit provisions which saw the Group post higher returns to shareholders.

Key Financial Highlights of the KCB results included the following;

- Profit after Tax - Up 74% to KShs.34.2 billion compared to KShs.19.6 billion.
- Revenue - Increased 13.5% to KShs.108.6 billion on account of increase in interest income driven by increase in earning assets, non-funded income, and lower cost of funding.
- Costs - Up by 11.9% to KShs.47.8 billion.
- Total Assets – Increased 15.4% to KShs.1.139 trillion.
- Customer Loans – Increased by 13.5% to KShs.675.5 billion through organic and strategic acquisitions.
- Customer Deposits — increased 9.1% to KShs.837.1 billion due to organic growth mainly in the Kenyan market.

Stanchart's full-year net earnings up 67 per cent in 2021

Standard Chartered Bank Kenya's net earnings for the year ended December 31, 2021, grew 67 per cent as the economy recovered from the Covid-19 pandemic.

According to the financial results released in March, the lender reported a profit after tax of Sh9 billion

compared to Sh5.4 billion in the previous financial year.

"Income returned to growth after the dip last year occasioned by the impact of the pandemic, increasing seven per cent with strong underlying business momentum," Standard Chartered Bank, Kenya CEO Kariuki Ngari said in a statement published by the Star Newspaper.

The board has recommended the payment of a final dividend of SH14 for every ordinary share of Sh5. An interim dividend of Sh5 was declared and paid in December 2021.

This will bring the total dividend for the year to Sh19 per ordinary share, which is 81 per cent higher than that the 2020 pay out.

NCBA Group Net Profit Doubled to KSh10.2 Billion in 2021

NCBA Group Plc more than doubled its net earnings for the financial year ended 31st December 2021 to KSh10.2 Billion from KSh4.6 Billion posted over a similar period in 2020, an increase of 121.7%.

The lender, established in 2019 following the merger of NIC Group Plc and Commercial Bank of

Africa Limited (CBA), saw its Profit before Tax (PBT) rise significantly from KSh4.98 Billion in 2020 to KSh15.0 Billion in 2021.

NCBA Group, which has subsidiaries in Rwanda, Tanzania, Uganda and Ivory Coast, is also in partnership with Safaricom to provide M-Shwari and MPesa Fuliza.

The lender's digital loan disbursements went up to KSh584 Billion in 2021 from KSh434 Billion in 2020, while the lender's Total Operating Income increased to KSh49 Billion in 2021 from KSh46 Billion in 2020. Total Operating Expenses declined to KSh33.4 Billion in 2021 from KSh40 Billion in 2020.

According to the audited financial results of NCBA Group for 2021, the lender's balance sheet size grew to KSh591 Billion in 2021 from KSh528 Billion in 2020, while Customer Deposits were up to KSh470 Billion from KSh422 Billion in 2020.

Absa Bank records a Ksh10.9 Billion Profit after Tax

Absa Bank Kenya customers will receive dividends after a break in 2020 due to the effects of the Covid-19 pandemic on the business.

The lender maintained its proposed dividend per share at Sh1.1 same as 2019. The board has recommended a dividend pay-out of Sh6 billion for 2021.

The lender recorded a Sh10.9 billion Profit After Tax for the year ended December 31, 2021, a 161 percent growth from Sh4.2 billion in 2020.

How CBK intervention affected Banks' performance

The increased provisioning by Kenyan lenders during the Covid-19 period was also compounded by the Central Bank which provided flexibility to banks with regard to requirements for loan classification and provisioning for loans that were performing

on March 2, 2020 and whose repayment period was extended or were restructured due to the pandemic.

The one-year window through which the lenders had extended and restructured the loan repayments for customers adversely impacted by the pandemic expired on March 2, 2021 and the borrowers were given three months to regularize their loan repayments.

According to CBK, loans amounting to Ksh1.7 trillion (\$14.91 billion) were restructured during the period from March 3, 2020 to February 2021, accounting for 57 percent of the banking sector's gross loans. In 2019, Kenyan banks started implementing the IFRS 9 which requires them to set aside greater provisions for expected credit losses.

Under the IFRS9, which replaced the International

Accounting Standard (IAS) 39, banks are expected to provide for projected loan losses rather than those already incurred, thereby reducing their profitability and eroding their capital base.

Data from the Central Bank of Kenya shows that last year (2021), Kenyan banks conservatively sat on excessive liquidity and reduced lending to key sectors of the economy to reduce exposure on loan defaults and loan loss provisions to remain profitable.

According to the central

bank's monthly statistical bulletin, banks increased lending by only 2.25 percent (\$121.92 million) to Ksh631.1 billion (\$5.53 billion) in 2021 from Ksh617.2 billion (\$5.41 billion) in 2020.

The banks also reduced lending to agriculture and real estate by Ksh11.9 billion (\$104.38 million) and Ksh30.1 billion (\$264.03 million) respectively.

Also hard hit was the building and construction and private household sectors whose loans were reduced by Ksh1.7 billion (\$14.91 million) and Ksh2

billion (\$17.54 million) respectively.

Banks also reduced lending to the finance and insurance sector by Ksh800 million (\$7.01 million) and consumer durables by Ksh900 million (\$7.89 million). Total bank lending to the government also declined slightly by five percent (\$171.05 million) to Ksh380.3 billion (\$3.33 billion) in 2021 from Ksh399.8 billion (\$3.5 billion) in 2020, according to Central Bank data.

Reduction in lending reduces loan loss provisioning as per the IFRS 9 requirements.

Early 2022 developments in the Kenyan financial sector

By KIB Media Team

There have been a number of significant developments in the financial sector in Kenya in the first two months of 2022, and our Media TEAM took time to assemble some of these key happenings in the industry, for your benefit and enrichment.

CBK invites debate on digital currency

In Mid-February, major newspapers including the Business Daily, The East African, the Daily Nation as well as the Kenyan Wall Street, reported that the Central Bank of Kenya had invited the public for the first time to submit their views on the introduction of a central bank digital currency (CBDC), a virtual version of the Kenyan shilling, as it seeks to keep pace with global financial innovations.

The CBK released a lengthy discussion paper that will serve as the basis of what is expected to be a landmark debate — though it maintained that the risks surrounding digital currencies remain at this point. The paper said the CBDC would be “a sovereign currency in an electronic form and it would appear as a liability on CBK’s balance sheet and an asset to users holding it.

Kenyans were given 120 days to submit their views that will form part of considerations to create a CBK-backed digital currency. CBDC is a national fiat currency in digital form.

This means that besides the printed cash, CBK will also issue the electronic equivalent.

Kenya can make a significant saving in the cost of printing currency with the adoption of a virtual shilling, CBK said ahead of the public debate over the proposed rollout of its digital currency.

Mobile banking uptake increases to 58 percent

Further afield, the Business Daily reported on February 18, 2022 that Six in 10 bank customers prefer mobile banking compared to other forms of accessing bank services, underlining the growing popularity of the convenient and automated platforms.

A customer satisfaction survey by Kenya Bankers Association (KBA) found that mobile banking was

the most preferred channel in 2021 at 58.4 percent, up from 52 percent the year before. Mobile banking is primarily offered through USSD codes, using basic mobile phone technology to offer financial services to customers without the internet.

The bankers' lobby said the uptake has grown rapidly in the Covid-19 pandemic era as banks invested more in the platforms to reach customers who in turn sought to reduce contact-based interactions.

"The increase may

be attributed to the challenges introduced by the pandemic and its containment measures which have entrenched the use of contactless banking services," KBA said in a statement.

The use of mobile banking has also been incentivized by reduction or removal of charges on the services as directed by the Central Bank of Kenya as part of the regulator's efforts to boost uptake of cashless transactions.

Mauritius Holdings Acquires 73% Stake in Key Microfinance Bank

Elsewhere, the Kenyan Wall Street reported on February 9, 2022, that Mauritius Holdings Limited (LOLC Mauritius) had acquired a 73% stake in Key Microfinance Bank (Key MFB) by Mauritius firm, as was reported in a bulletin from the Central Bank of Kenya (CBK), effective January 1st, 2022.

This follows CBK's approval on December 22, 2021, under Section 19 (4) of the Microfinance Act and approval by the Cabinet Secretary for the National Treasury and Planning on January 7, 2022, pursuant to Section 19(3)(b) of the Microfinance Act.

LOLC Mauritius is a private company incorporated in Mauritius that is wholly owned by LOLC Holdings PLC.

Bank ATM Visits Decline by 9.8% as Mobile Banking Continues to Reign - KBA

The Kenyan Wall Street further reported that the number of bank customers who prefer to visit bank ATMs to access cash has continued to dip as more banks move towards digitization.

According to the Banking Industry Customer Satisfaction Survey 2021, customers who preferred the use of ATMs dropped to 9.8 per cent last year compared to 12 per cent in 2020.

The survey done by the Kenya Bankers Association (KBA) further noted that 58.4 per cent of those surveyed prefer mobile banking while those who prefer Internet/Online Banking stand at 20.3 percent.

The Kenyan Wall Street had earlier on in the month reported that Mobile money transactions in Kenya grew by 32% in 2021, according to data from the Central Bank of Kenya.

This growth in mobile money use was attributed to an increase in the use of cashless transactions by firms and households.

CBK data shows that Safaricom's M-Pesa, Airtel Money and Telkom's T-Kash agents handled KSh6.8 trillion in the twelve months to December 2021, a 31.7 percent jump from KSh5.2 trillion in 2020.

CBK Grants Cellulant a Payment Service Authorization

It was further reported by mainstream media sources that the Central Bank of Kenya had granted Cellulant a Payment Service Provider Authorization, enabling the fintech company to expand its payments offering for businesses, banks, and consumers.

The authorization permits Cellulant to continue enabling businesses to collect payments online and offline while allowing anyone to pay from their

mobile money, local and international cards or directly from their bank.

Cellulant, a leading payments company in Africa, has partnerships with 45 of the largest mobile money operators and 210 banks across Africa and has a converged payments ecosystem that brings together a network of banks, businesses, mobile network operators and consumers.

The company provides its services in 35 countries across Africa, including Ghana, Botswana, Nigeria, Kenya, Cameroon, Uganda, Tanzania, Zambia, Egypt, Ethiopia and South Africa, offering the largest and

most connected payments network on the continent.



The company provides its services in 35 countries across Africa.