2025

BANKING ON KENYA

Banking Industry Shared Value Report

KENYA BANKERS
ASSOCIATION

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Banking on Kenya

The banking industry in Kenya remains firmly committed to advancing the country's socioeconomic development agenda by working collectively to support the growth and resilience of individuals, businesses, and households. Through the provision of accessible and affordable credit, the sector continues to catalyse inclusive growth across all segments of the economy.

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Building Together

Progress has been made in financial inclusion, with **84.8%** of adults now using **formal services** and the gender gap in access narrowing to **1.6%.**

THE PAST FIVE YEARS have brought significant change and challenges to Kenya. The role of the banking sector has grown and shifted during this time. This report highlights both the industry's collective contributions to Kenya's economy and the areas where we need to improve.

The data shows that the industry has provided over KSh 879.7 billion in credit to small and medium-sized businesses, highlighting the important role of the banking sector as the economy's engine. While this lending carries risks, we are actively working to improve its sustainability. The sector also sustains more than 109,000 jobs, with a 23% growth in our direct workforce since 2020.

Progress has been made in financial inclusion, with 84.8% of adults now using formal services and the gender gap in access narrowing to 1.6%. However, true financial health requires more than just access; it requires literacy and products that truly meet people's needs, and there is more work to be done here.

On environmental issues, we are starting to incorporate sustainability into our operations, fund green initiatives, and address climate-related risks. The industry remains committed to ensuring that sustainability initiatives are integrated for a greener and more sustainable future.

Our efforts are supported by partnerships with government, development agencies, and communities. These collaborations are essential because the upcoming challenges — from supporting small business stability to closing the financial literacy gap and expanding green finance — cannot be handled by any single organization.

As we look forward, our focus remains on building a banking sector that is not only stable and profitable but also responsible and responsive to the needs of all Kenyans. We are committed to this path of continuous improvement.

Paul Russo, EBS
KBA Chairman and KCB Group CEO

Supporting Financial Health

THIS REPORT COMES at a time when the needs of Kenyan businesses and households are changing quickly. The banking industry understands that its role must go beyond just offering basic financial services. Banks are increasingly focused on actively creating an environment where businesses, especially small and medium-sized enterprises (SMEs), can thrive.

A key part of this commitment is the transition to the new loan pricing system based on the Kenya Shilling Overnight Interbank Average (KESONIA). The update is important for small businesses because it creates a system where loan costs more accurately reflect each borrower's individual situation. In practice, this means that the interest rates for loans will better represent each person's or business's credit history, making the system fairer and more transparent.

The banking industry is also strongly dedicated to financial literacy, making sure that borrowers understand how loans function, including interest, risk, and repayment. By equipping businesses and households with knowledge, banks are helping them make smarter financial choices, handle debt responsibly, and grow their businesses sustainably.

To further support economic growth, banks have pledged KSh 150 billion annually to lend to MSMEs, helping them access the capital needed to expand operations, create jobs, and contribute to the broader economy. At the same time, banks continue to improve access to financing for households, providing tools that enable better savings, investments, and financial planning.

This report highlights the progress we have made together and reaffirms our commitment to supporting small businesses and households. By providing fair pricing, financial education, and adequate lending to MSMEs, the sector is building a stronger, more inclusive economy for all Kenyans.

Raimond Molenje
Chief Executive Officer

By equipping businesses and households with **knowledge**, banks are helping them make **smarter financial choices,** handle debt responsibly, and grow their businesses sustainably.

Executive **Summary**

KENYA'S BANKING SECTOR HAS STRONGLY repositioned itself as a driver of inclusive and sustainable development. Through strategic alignment, policy consistency, and cross-sector cooperation, the industry is building a resilient financial system and promoting a more equitable society. Increasing ESG integration across risk management, operations, and capital allocation will continue to be crucial for unlocking future growth that is based not only on financial returns but also on the long-term well-being of the communities banks serve.

The banking sector is evolving into a purpose-driven industry that combines profitability with social impact, environmental sustainability, and inclusive growth. By implementing structured ESG frameworks, making targeted investments, and forming strategic partnerships, banks are redefining their role in society, shifting from simple transactional intermediaries to drivers of shared prosperity.

> "Cumulatively, the industry has disbursed over KShs. **879.7 billion** in MSME financing, supported **109,260 jobs,** and achieved near-universal financial inclusion."

Cumulatively, the industry has disbursed over KShs. 879.7 billion in MSME financing, supported 109,260 jobs, and achieved near-universal financial inclusion, with usage among adults reaching 84.8% and the gender gap in access narrowing to just 1.6%. The sector has committed KShs. 1.5 trillion to community investments in health, education, clean energy, gender equality, and MSME development. Environmental stewardship is advancing, with KShs. 37.78 billion invested in green finance and over 93 million trees planted.

Over 80% of banks now operate formal ESG or shared value strategies centered on inclusive finance, environmental sustainability, and community empowerment. Women represent more than 30% of the workforce in nearly all institutions, and structured DEI programs are now standard practice. Banks are also financing women-led enterprises (KShs. 200.22 billion), scaling youth-friendly digital products, and embedding social impact measurement tools across their operations.

Over 80% of banks now operate formal ESG or shared value strategies centered on inclusive finance, environmental sustainability, and community empowerment.

The insights in this report underscore that shared value is critical for institutional resilience, social progress, and market expansion. As Kenya advances its Vision 2030 and the Bottom-Up Economic Transformation Agenda (BETA), the banking sector is strategically positioned to drive inclusive and sustainable growth. Finance is no longer separate from purpose. It is the engine powering Kenya's equitable future.

The Kenya Banking Industry Shared Value Report (2020-2025) highlights the sector's transformation into a purpose-driven industry that connects profitability with social, economic, and environmental outcomes. In response to shifting stakeholder expectations, regulatory changes, and climate priorities, banks have advanced from simple intermediaries to facilitators of inclusive, sustainable development. By integrating ESG principles into their core strategies, over 80% of banks have established shared value or ESG frameworks, showing broad alignment with the SDGs, Vision 2030, and the Bottom-Up Economic Transformation Agenda (BETA). This report underscores the sector's progress across five strategic pillars.

MSME Finance and Entrepreneurship: Cumulative lending to MSMEs reached KSHS. 879.7 billion by 2025, with 201 billion disbursed in the year alone. MSMEs now account for 16.5% of total bank deposits, reinforcing the sector's commitment to entrepreneurial ecosystems.

Employment and Livelihoods: The industry supported 109,260 jobs in 2025, with direct employment growing by 22.9% since 2020. A shift toward management and supervisory roles highlights efforts to build institutional capacity and skills for a modern, regulated financial environment.

Tax Contribution: The Kenya Banking Sector contributed a total of KES 194.81 billion to the National Treasury in the year ended 31 December 2024

Sustainability and Green Finance: Banks are mainstreaming ESG and climate risk considerations into lending and operations. The adoption of green taxonomies and climate risk disclosures is catalyzing transition finance portfolios and positioning banks as enablers of Kenya's green growth agenda.

Financial Inclusion and Literacy: Formal financial service usage surged to 84.8% in 2024, while exclusion dropped below 10%. The gender gap in access has narrowed to just 1.6%. Investments in digital platforms, financial literacy, and inclusive products continue to close structural access gaps.

Client and Community Engagement: Banks are redefining success by centering community empowerment through outreach, digital on-boarding, financial literacy caravans, and inclusion programs for women, youth, and persons with disabilities.

At a Glance

45.7% of banks have 30–49% women in workforce; **51.4%** have 50–69%; and 2.9% report <30% female representation.

Women-Led Inclusion

- Women hold 30–49% of senior roles in 57.1% of banks
- KShs. 137.46 million invested in gender inclusion (2020–2024) and KShs. 13.02 billion projected for 2025

200.22 Billion (Ksh) Amount disbursed to women-led enterprises (2020–2024) and KShs. 17.40 billion committed in 2025

93.67 million trees grown with 10 million trees in **2025** alone

Sustainability & Environment

KShs. 37.78B committed to clean energy, climate adaptation & waste management with investments totalling KShs. 20.18B (2020–2024) and KShs. 17.01B in 2025

Focus on scholarships, digital learning, school infrastructure

Education Investments

KShs. 171.2 billion invested in equitable education

- KShs. 167.77B (2020–2024)
- KShs. 3.44B in 2025

CSI allocations to financial literacy

<10%: 58.3% of institutions; 30%+: 20.8%; 10–19%: 16.7%; 20–29%: 4.2%.

Financial Inclusion & Literacy

Financial access up 26.7% (2006) & 84.8% (2024)

Financial exclusion down 41.3% & 9.9%

Gender gap nearly closed 85.7% (men), 84.1% (women)

80% understand interest rates; 86.8% understand inflation

54.9% understand risk diversification

Health Investments

KShs. 263.75 billion invested in expanding access & infrastructure

- KShs. 171.31B (2020–2024)
- KShs. 92.45B in 2025

KShs. **879.7 billion** in total MSME credit (KShs. 201B in 2025)

MSME Finance

- 9.6 million deposit accounts held by MSMEs
- KShs. 956.0 billion in SME deposits (16.5% of total)
- 88.4% MSME loan approval rate (2024)
- KShs. 91.8 billion in MSME-linked income (2024)

38.2 Billion Amount of the restructured MSME facilities (12,500 loans in 2024)

Banking Industry Shared Value

OVER THE PAST FIVE YEARS, the banking industry has embedded the concept of shared value into its core operational strategy. This approach, which links commercial success with measurable social and environmental benefits, has been driven by evolving stakeholder expectations, a dynamic regulatory landscape, and the growing materiality of Environmental, Social, and Governance (ESG) factors. By integrating the principles into banks' business models, Kenyan banks have demonstrated that long-term profitability is inextricably linked to the health and resilience of the communities they serve. This report provides a comprehensive overview of the sector's performance, highlighting its significant contributions to key national development goals.

Key Contributions to a Resilient Economy

The banking industry's commitment to shared value is evidenced by its impact across various important areas:

Unlocking Entrepreneurial Ecosystems The sector has significantly deepened its support for Micro, Small, and Medium-sized Enterprises (MSMEs). Cumulative credit extended to MSMEs now exceeds KSHS. 879.7 billion, with over KSHS. 201 billion disbursed in 2025 alone. This financial commitment is mutually reinforcing, as MSME deposits constitute a substantial 16.5% of all commercial bank deposits, providing a stable and scalable liability base. This strategic focus has positioned the industry as a vital partner in fostering entrepreneurship and job creation.

Expanding Livelihoods and Economic Stability The banking sector remains a key engine for employment. By the end of 2025, the industry supported a total of 109,260 jobs, with direct employment increasing by 22.9% between 2020 and 2024. This growth, which includes a notable shift toward management and supervisory roles, underscores the sector's role in developing a highly skilled workforce and generating a positive economic multiplier effect.

Advancing Financial Inclusion and Literacy The industry has been central to a profound systemic shift in financial access. Formal financial service usage among adults has surged to 84.8% in 2024, concurrent with a collapse in financial exclusion. The gender gap in inclusion has been nearly eliminated, narrowing to a minimal 1.6%. The sector continues to invest in financial literacy, with strong public understanding of core concepts like interest rates and inflation, reinforcing its role as a key driver of equitable financial empowerment.

> "The banking sector remains a key engine for employment. By the end of 2025, the industry supported a total of **109,260 jobs,** with direct employment increasing by **22.9%** between 2020 and 2024.

Mainstreaming Sustainability and Environmental Stewardship In a strategic response to climate-related risks, the industry is systematically integrating ESG considerations into its operations. Catalysed by new regulations from the Central Bank of Kenya, banks are expanding their green and transition finance portfolios. This proactive shift from mere compliance to a strategic driver of growth not only delivers positive environmental outcomes but also unlocks new revenue streams and enhances institutional resilience.

The collective actions detailed in this report reflect an industry that is both commercially vibrant and socially responsible. By strategically aligning its business objectives with national development priorities, the Kenyan banking sector is building a foundation for a more inclusive, resilient, and sustainable future.

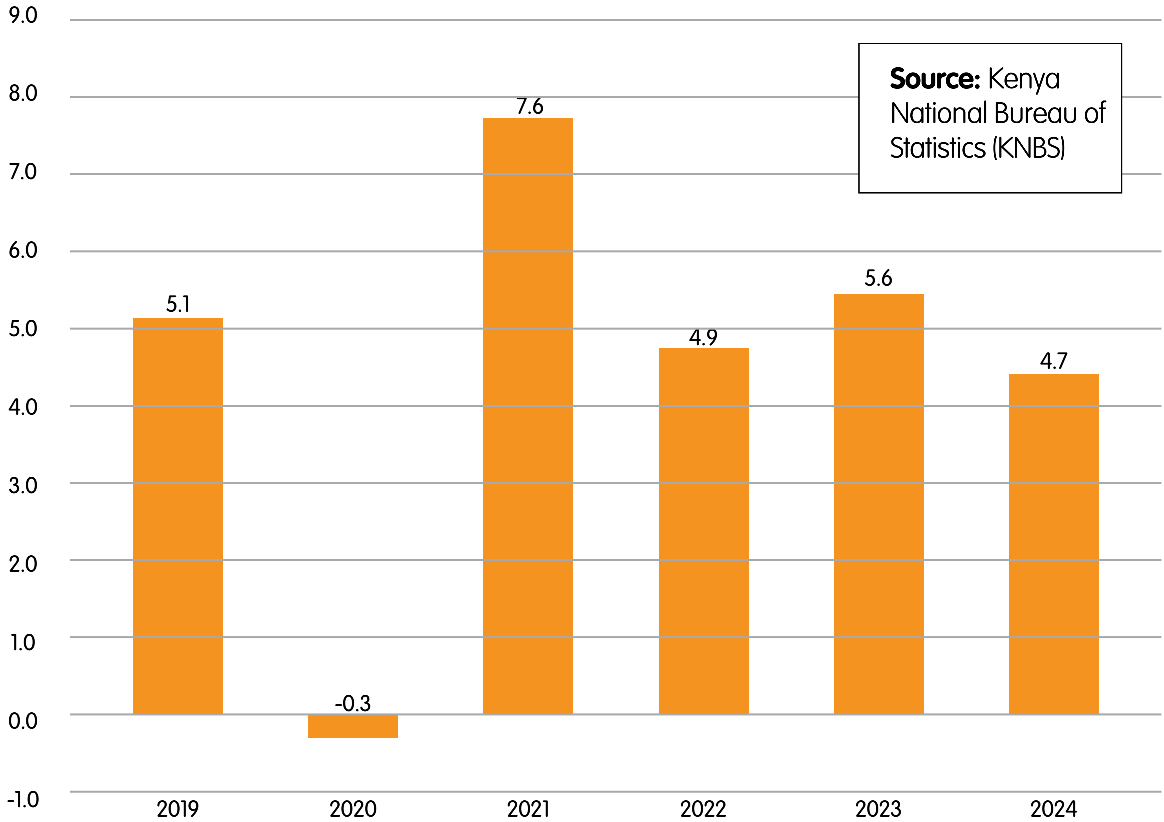
Banks and the Economy

Banks sit at the core of the economy, transmitting monetary policy, channeling savings into investment, and shaping the distribution of credit across households and firms. Their intermediation amplifies growth when risk is well-priced and capital well-allocated. This nexus is key, determining both financial stability and the inclusiveness of growth. Since the 2019 Shared Value Report, Kenya's economy has faced successive shocks ranging from the COVID-19 pandemic, global commodity price surges, climate-related disruptions, and domestic pressures. These shocks have tested resilience and prompted banks to recalibrate their shared value priorities toward long-term sustainability and a more inclusive recovery. The past five years have underscored the strategic role that Kenyan banks play in anchoring macroeconomic stability and advancing inclusive growth.

Over the 2020–2025 period, Kenya's banking sector played a stabilizing and catalytic role in the national economy, weathering systemic shocks while advancing transformative reforms. According to the Kenya National Bureau of Statistics (KNBS), real GDP growth stood at 5.1 percent in 2019. In 2020, the COVID-19 pandemic triggered the most severe economic contraction in over a decade (GDP: –0.3%), prompting the Central Bank of Kenya (CBK) to rollout and implement timely monetary and regulatory interventions to preserve banking sector resilience and support the economy.

Key measures included a reduction in the Central Bank Rate from 8.25% to 7.00%, a cut in the Cash Reserve Ratio from 5.25% to 4.25%, and temporary loan restructuring guidelines resulting in KShs. 1.7 trillion (57% of the loan book) being restructured. Mobile money limits were increased to KSh 300,000 per wallet and KSh 150,000 per transaction, while charges on small transactions were waived, raising daily transaction volumes from KSh 8.6 billion (Feb 2020) to KSh 11.5 billion (Oct 2020). Negative credit listing was suspended for loans under KSh 5 million, while provisioning flexibility enabled

Fig 1b: Kenya's Annual GDP Growth Rate, 2019–2024



H.E. President William Ruto visits an MSME exhibition booth during the Inua Biashara Expo held at the Kenyatta International Convention Centre (KICC) in Nairobi.

banks to maintain lending. The economy then rebounded sharply to 7.6 percent in 2021, followed by 4.9 percent in 2022, 5.6 percent in 2023, and 4.7 percent in 2024 as Figure 1a shows. Between 2019 and 2024, Kenya's banking sector significantly expanded gross lending from KShs. 2.69 trillion to KShs. 4.07 trillion, according to the Central Bank of Kenya (CBK), reflecting an almost two-fold growth that underscores the sector's strategic alignment with national development priorities and inclusive growth.

However, the period 2016-2019 is notable. In September 2016, Kenya enacted the Banking (Amendment) Act, capping lending rates at 4 percentage points above the Central Bank Rate (then 10 percent, a ceiling of 14 percent) and setting a deposit floor at 70 percent of the CBR. While designed to lower costs and expand inclusion, the law instead distorted intermediation.

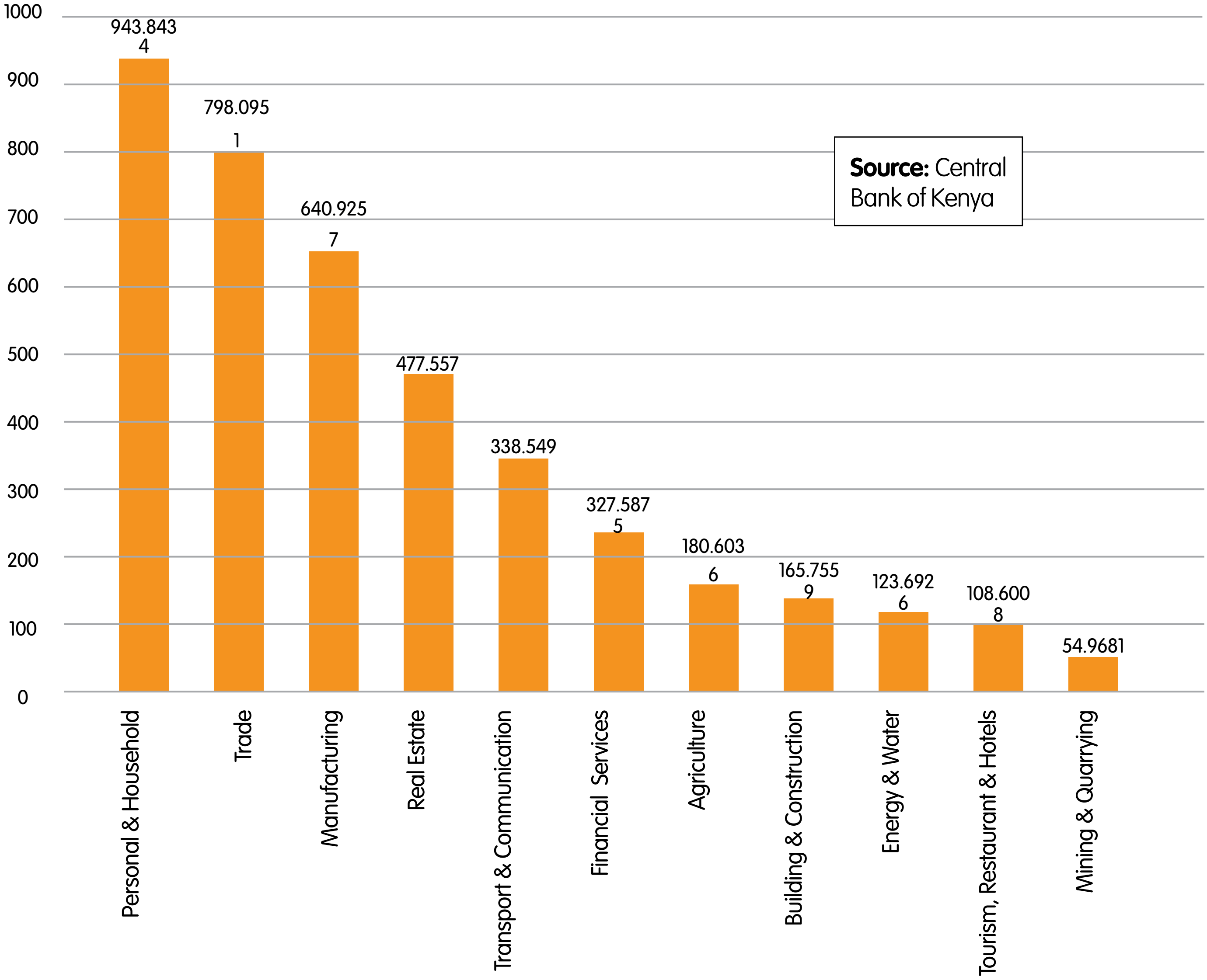
Private sector credit growth slowed from 9.4 percent in August 2016 to 2.1 percent by April 2018, while new loan approvals fell 18.3 percent. Non-performing loans surged 52.6 percent immediately after the cap and a further 7.8 percent from a pre-crisis base of KSh 25.7 billion. Monetary policy transmission weakened as lending rates clustered at the cap, reducing the signaling role of the policy rate. The IMF estimated annual GDP growth losses of 0.25–0.75 percentage points, while CBK attributed a 0.4-point drag in 2017 to SME exclusion. Repealed in November 2019, the policy underscored how blunt ceilings distort allocation, erode inclusion, and amplify bank–sovereign linkages.

In 2024, Kenya's banking sector disbursed a total of KShs. 4.07 trillion in gross loans, reflecting a broad-based allocation aligned with national economic priorities. Personal and household lending led at KShs. 943.8 billion followed by trade at KShs. 798.1 billion, which highlights the sector's role in supporting commerce and SME growth. Manufacturing attracted KShs. 640.9 billion, affirming its centrality to industrialization, job creation, and value addition under the Bottom-Up Economic Transformation Agenda (BETA).

Real estate (KShs. 477.6 billion) and financial services (KShs. 237.6 billion) also saw strong credit flows, supporting housing delivery and financial markets development. Transport and communication received KShs. 338.5 billion, signaling investment in logistics and digital infrastructure. Agricultural lending stood at KShs. 180.6 billion, with mining and quarrying receiving KShs. 55.0 billion, indicating modest but growing support for primary sectors.

Building and construction (KShs. 165.8 billion), tourism and hospitality (KShs. 108.6 billion), and energy and water (KShs. 123.7 billion) rounded out the portfolio, reflecting targeted interventions in infrastructure, climate resilience, and economic recovery. Collectively, these trends demonstrate how banks are embedding shared value into credit portfolios by financing productive sectors that create jobs, reduce inequality, and foster economic resilience.

Fig 1b: Sectoral Distribution of Gross Loans 2024 (Ksh B)



The revised Risk-Based Credit Pricing Model (RBCPM), anchored on KESONIA, strengthens the alignment of credit pricing with borrower risk and sharpens monetary policy pass-through. Together with the deployment of the Credit Information Sharing (CIS) ValiData tool, which improves data accuracy and reduces information asymmetries, these reforms will deepen credit supply by fostering more granular risk-based pricing, enhancing transparency, and reinforcing financial stability through market discipline.

Kenyan banks have extended a cumulative KShs. 2.23 trillion in net lending to the Central Government as of June 2025, marking a significant increase from previous years and reflecting the deepening role of commercial banks in financing government operations. This figure excludes direct financing to county governments estimated at KShs. 16.06 billion over the same period. It represents the most substantial injection of domestic liquidity into central government budgets by the banking sector in recent times, underscoring a growing fiscal-bank nexus amid constrained external financing.

The banking industry has made significant strides in embedding Shared Value, Sustainability, and Environmental, Social, and Governance (ESG) principles into institutional strategies. A majority of banks now operate with formal frameworks that align profitability with the creation of long-term social and environmental value. As of 2025, over 80% of banks have adopted dedicated ESG or Shared Value strategies, with clearly defined pillars guiding implementation.

> "Strategically, banks are **aligning ESG** with core financial operations by integrating **sustainability** considerations into risk management, capital allocation, and board oversight."

Across the banking sector, three dominant pillars underpin most ESG strategies:

- **Inclusive Finance** Banks have expanded access to finance for previously underserved segments, including MSMEs, women-owned and youth-led enterprises, informal sector actors, and persons with disabilities. These efforts are supported by tailored credit products, risk-sharing mechanisms, and capacity-building programs that unlock financial inclusion at scale.
- **Environmental Stewardship** Climate-smart banking has gained momentum, with banks developing green loan portfolios, financing clean energy projects, and mainstreaming climate risk into operations. Several institutions have issued or prepared to issue green bonds and sustainability-linked loans, aligning their lending practices with national climate goals.
- **Community Empowerment** Beyond core banking, many institutions invest directly in health, education, employment, and entrepreneurship. These investments are often channelled through corporate foundations and flagship initiatives providing scholarships, building healthcare infrastructure, and empowering MSMEs and local suppliers.

Strategically, banks are aligning ESG with core financial operations by integrating sustainability considerations into risk management, capital allocation, and board oversight. ESG metrics are increasingly part of performance evaluation frameworks, and some institutions have adopted integrated reporting or impact measurement dashboards.

CASE STUDY

KCB Group – Embedding ESG for Inclusive, Sustainable Growth

KCB Group has institutionalized a robust Environmental, Social, and Governance (ESG) strategy that anchors shared value creation across five key pillars: climate action, women empowerment, SME growth, digital inclusion, and governance. In 2024, green loans accounted for 21.66% of KCB Group's total loan portfolio, valued at KSh 53.2 billion, while the "Linda Miti" afforestation program planted over 1.3 million trees. Through its Female-Led and Made Enterprises (FLME) program, the bank has reached over 683,000 women with loans totalling KSh 139 billion, alongside business support. KCB Group disbursed over KSh 100 billion to MSMEs in 2023 and scaled digital innovation, with 99% of transactions processed through digital platforms. The launch of a Digital Centre of Excellence and innovative products, including digital term loans and a new mobile banking platform, reinforced its digital-first strategy. Under its ESG framework, KCB group screened KSh 513 billion worth of loans in 2024 using Environmental and Social Due Diligence (ESDD), demonstrating strong risk governance and a commitment to sustainable finance.

KCB Group ESG Strategy Highlights

- KSh 53.2B green loans (21.66% of book); 1.3M+ trees planted
- 683,000 women reached; KSh 139B disbursed
- KSh 100B to MSMEs; 60,000 jobs; 26,466 MSMEs enrolled in BDS
- 1.3B digital transactions (99% total); mobile dominant
- KSh 513B screened via ESDD framework
- Annual Integrated ESG Report; strong compliance and transparency
- Digital Centre of Excellence.; Worship 360 App; unified mobile platform

Community Investment

The banking industry has made deliberate strides to deepen client and community engagement as a cornerstone of its Shared Value agenda. Recognizing that long-term success depends on trust, relevance, and social license, banks have transitioned from transactional models to inclusive, relationship-based approaches that center clients and communities in the value creation process. Between 2020 and 2025, the industry has cumulatively committed over KSh 1.5 trillion to community-centered programs in health, education, environmental conservation, SME development, gender inclusion, and inclusive procurement.

Health Over KShs. 263.75 billion was invested in expanding healthcare access and infrastructure with KShs. 171.31 billion between 2020–2024 and KShs. 92.45 billion in 2025 supporting initiatives such as medical camps, mobile clinics, insurance access, and health infrastructure.

Education Total investment reached KShs. 171.2 billion, comprising KShs. 167.77 billion (2020–2024) and KShs. 3.44 billion in 2025 driving equitable access through scholarships, digital learning, school infrastructure, and teacher training.

Environmental Conservation The sector committed KShs. 37.78 billion toward clean energy, climate adaptation, and waste management KShs. 20.18 billion (2020–2024) and KSHS. 17.01 billion in 2025. A cumulative 93.67 million trees were planted 1.03 million in 2025 alone boosting landscape restoration and national climate goals.

MSME Financing Banks invested KShs. 879.75 billion in SME lending, digitization, and capacity building with KShs. 725.67 billion (2020–2024) and KShs. 154.08 billion in 2025 underpinning Kenya's enterprise growth agenda.

Women Inclusion in Workforce A total of KShs. 137.46 million was invested in gender inclusion between 2020–2024, with a projected KShs. 13.02 billion for 20255 supporting gender parity, leadership development, and workplace equity.

Inclusive Procurement Support for SMEs in bank supply chains totalled KShs. 179.21 billion from 2020–2024, with an additional KShs. 8.76 billion projected for 2025 enhancing local procurement and vendor integration.

Women-Owned Businesses The sector disbursed KShs. 200.22 billion to women-led enterprises (2020–2024), with KShs. 17.40 billion committed in 2025 advancing access to finance, tailored products, and entrepreneurial support.

CASE STUDY

Diamond Trust Bank – Empowering Girls Through Education and Health

Diamond Trust Bank (DTB) is advancing community empowerment through its Achieve More Girl initiative, which directly addresses menstrual health barriers to girls' education. By providing reusable sanitary towels and menstrual health training, the program reduces absenteeism, improves learning outcomes, and builds confidence.

Impact Highlights:

- **88% of girls** reported uninterrupted class attendance.
- **92% saw** improved academic performance.
- **98% gained** essential menstrual health knowledge.

Investing **in People**

The banking sector stands as a driving force in advancing shared prosperity through employment creation and inclusive economic transformation. As of 2025, the sector has directly employed 39,830 individuals and supported an additional 69,430 indirect jobs. Between 2020 and 2025, total investment in employment-related initiatives amounted to KShs. 2.64 trillion, primarily through staff remuneration, benefits, training, and capacity-building programs. The sustained investment affirms the industry's commitment to decent work, human capital development, and economic empowerment, in alignment with Sustainable Development Goal 8 (Decent Work and Economic Growth).

Direct employment in the sector grew steadily over

the period, rising by 22.9% from 31,605 staff in 2020 to 38,840 by end-2024. The growth was driven by increased hiring in management and supervisory roles expanding by 19.4% and 19.0% respectively to meet the demands of an increasingly complex and regulated financial environment. Clerical roles, while contracting by 5.5% in 2024, secretarial and support functions expanded significantly by 110%.

The overall employment impact of the financial sector extends beyond its internal workforce. With 69,430 indirect jobs generated through its ecosystem of suppliers, service providers, and digital agents, the banking industry continues to play a catalytic role in country's socio-economic development generating a positive economic multiplier effect.

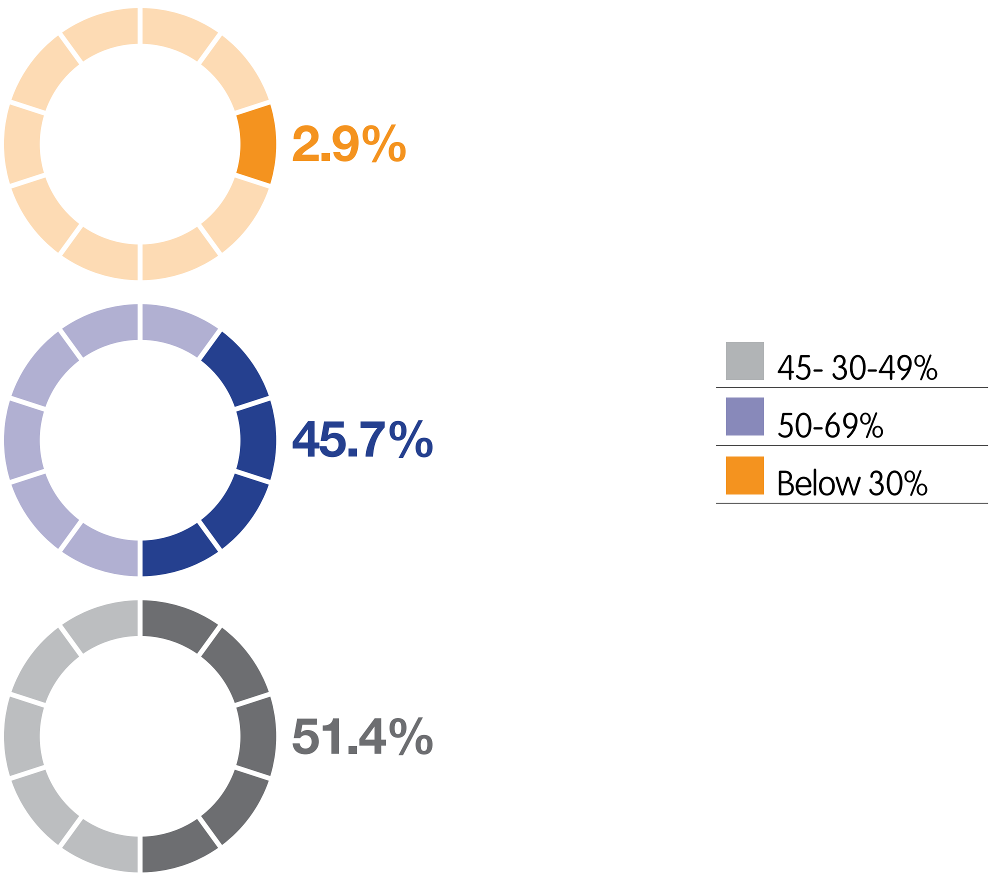
Table 1: Employment in Kenya's Banking Sector by Role (2020–2025)

Year	Management	Supervisory	Clerical	Secretarial & Other Staff	Total
2020	10,390	7,582	11,138	2,495	31,605
2021	10,396	7,750	11,796	2,498	32,440
2022	10,956	8,257	12,889	4,005	36,107
2023	11,469	8,657	12,882	4,925	37,933
2024	12,407	9,025	12,169	5,239	38,840

Embedding Diversity, Equity, and Inclusion

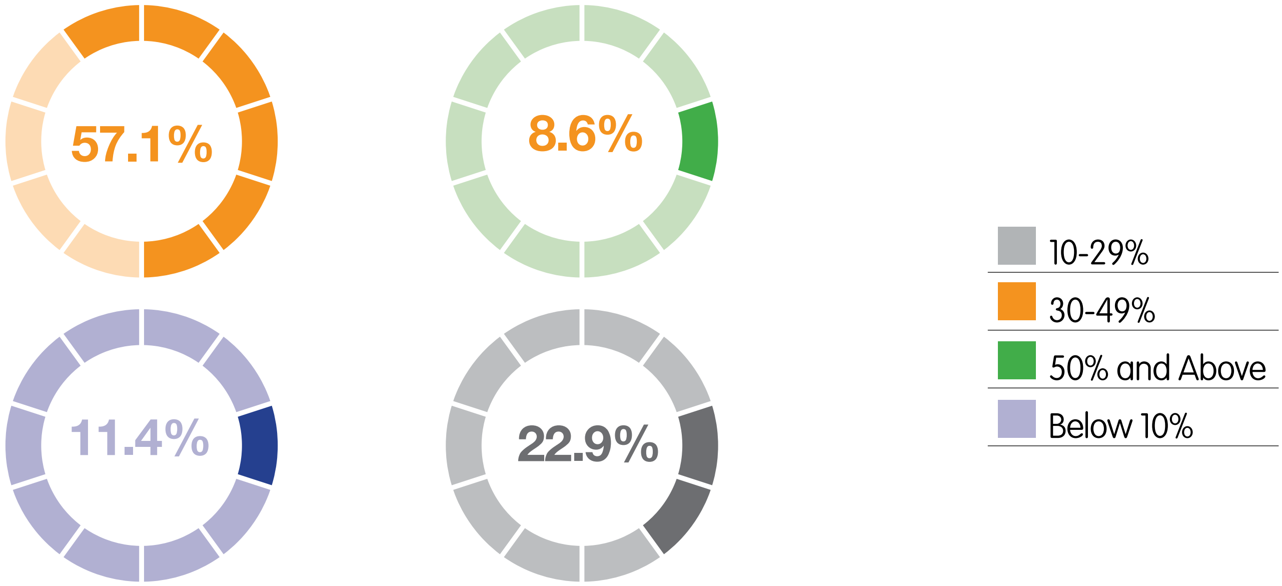
The banking sector has made deliberate strides toward embedding Diversity, Equity, and Inclusion (DEI) across institutional culture, workforce policies, and community programs. As part of its commitment to shared value, the sector increasingly recognizes that inclusive workplaces and gender-balanced leadership are not only ethical imperatives but also drivers of performance, innovation, and stakeholder trust. In 2025, women represented a significant share of the banking workforce, with 97.1% of institutions reporting female representation of 30% or more. Specifically, 51.4% of banks had a female workforce between 50% and 69%, while 45.7% reported 30% to 49% representation. Only 2.9% of banks reported female representation below 30%, indicating near-universal progress toward gender inclusivity at entry and mid-levels.

Figure 2: Proportion of Women in your Bank's Workforce



Despite gains in general workforce composition, gender diversity within senior management is also notable. A majority: 57.1% of banks reported that women hold between 30% and 49% of senior leadership positions, while only 8.6% have achieved gender parity (50% and above) at the top. In contrast, 22.9% of banks had female representation of 10% to 29% in senior roles, and 11.4% fell below 10%, underscoring the continued need for targeted succession planning, mentorship, and board-level diversity policies.

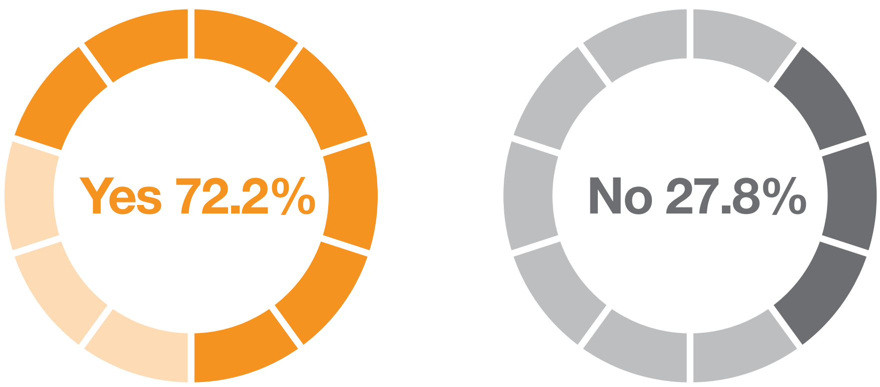
Figure 3: Proportion of Senior Management Positions held by Women



Institutionalization **of DEI Frameworks**

A strong majority of banks (72.2%) have implemented structured Gender Equality or Inclusion Programs, signaling a sector-wide shift toward formalized DEI strategies. These programs are anchored in national legislation and global best practices, encompassing inclusive recruitment, gender parity targets, unconscious bias training, family-friendly policies, and supplier diversity through AGPO (Access to Government Procurement Opportunities).

Figure 4: Share of Banks with Structured Gender Equality and Inclusion Programs



> "Several banks have instituted **gender mainstreaming** frameworks that integrate DEI into recruitment, procurement, product design, and customer service, including targeted financial solutions for **women, youth**, and persons with disabilities."

Most banks have formalized DEI commitments through structured gender policies, inclusive hiring practices, gender-balanced leadership pipelines, and anti-harassment protocols. Initiatives include Women-in-Leadership programmes, flexible work arrangements, parental leave benefits, lactation rooms, and zero-tolerance harassment policies. Several banks have instituted gender mainstreaming frameworks that integrate DEI into recruitment, procurement, product design, and customer service, including targeted financial solutions for women, youth, and persons with disabilities. By embedding DEI at the core of their shared value agenda, banks are positioning themselves as catalysts for inclusive economic growth and resilient institutions aligned with Kenya's Vision 2030 and the SDGs.

Shared Value Through MSME, Women & Youth Inclusion

The banking industry continues to embed inclusive finance at the heart of its shared value strategy by expanding access to credit, financial services, and capacity-building for women, youth, and SMEs. Banks are deploying gender-responsive and youth-focused products, supporting entrepreneurship through targeted lending schemes, and partnering with public and private actors to strengthen business ecosystems. Structured programs such as women in leadership networks, youth innovation hubs, and SME supplier development platforms demonstrate a sector-wide commitment to unlocking economic opportunities for underserved groups. These initiatives not only foster equity but also create long-term value by growing new markets, deepening customer relationships, and contributing to national development goals.

MSME Finance: A Catalyst for Shared Value

The banking sector continues to play a central role in advancing shared value through the strategic financing of Micro, Small, and Medium Enterprises (MSMEs), which remain the backbone of the economy. As of 2023, MSMEs accounted for over 95% of all businesses, contributed approximately 24% of the GDP, and provided close to 80% of employment opportunities, underscoring their centrality in economic inclusion and resilience.

Recognizing MSMEs as engines of job creation and economic resilience, banks cumulatively extended over KShs. 879.7 billion in credit to the sector, with KShs. 154.1 billion disbursed in 2025 alone with KShs. 725.67 billion (2020–2024) underpinning the country's enterprise growth agenda.

According to the Central Bank 2024 Survey on MSMEs Access to Bank Credit, the banking industry has intensified efforts to serve this segment. MSMEs are critical partners in the financial ecosystem, holding 9.6 million deposit accounts and contributing KShs. 956.0 billion equivalents to 16.5% of total commercial bank deposits thereby providing both liquidity and scale to the banking sector.

The symbiotic relationship is underpinned by strong loan performance metrics. The banking industry disbursed over KShs. 638.3 billion in outstanding loans to MSMEs, representing 17.3% of total gross loans. This marked a significant nominal increase from KShs. 638.2 billion in 2022, reflecting banks' continued commitment despite elevated credit risks and limited formalization among borrowers. Moreover, in 2024, the sector recorded an 88.4% approval rate for MSME credit applications, with lending strategically directed to key sectors of the real economy: Trade (39.5%), Real Estate (18%), and Transport and Communication (9.3%).

The banking industry has also proactively managed credit risk, restructuring 12,500 MSME facilities worth KShs. 38.2 billion to maintain asset quality during economic fluctuations. As a result, SME-focused finance generated KShs. 91.8 billion in income for the banking sector in 2024, demonstrating that inclusive growth and financial profitability are not mutually exclusive.

In addition, the industry has also adopted product innovations, including unsecured working capital loans, invoice discounting, digital credit scoring, and supply-chain financing. By 2023, 21 commercial banks had developed MSME-specific loan products, while 18 banks operated dedicated MSME banking units. Additionally, 14 banks partnered with credit guarantee schemes, contributing to a 12.4% growth in partially guaranteed MSME loans year-on-year. In a notable development, the credit guarantee framework administered through the Credit Guarantee Scheme (CGS) saw improved uptake, with guarantees issued rising by 22% in 2023, covering 1,567 MSME borrowers with total loans valued at KShs. 1.91 billion.

Beyond credit provision, banks are investing in SME resilience through capacity-building, financial literacy, digital tools, and inclusive procurement practices. Nearly 72% of institutions surveyed provided non-financial support, including training on financial literacy, record-keeping, and business planning. In parallel, banks scaled up digital delivery channels, with 86% of MSME loan applications in 2023 submitted through mobile or web-based platforms, reducing turnaround times and broadening geographic access.

"Beyond credit provision, banks are investing in MSME resilience through **capacity-building, financial literacy, digital tools,** and inclusive procurement practices."

CASE STUDY

Co-Operative Bank's Jijali Development Program, an MSME Finance & Education

Jijali is a three-month training program offered to the Co-op Bank Scholarship Beneficiaries that was developed by Co-operative Bank Foundation in collaboration with a local NGO—Yusudi. Specific objective of the program is to enhance access to employment by developing their skills for a career start and entrepreneurship. Borrowed from Swahili word "Jijali", the program seeks to foster a culture of innovation, intentionality and modernity among young people. In the past year, 110 Scholarship beneficiaries participated in the program. The training is delivered through a blended approach combining both face to face interaction with a mentor and online learning.

CASE STUDY

CASE STUDY: Ecobank Kenya's Ellevate Partnerships for MSME Growth

Through its Ellevate Program, Ecobank Kenya has expanded access to finance for women- and youth-led enterprises by blending credit, guarantees, and capacity building. In 2024, it partnered with KNCCI to promote collateral-free SME lending and deliver training on entrepreneurship, financial literacy, and digital skills. A EUR 50,000 deposit from Melanin Kapital, structured as a 25% risk guarantee, unlocked unsecured credit, complemented by technical assistance from the Africa Guarantee Fund. This blended finance model is strengthening SME resilience, inclusion, and economic participation.

Women-Led Inclusion:
A Catalyst for Shared Value

The banking industry continues to champion the financial inclusion and economic empowerment of women as a strategic pillar of shared value. Recognizing the outsized multiplier effect of empowering women on household welfare, enterprise growth, and community resilience banks have scaled up tailored products, institutional reforms, and ecosystem partnerships to unlock the potential of women-led businesses and households.

A total of KShs. 137.46 million was invested in gender inclusion between 2020–2024, with a projected KShs. 13.02 billion for 2025 supporting gender parity, leadership development, and workplace equity. Moreover, the industry disbursed KShs. 200.22 billion to women-led enterprises (2020–2024), with KShs. 17.40 billion committed in 2025 advancing access to finance, tailored products, and entrepreneurial support.

CASE STUDY

Co-operative Bank of Kenya's Msamaria Women's Loan

Offers working capital loans and investment finance exclusively to women entrepreneurs. Features unsecured limits up to KES 10 million, flexible repayment (up to 24 months), and access to empowerment training, networking forums, and medical insurance add-ons. Additionally, we have a dedicated women banking department with a focus on developing specific products/services that serve women and women-owned businesses.

Youth Inclusion: A Catalyst for Shared Value

The youth represent not only the majority of the population but also a powerful engine for economic transformation. Recognizing this demographic dividend, the banking industry has intensified its efforts to embed youth inclusion at the heart of shared value strategies. Banks are increasingly designing youth-focused financial products, digital platforms, training programs, and financing models to address the unique needs and aspirations of young people particularly around employment, entrepreneurship, and digital access.

CASE STUDY

NCBA – Driving Financial Inclusion for Youth Through Digital Innovation

NCBA Bank pioneered in youth financial inclusion through a suite of digital innovations: LOOP, M-Shwari, and Fuliza designed to meet the evolving needs of Kenya's young population. LOOP offers a lifestyle-driven digital banking experience with personal finance tools and instant loans for young professionals, while M-Shwari, developed in partnership with Safaricom, enables savings and access to microloans via mobile phones, promoting credit history building and financial resilience. Fuliza complements these offerings by providing real-time micro-overdrafts for M-Pesa users, ensuring liquidity for daily transactions. Collectively, these solutions have reached over 30 million users, with a significant share aged 18–35 and have transformed how youth interact with formal finance cultivating savings culture, responsible borrowing, and digital banking habits.

CASE STUDY

Co-operative's Young Ennnovators Account (YEA)

A mobile banking service for youth aged 18–35. Provides digital access to account management, payments, and budgeting tools via the YEA App. Supports early-stage financial independence and savings for entrepreneurial goals. Additionally, the Bank has a dedicated youth banking department with a specific focus to provide products and services to the Youth; Jenga Rider Initiative, supporting 2,400 Boda Boda riders with business skills and e-mobility.

Shared Value **through Sustainability & Environmental Stewardship**

The banking sector has embraced sustainability and environmental stewardship as an integral driver of long-term value creation aligning business growth with the urgent global imperative to mitigate climate risks, promote green investment, and foster resilient livelihoods. Guided by the Central Bank of Kenya's Climate-Related Risk Guidelines (2023), the industry is embedding environmental, social, and governance (ESG) principles across operations, lending portfolios, and institutional culture.

Between 2020 and 2025, the sector committed a total of KShs. 37.78 billion toward clean energy, climate adaptation, and waste management comprising KShs. 20.18 billion between 2020 and 2024, and KShs. 17.01 billion in 2025 alone. A cumulative 93.67

million trees were planted 1.03 million in 2025 alone boosting landscape restoration and national climate goals. These investments reflect a deliberate shift toward green portfolio alignment and proactive climate risk mitigation.

Banks are actively financing the country's transition to a low-carbon economy through green credit lines, sustainability-linked loans, and blended finance partnerships. Flagship initiatives include support for renewable energy projects, clean cooking solutions, electric mobility, climate-smart agriculture, and green affordable housing. Some institutions have established Green Bond Frameworks or sustainability finance departments to systematically mobilize capital towards environmentally beneficial projects.

CASE STUDY

Co-operative Bank — Greening Branches, Empowering Communities

Co-operative Bank is integrating climate action into core operations and community partnerships. With a focus on measurable impact, the Bank is scaling reforestation, renewable energy, and resource efficiency across its network.

Impact at a Glance: -

- 1.6M trees planted under the Lusoi Hill Reforestation Programme with KSh 30M support, in partnership with Kenya Wildlife Service.
- 6 branches solarized, cutting energy costs and emissions.
- Solar-powered boreholes deployed, expanding clean water access in underserved areas.
- LED upgrades in 172 branches, saving 444,062 kWh and avoiding 51.5 tons of CO_2 in 2023.

CASE STUDY

Case Study: Equity Bank - Empowering Households through Clean Energy Finance

Equity Bank continues to embed sustainability into its core strategy leveraging green finance, ecosystem restoration, and resource efficiency to accelerate Kenya's low-carbon, climate-resilient development.

Key Initiatives

- Clean Energy Financing: Over USD 430 million disbursed in eligible projects across renewable energy, energy efficiency, climate-smart agriculture, and water access.
- Product Access and Distribution: Over USD 28.5 million worth of clean energy products (solar home systems, clean cookstoves) distributed across underserved regions.
- Ecosystem Restoration and Tree Campaign: A nationwide campaign led to the planting of 35 million trees by end-2024.
- Water Storage & Resilience: Large-scale deployment of water harvesting and storage systems, bolstering community drought resilience.

Impact at a Glance

- 466,975 households reached, benefiting over 1.68 million people
- USD 52 million in household savings via clean energy transition
- 667,811 trees saved through clean cooking alternatives
- 105 million litres of water storage created
- 35 million trees planted nationwide

Equity Bank continues to embed sustainability into its core strategy leveraging green finance, ecosystem restoration, and resource efficiency to accelerate Kenya's low-carbon, climate-resilient development.

CASE STUDY

I&M Bank: Financing Kenya's Green Transition

I&M Bank is advancing Kenya's low-carbon growth through targeted green financing, circular economy partnerships, and climate-smart community investments. The Bank integrates ESG principles into its lending, operations, and stakeholder partnerships to generate measurable environmental and social impact..

KEY INITIATIVES

- Green Energy Finance: In partnership with Odyssey Financed distributed solar and mini-grid solutions across Kenya.
- Impact: 5,000+ tonnes of CO_2 avoided annually, new jobs created in clean energy.
- Circular Economy Finance: In partnership with T3 supported PET-to-textile innovation to reduce plastic waste and fashion emissions.
- E-Waste Management: In partnership with WEEE Centre established collection points at HQ and branches.
- Impact: Over 500 kg safely recycled.
- School Greening: Planted 5,000+ trees in 10 schools, training 4,000+ pupils in ecosystem restoration in Kiambu (Miti Alliance).
- Community Climate Projects: Through the KCDF, Narok & Kilifi)
- Invested KSh 50M in tree planting, solar, water harvesting, and clean cookstoves.
- Impact: 15,000+ trees, 200+ households trained, green jobs created.

IMPACT AT A GLANCE

- 5,000+ tonnes CO_2 avoided annually
- 15,000+ trees planted
- 200+ households trained in sustainable livelihoods
- 500+ kg e-waste recycled
- 4,000+ pupils engaged in environmental education

CASE STUDY

Case Study: M-Oriental Bank – Customer Tree and Herb Gifting Initiative

In 2024, M-Oriental Bank launched a nationwide green gifting initiative across its branch network to promote environmental stewardship at a personal level. During special campaigns and client appreciation days, customers received seedlings of trees or herbs as tokens of appreciation. The initiative aimed to foster a culture of sustainability by encouraging clients to actively participate in tree planting and urban greening efforts. The campaign saw over 1,500 seedlings distributed across the country, accompanied by enthusiastic feedback and photo shares from customers showcasing their planted trees. This not only reinforced customer engagement but also enhanced the Bank's green brand reputation. The initiative was implemented in partnership with local nurseries and community-based environmental groups, further embedding the Bank in local sustainability ecosystems.

CASE STUDY

KCB Group: Driving Green Finance and Green Jobs at Scale

In 2024, KCB Bank deepened its commitment to climate action through sustainable finance, energy efficiency, and inclusive job creation.

KEY INITIATIVES

- Green Lending: Disbursed KSh 46.9 billion in green loans to support sustainable projects.
- Climate Finance Partnerships: Mobilized over $300 million from Development Finance Institutions to expand access to climate-resilient credit.
- Green Climate Fund (GCF) Accreditation: Became East Africa's first financial intermediary accredited by the GCF.
- Energy Efficiency: Installed LED lighting in 50% of its branches to cut energy use.
- Electric Mobility (with UNITAR): Launched a boda-boda-focused project aiming to create 150,000 new green jobs.
- 2Jiajiri & Young Africa Works: KCB Foundation created 60,686 jobs in 2024 through youth training and market linkages.

At a Glance

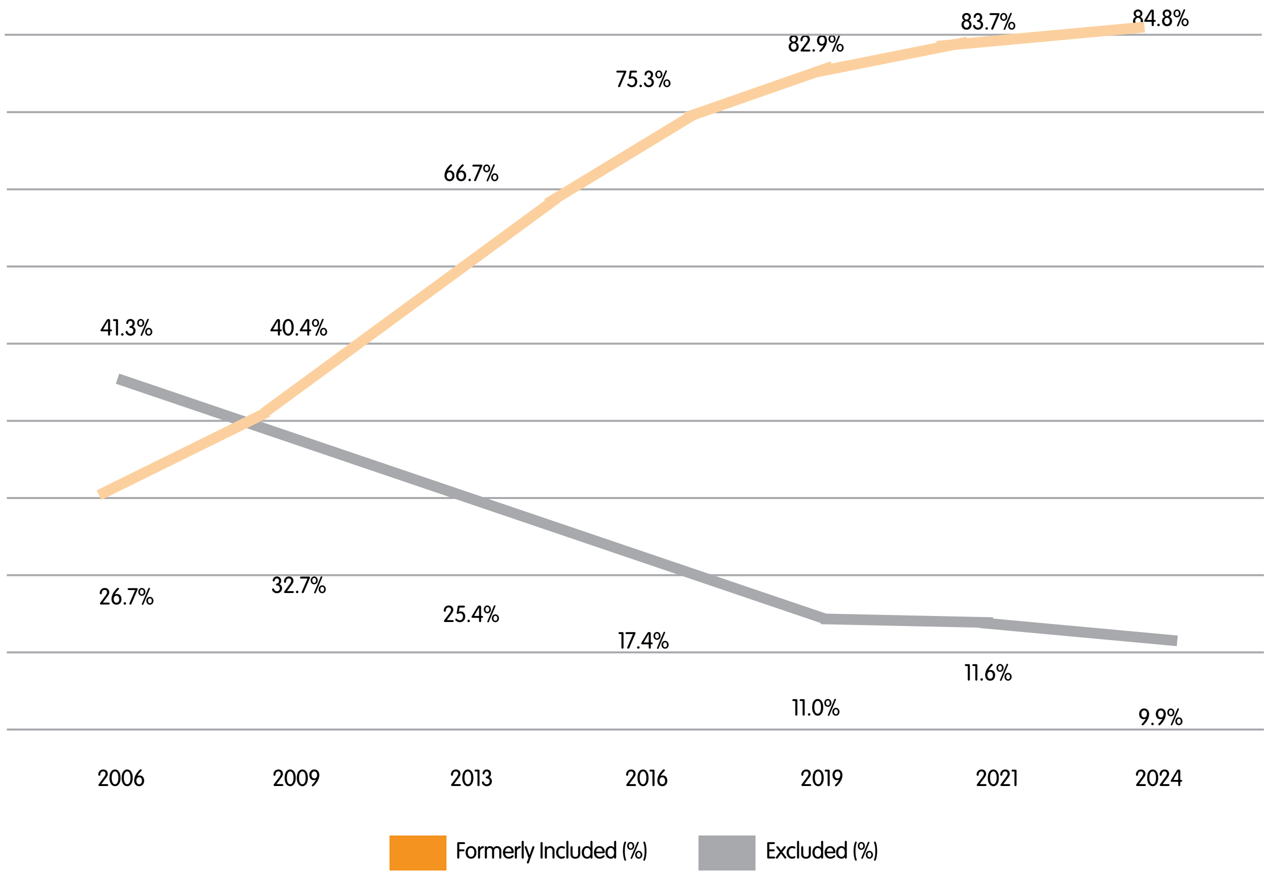
- KSh 46.9B in green loans disbursed
- 150,000+ green jobs targeted via e-mobility
- 60,686 youth jobs created
- 50% of branches fitted with energy-efficient lighting
- Over $300M mobilized in climate financing

Shared Value **through Financial Inclusion & Literacy**

To achieve its Vision 2030 goal of becoming an industrialized, middle-income economy, deepening financial inclusion is an imperative. The banking sector has been instrumental in this transformation. Formal financial service usage among adults rose from 26.7% in 2006 to 84.8% in 2024, while financial exclusion declined from 41.3% to 9.9%, largely driven by mobile financial platforms between 2009 and 2013. The gender gap narrowed from 13 percentage points in 2006 when 33.2% of men and only 20.5% of women were financially included to just 1.6 points in 2024 (85.7% for men, 84.1% for women), reflecting convergence in agent networks, mobile money, and fintech innovation.

Financial literacy has also advanced, with 80% of adults understanding interest rates and 86.8% grasping inflation signs of growing economic agency while only 54.9% understand risk diversification underscoring the importance in investments on financial literacy and resilience. Gender and geographic disparities persist: men outperform women in knowledge of risk diversification (by 6.7 points) and interest rates (5.3 points), while urban residents lead rural ones by 5.5 points and 7.5 points, respectively. Inflation knowledge is more evenly spread, with no gender gap and only a 4-point urban-rural difference. Addressing these gaps is essential for broad-based financial resilience and equitable empowerment.

Figure 3. Kenya's Financial Inclusion Transformation



Kenya's Financial Inclusion Journey: Over the past two decades, Kenya has achieved a near threefold increase in formal financial inclusion, slashing exclusion rates to under 10%.

Source: FinAccess Surveys (2006-2024)

The banking industry continues to investment in inclusive financial education. Most financial institutions (58.3%) allocate less than 10% of their Corporate Social Investment (CSI) budgets to financial literacy initiatives targeting marginalized groups. Only 20.8% of institutions commit 30% or more, while 16.7% allocate between 10% and 19%, and a mere 4.2% dedicate 20%–29%.

Through financial inclusion and literacy, banks are creating shared value driving profitability through purpose, while helping millions build economic resilience, dignity, and opportunity. The industry also continues to embed financial education within product design ensuring that customers not only access capital but also build the knowledge to use it productively.

CASE STUDY

UBA Kenya's Braille Account Opening Form - Enhancing Financial Accessibility for Visually Impaired Customers

UBA Kenya has taken a significant step toward inclusive banking through the introduction of a Braille account opening form, designed to support visually impaired individuals in independently navigating the account opening process. This initiative reflects the bank's commitment to reducing barriers for persons with disabilities and aligns with broader ESG and SDG goals focused on financial inclusion and reduced inequalities. By embedding accessibility into its core operations, UBA Kenya demonstrates how banks can expand financial access through thoughtful, inclusive design. This initiative offers a practical model for mainstreaming disability inclusion within the financial sector.

CASE STUDY

KCB Group's Financial Inclusion Through Skills and Enterprise Support

KCB Group has advanced financial inclusion by pairing skills training with enterprise development and market access. Digi Flame, in partnership with the Mastercard Foundation, county governments, and schools, has equipped 35,000 youth with digital and financial skills, trained 6,535 businesses, and enabled KSh 267 million in youth-led loans. Zijajiri Incubation guides youth-led startups from technical training through incubation to market access, making them sustainable and bankable. YAW Incubation delivers six months of technical and business training to boost employability and entrepreneurship. In Semi-Arid Lands, Mifugo ni Mali improves rural livelihoods by commercializing livestock farming and providing governance, financial literacy, and sustainable farming skills. Together, these programs show how KCB goes beyond lending to build capacity, empower communities, and drive inclusive growth.

Shared Value **through Social Impact Measurement**

The banking industry is increasingly embedding social impact measurement into its operations, marking a critical shift from traditional CSR reporting to outcomes-based accountability. Recognizing that financial services can drive transformative societal change, banks are adopting frameworks that align profitability with tangible development outcomes ensuring that capital deployment, lending practices, and corporate investments translate into measurable improvements in people's lives.

This evolution is visible through the integration of ESG indicators, gender-disaggregated reporting, financial inclusion scorecards, and sustainability-linked KPIs across core functions. Several banks now publish dedicated sustainability or integrated annual reports, benchmarking their performance against global standards such as the Global Reporting Initiative (GRI), the UN Sustainable Development Goals (SDGs), and the IFC Performance Standards. These tools enable institutions to track social returns on investments in affordable housing, MSME finance, youth employment, clean energy, and women-led enterprises. More banks began mapping their shared value initiatives to quantifiable impacts such as jobs created, households financed, SMEs supported, carbon emissions avoided, or youth trained moving beyond outputs to long-term outcomes.

CASE STUDY

Case Study: Kenya Women Microfinance Bank – Measuring What Matters

KWFT has demonstrated a strong commitment to inclusive finance through robust social impact assessments conducted by Microfinanza (MFR) in 2023 and 2024. Key findings include:

- **Income Growth:** 67% of clients increased their income (vs. 48% benchmark), with rural clients recording the highest gains.
- **Asset Expansion:** 54% of clients grew their assets (vs. 50% benchmark), led by urban clients.
- **Job Creation:** 36% of clients created new salaried jobs (vs. 10% benchmark), primarily in urban areas.
- **Women's Empowerment:** 84% of female clients reported increased decision-making in household or business finances (vs. 53% benchmark), especially in rural areas.
- **Economic Participation:** 94% of women used credit for their own income-generating activities, with rural areas seeing the greatest impact.
- **First-Time Borrowers:** 84% accessed their first formal loan through KWFT (vs. 67% benchmark), slightly higher in urban areas.
- **Education & Dignity:** 88% of beneficiaries reported uninterrupted school attendance during their menstrual cycle.

These outcomes highlight KWFT's measurable social and economic impact, particularly in advancing gender equity and rural financial inclusion.

Shared Value **through Industry Partnerships**

Strategic partnerships are a cornerstone of the banking industry's approach to creating shared value. By collaborating with government agencies, development partners, industry associations, fintech innovators, and civil society, banks are not only unlocking new avenues for social impact and sustainability but also enhancing financial system resilience. This collaborative model allows for a more effective and efficient allocation of resources toward shared economic and social objectives.

These highlights illustrate how Kenyan banks are leveraging partnerships to deliver shared value:

Targeted financial literacy campaigns bridge the knowledge gap – Industry-led consumer and SME education is deepening financial capability, boosting compliance, and supporting a more informed borrower base particularly among youth, women, and small businesses.

Cross-sector partnerships enable scale and specialisation – Collaborations with DFIs, civil society, and advisory firms bring technical expertise, blended capital, and co-designed solutions to farmers, SMEs, and women entrepreneurs.

Thematic participation reinforces sector leadership – Active engagement in industry forums, thematic weeks, and policy dialogues signals sustained commitment to collective progress and sector transformation.

Embedding gender equality enhances institutional credibility – Initiatives promoting women's empowerment strengthen reputational capital, deepen access to finance, and advance SDG 5 (Gender Equality).

Strategic multi-stakeholder engagement delivers local impact – Banks' partnerships with national committees, communities, and development agencies are strengthening rural economies, improving food security, and aligning with SDG 2 (Zero Hunger) and SDG 8 (Decent Work).

Table 2: Matrix of Industry Partnerships

Theme	Initiatives	Partners	Impact
Financial Literacy & Consumer Awareness	• **Chora Plan** – Plan Your Money national campaign promoting budgeting, saving, and responsible borrowing. Victoria Commercial Bank, KWFT, African Banking Corporation, and UBA Kenya Bank delivered tailored versions reaching 1,000–2,000+ students and clients with financial literacy, cyber fraud awareness (Kaa Chonjo!), job shadowing, tax compliance webinars, and entrepreneurship training. • **Fraud and cyber-scam** awareness under Kaa Chonjo! • **Global Money Week** outreach in schools integrating financial skills with environmental awareness. • **Client webinars** on succession planning, property law, and insurance literacy.	Kenya Bankers Association (KBA); CBK; CMA; IRA; OECD/INFE Global Money Week partners; Kenya Red Cross; KCDF; KPMG; Wylde; Tony Elumelu Foundation	Reached millions of Kenyans and thousands directly in bank-led programmes, enhancing informed decision-making, improving digital safety, and strengthening household and SME resilience critical for sustainable credit growth and long-term financial inclusion.
Environ-mental Sus-tainability & Climate Action	• Piloting **Kenya Green Finance Taxonomy** for classifying climate-aligned investments. • Co-developing **CBK climate-risk reporting** templates. • Financing renewable energy projects. • **Large-scale tree planting** and forest adoption programs. Caritas MFB planted 2,400 trees, trained 225 farmers in climate-smart agriculture, and financed 250+ micro-entrepreneurs; SBM financed solar for 1,200 SMEs/households (avoiding 3,500 tCO_2 annually), planted 8,000 trees, funded turtle conservation; Family Bank restored Ngong Hills ecosystem; Consolidated Bank supported Kaptagat and Muumandu Forest restoration.	CBK; National Treasury; Ministry of Environment & Forestry; Kenya Climate Innovation Center; Renewable energy developers; KBA Sustainable Finance Initiative.	Strengthens sector credibility as a climate finance leader; supports Kenya's climate commitments, mitigates environmental risk exposure, mobilises private capital for green growth, and delivers measurable carbon reduction and biodiversity gains.

Theme	Initiatives	Partners	Impact
MSME Development & Inclusion	• **Ellevate programme** targeting women-led SMEs with tailored finance. • **Agricultural value chain** financing in underserved counties. • **SME market linkages** through manufacturer and supplier networks. • Risk-sharing arrangements via guarantee-backed lending. • **Ecobank's Ellevate** disbursed KSHS. 150M to 500 SMEs (70% women/youth-led) with 95% repayment; KCB sponsored 12 SMEs at Changamka Festival with KAM, integrating SME climate adaptation finance; DTB's Inua Biashara expanded SME finance and technical support.	African Guarantee Fund; USAID Kenya Investment Mechanism; Kenya Association of Manufacturers; Melanin Kapital; IFC; DFIs.	Expands credit to underrepresented SMEs, particularly women and rural businesses; accelerates formalisation, builds climate-resilient business models, stimulates local job creation, and strengthens supply chains for sector resilience.
Regulatory & Policy Engagement	• Technical input to CBK's Green Taxonomy and climate disclosure standards. • Early adoption of TCFD-aligned sustainability reporting. • Participation in KBA-led Sustainable Finance Initiative working groups. • IFRS-consistent ESG reporting pilots.	CBK; KBA; National Treasury; IFC; TCFD Secretariat; Ministry of Trade & Industry.	Ensures policy frameworks are practical and market-aligned; positions banks as policy-shapers, enabling ESG integration, green finance scaling, and alignment with global sustainability frameworks.
Gender Equality & Empowerment	• Gender-lens finance under IFC's Banking on Women • Workplace equality programs under Kenya2Equal. • Product innovation forums for women's financial needs. • Mentorship and networking platforms for female entrepreneurs.	IFC; AfDB; UN Women; Federation of Kenya Employers; KWFT; African Guarantee Fund.	Advances SDG 5 while expanding an underserved market segment; reduces gender credit gaps, improves women's participation in enterprise, and supports inclusive economic growth.

From Insight to Action: Outlook

As the shared value agenda gains traction, the banking industry is entering a new phase one defined not just by measuring impact, but by embedding it into core business models. Three clear imperatives have emerged.

First, banks must embed shared value into core strategy linking profitability with societal progress not as parallel objectives, but as mutually reinforcing outcomes. The effort requires strengthening internal governance, performance tracking, and disclosure of ESG and shared value metrics.

Second, catalytic finance must be scaled to underserved groups youth, women, informal enterprises, and climate-vulnerable communities through innovative risk-sharing tools, inclusive product design, and blended capital.

Third, the industry must co-invest in public goods: national financial literacy campaigns, digital public infrastructure, climate resilience, and affordable housing. These are not peripheral activities, but they are foundational to long-term economic stability and bankable growth. Looking ahead, Kenya's banks have an opportunity to lead in defining the next frontier of shared value: one that is measurable, scalable, and embedded in every decision.

As shared value principles gain traction, seven critical insights guiding the path to scale, resilience, and sustained impact will include:

Integrating Purpose into Strategy: Banks that embed social and environmental objectives into their core business unlock stronger brand equity, stakeholder trust, and regulatory alignment. Purpose has evolved beyond compliance—it is now a lever for competitive and institutional advantage.

Inclusive Finance Expands Market Frontiers: By intentionally serving women, youth, and rural clients, banks are tapping new, underpenetrated markets. This reduces concentration risk and creates fresh engines of growth.

- **Community Investment Enhances Stability:** Strategic investments in livelihoods, education, and micro-enterprise development have improved loan repayment behavior and expanded the footprint of formal finance—underscoring the stabilizing role of empowered communities.
- **Strategic Partnerships Multiply Impact:** Collaborations with government, development finance institutions, and civil society enable banks to offer bundled solutions—combining capital with technical assistance—lowering delivery costs and extending impact.
- **Digital Innovation Catalyses Inclusion:** Mobile and digital platforms have radically reduced transaction costs and enabled last-mile reach. Today, digital infrastructure is not just a channel, but a strategic asset for inclusive product design and delivery.
- **Client Empowerment Reduces Risk:** Financial literacy and coaching initiatives enhance customer decision-making, reduce default risk, and deepen engagement—positioning empowerment as both a growth strategy and a risk management tool.
- **Impact Measurement Institutionalizes Accountability:** ESG metrics and impact tracking tools are aligning internal KPIs with societal outcomes. This reinforces transparency, improves investor confidence, and anchors shared value in operational discipline.

From Profit to Purpose: Unlocking Levers for Inclusive and Sustainable Growth

Shared value has become the bridge between corporate success and societal progress. Banks are deploying this approach to unlock new markets, reduce systemic risk, and build trust across the financial ecosystem. By deliberately embedding inclusivity, climate resilience, and community empowerment into core business strategies, the industry is creating resilient institutions capable of navigating future shocks while delivering equitable growth.

The purpose-driven model is manifesting through catalytic levers: financing underserved segments such as women, youth, and MSMEs; accelerating green finance and clean energy transitions; deepening financial literacy and digital inclusion; and anchoring social impact measurement in lending practices. Cross-sectoral partnerships with governments, DFIs, and civil society are further enhancing impact at scale and anchoring the industry's leadership in Kenya's sustainable development agenda. The journey from profit to purpose is not a departure from growth. It is the roadmap to a more inclusive, just, and prosperous financial future.

Summary of Challenges

Despite the remarkable progress and strategic commitments achieved over the past five years, the Kenyan banking sector acknowledges several persistent and emerging challenges that require continued focus and collaborative action.

The primary challenge lies in advancing from basic financial access to genuine financial health. While 84.8% of adults now use formal financial services, there remains a significant gap in financial literacy, particularly in understanding complex concepts like risk diversification. The gap is more pronounced among women and rural populations, indicating that true empowerment requires more than just account ownership; it demands a deeper understanding of financial products to ensure they are used effectively and sustainably.

Supporting Micro, Small, and Medium-sized Enterprises (MSMEs) also presents an ongoing challenge. Despite disbursing over KSh 879.7 billion in credit, the businesses continue to face high credit risks and a lack of formalization, which complicates

lending. While banks have restructured loans to help MSMEs weather economic fluctuations, ensuring the long-term sustainability and resilience of this critical segment of the economy remains a complex undertaking that extends beyond the provision of capital.

Further, the sector confronts a persistent gender gap in leadership. Although women constitute a substantial portion of the banking workforce, their representation in senior management and board-level positions is still limited. Achieving true gender parity at the highest decision-making levels requires targeted succession planning, mentorship, and robust diversity policies to unlock the full potential of the sector's talent pool.

Finally, the imperative to fully integrate and scale Environmental, Social, and Governance (ESG) principles presents a strategic challenge. The transition from ad-hoc green projects to systematically embedding climate risk into core lending, operations, and capital allocation is a monumental task. It requires developing new expertise, creating innovative financial products, and aligning the entire portfolio with Kenya's green growth agenda, all while managing the inherent risks associated with climate change.

The sector must now bridge the gap between inclusion and empowerment, between providing credit and fostering MSME resilience, between workforce diversity and equitable leadership, and between initial green investments and a comprehensive, climate-aligned financial system. Addressing these challenges is crucial for building a banking sector that is not only stable and profitable but also truly responsible and responsive to the evolving needs of all Kenyans.

"Our sector confronts a persistent gender gap in leadership. Although women constitute a substantial portion of the banking workforce, their representation in senior management and board-level positions is still limited."

Conclusion

A Strategic Foundation for Shared Value

"The insights captured in this report backed by sector-wide data, case studies, and stakeholder engagements confirm that shared value is not an aspirational concept."

The banking industry has laid a strong strategic foundation for shared value by moving beyond traditional corporate social responsibility toward embedding social, environmental, and economic inclusion into core business models. Across the sector, banks are aligning purpose with performance, recognizing that long-term profitability hinges on inclusive growth, environmental stewardship, and financial empowerment. By financing MSMEs, championing women and youth inclusion, advancing sustainable finance, and investing in financial literacy and community engagement, banks are generating tangible societal outcomes while strengthening institutional resilience.

The insights captured in this report backed by sector-wide data, case studies, and stakeholder engagements confirm that shared value is not an aspirational concept. It is a practical strategy for scaling impact, derisking operations, and unlocking new growth frontiers. As the sector enters the next phase of the country's development journey, shared value will remain a critical pillar anchoring the banking industry's contribution to Vision 2030, the Sustainable Development Goals, and the Bottom-Up Economic Transformation Agenda (BETA). With purpose as the compass and inclusion as the engine, the banking industry is well-positioned to lead the charge toward a more equitable, resilient, and sustainable economy.

About the Report

The 2025 Shared Value Report presents a sector-wide review of how the banking industry is aligning commercial success with social impact, environmental sustainability, and national development priorities. Developed by the Kenya Bankers Association, it draws on data from 2020–2025 submitted by member banks, alongside case studies, regulatory disclosures, and third-party sources, to provide a comprehensive view of shared value creation.

The report is structured around key themes that reflect the sector's strategic priorities. It outlines how banks are embedding shared value into core strategy, investing in community betterment, and contributing to employment and skills development. It further covers policy engagement, inclusive finance for SMEs, women, and youth, financial inclusion and literacy, sustainability and green finance, social impact measurement, client outreach, cross-sector partnerships, and concludes with lessons and recommendations for scaling impact.

Acknowledgement

The Kenya Bankers Association extends its sincere appreciation to all member banks for their active participation and shared commitment, which have made the 2025 Shared Value Report possible. Your leadership in embedding purpose into banking through data submission, strategic insights, and real-world case studies has been instrumental in showcasing the industry's collective progress toward inclusive and sustainable finance. Together, we reaffirm our shared vision: to build a financial sector that delivers long-term value for people, planet, and prosperity.

The report was prepared by **Lavin Lashemwa** (Palm Consulting) and edited by **Christine Onyango** and **Nyagaka Nyakundi Hesborn**.

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