



KENYA BANKERS
ASSOCIATION

PUBLIC NOTICE

In light of the recent developments within the financial sector, the banking industry umbrella body and financial sector advocate, Kenya Bankers Association (KBA) wishes to issue the following statement to reassure the banking public that the industry is responsive to their concerns.

The role played by banks in Kenya's economic development cannot be gainsaid. Banks not only serve as intermediaries that channel monetary resources from investors to areas of the economy that require capital for growth, but also act as critical players in the financial sector, which contributes to the country's development.

The banking industry is regulated by the Central Bank of Kenya and other financial sector regulators, which oversee the capital markets and insurance industries, among other activities in which banks are active. It is the view of KBA, as well as the Central Bank in several published statements, that the issues currently being addressed by the regulator at Chase Bank are isolated, and are neither of systemic risk nor an indication of instability in the industry overall.

Kenya's banking sector remains safe and strong.

- KBA confirms that the speculated list of banks facing closure, which is circulating on social media, is false and is defamation of the listed banks.
- As KBA, we acknowledge that Kenyans are concerned about the industry developments, and regret the anxiety that has been caused.
- As an industry, we are also concerned with the loss of confidence in banking that has been occasioned by the recent events; we commit to work closely with CBK to help restore trust in the industry.
- In addition to supporting Central Bank's enhanced banking supervision, KBA further commits to work together with the regulator and KBA member banks to enhance the industry's comprehensive risk management practices and governance standards, in conjunction with the Sustainable Finance Initiative that was launched by the CBK Governor in December 2015 and will reinforce how banks positively contribute to the economy and society.

Ultimately, there are several positive developments in banking that have been celebrated and will continue to be hallmarks of the industry, including progress towards the Vision 2030 financial inclusion goal; introduction of enhanced pricing transparency; promotion of SME finance; and enabling access to credit at the micro level.

We therefore ask the banking public to view these positive developments, as well as our commitment to enhance banking practice, as an indication that the industry is responsive to market expectations and their concerns.

For more information visit the following Web sites:

Sustainable Finance Initiative:
Kenya Bankers Association:
Central Bank of Kenya:

www.sfi.co.ke
www.kba.co.ke
www.centralbank.go.ke