



Stanbic Holdings Plc

# Report to Society 2018

Moving Forward, Together



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## About this report

As a financial services organisation in Kenya, we take our role in the community seriously. In this report, we will look at some of the ways we are supporting our clients, society, economy and environment in Kenya. We will relay to you our initiatives in place to meet evolving local and global expectations. These are aligned to our vision to be a nationally relevant and trusted organisation.

This **Report** covers our triple bottom line performance from 1 January 2018 – 31 December 2018. It's part of our **2018 Annual Reporting Suite**, which also includes the **Integrated Report**.

We prepared this **Report to Society** employing guidance from the **International Integrated Reporting Framework and United Nations Sustainable Development Goals**, linking our activities and commitments to the global agenda for a **sustainable future**.

### “Definitions”

The Group - Stanbic Holdings Plc

UNSDG - United Nations Sustainable Development Goals

# Who we are

We are a client-centric, digitally enabled and socially & environmentally conscious universal financial services organisation.

## Stanbic at a Glance

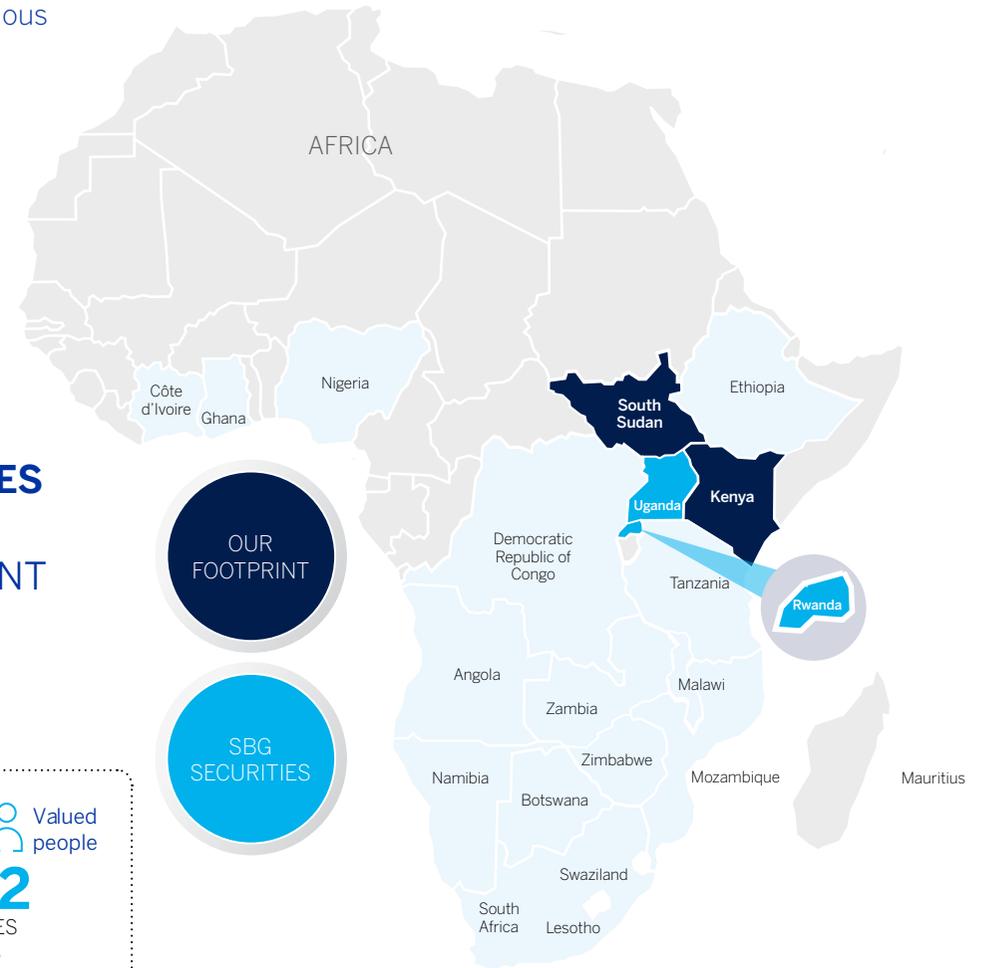
Kenya is our home and we are focused on fostering her socio economic growth. Founded on a solid legacy that spans over 100 years, we are a leading financial services organisation with an on-the-ground presence in Kenya, Uganda, Rwanda and South Sudan. Stanbic is a member of the Standard Bank Group, Africa's leading bank and financial services group, which operates in 20 countries.

**Our purpose –**  
the reason we exist

**KENYA IS  
OUR HOME,  
WE DRIVE HER  
GROWTH.**

**Our vision –**  
what we aspire to be

**TO BE A LEADING NATIONALLY  
RELEVANT FINANCIAL SERVICES  
ORGANISATION IN KENYA,  
DELIVERING EXCEPTIONAL CLIENT  
EXPERIENCES AND SUPERIOR  
VALUE.**



Recognised brand



Standard Bank | Stanbic Bank

On-the-ground presence

 <b>25</b> BRANCHES 2017: 27	 <b>48</b> ATMs 2017: 54	 <b>27</b> Bulk Note Acceptors 2017: 19
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Valued people

**1 112**  
EMPLOYEES  
2017: 1133

Best-in-class technology  
modernised core banking platforms  
providing leading-edge digital capabilities

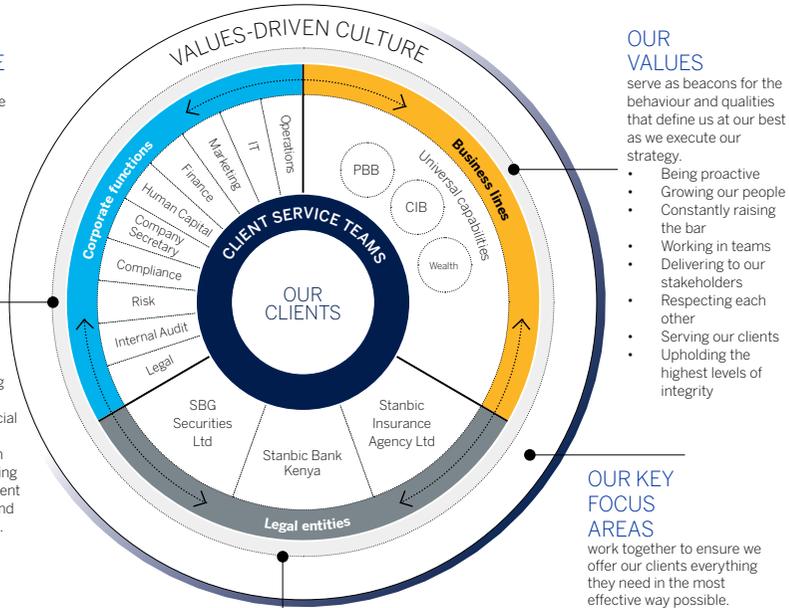


# Our Strategy

Our strategy is designed to realise the opportunities that Kenya presents.

**OUR PURPOSE**  
Kenya is our home, we drive her growth.

**OUR VISION**  
To be a leading nationally relevant financial services organisation in Kenya, delivering exceptional client experiences and superior value.



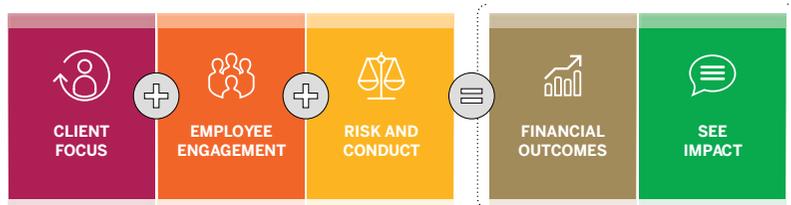
**OUR VALUES**  
serve as beacons for the behaviour and qualities that define us at our best as we execute our strategy.

- Being proactive
- Growing our people
- Constantly raising the bar
- Working in teams
- Delivering to our stakeholders
- Respecting each other
- Serving our clients
- Upholding the highest levels of integrity

**OUR KEY FOCUS AREAS**  
work together to ensure we offer our clients everything they need in the most effective way possible.

- Client centricity
- Digitisation
- Universal Financial Services Organisation (Integration)

**OUR STRATEGIC VALUE DRIVERS**  
Focus our efforts and measure the progress we are making against our strategy and vision.



## OUR VALUES-DRIVEN CULTURE

Our culture is 'the way we do things'. We recognize that how we do things is as important as what we do. Our culture is determined by our purpose, vision, values and code of ethics. Our code of ethics guides us to be responsible and respectful in our dealings with all our stakeholders. It outlines acceptable business conduct and is an important reference point for employees acting on behalf of Stanbic Group. These clearly defined parameters empower us to make faster, more confident decisions that have the interests of our clients, and the society, at heart.

We are focusing on **three critical principles** that will shift our culture and make the most difference in supporting our strategic journey:

- Always putting the **client first**.
- Holding **open, honest and critical conversations**.
- **Taking collective responsibility and accountability**.

## THE WAY WE WORK/THE WAY WE WIN

**Client centricity places our clients at the centre of everything we do.**

**CLIENT CENTRICITY** requires that our people and processes are focused on our clients as their needs and expectations change. This means we align the way we plan, deliver and execute work, doing the basics brilliantly and consistently so that we can do what our clients value.

We are working to:

- See clients as **real people, not numbers**.
- Provide our clients with **relevant solutions**.
- Be a **trustworthy partner** on our clients' growth journeys.
- **Do the basics brilliantly and deliver on our promises** quickly, efficiently, reliably and respectfully.

**Digitisation means we are always on and always there to deliver our clients' and employees' needs in a secure, personalised and relevant way.**

**DIGITISATION** is more than just technology – it is about delivering the full range of financial services through secure, personalised, relevant and digitally enhanced experiences to our clients and employees in real time, all the time.

We are working to:

- Ensure that the services our clients and employees need are **consistently available, anywhere, anytime**.
- **Use data proactively** to discover valuable insights and deliver personalised experiences.
- Remove friction, paper-based processes and waste to ensure **intuitive, easy to use, reliable interfaces** for our clients and employees.
- Create a workplace that encourages **curiosity, digital thinking and continuous improvement** for quick and frequent refinement of ideas and brilliant delivery.

**Our ability to offer an integrated service/universal financial services proposition to our clients is a key differentiator.**

Offering a complete range of **FINANCIAL SERVICES** follows from our commitment to client centricity, and reinforces the competitive advantages of our scale, scope and expertise. This means that our business units, legal entities and corporate functions must work as an integrated whole to service our clients' financial needs in a seamless way.

We are working to **seamlessly and efficiently deliver** the financial services organisation, so our clients have access to and experience all our propositions relevant to their needs.

# Stanbic Bank Kenya Limited

## Chief Executive's Message

Sustainability is multi-dimensional and is part of everything we do at Stanbic. It is about mitigating risks, building resilience, creating opportunities and transforming lives. It is the long term goal of sustainable development which encompasses meeting the needs of the present without comprising the ability of future generations from meeting their needs (King IV). As a major player in one of the fastest growing regions in Africa, we must take responsibility for our actions and behaviour.

**A well-functioning financial system contributes to the development of society, creates employment and is the bedrock for thriving enterprises.** It also provides products and services to households to enable them to save and borrow at all stages of life. For the 2nd year running, we have been voted Kenya's Safest Bank and we are determined to continue finding sustainable ways of working, that put clients at the centre of everything we do. We want to connect with local communities, earn their trust, listen to them, serve them better and manage the impacts from our business.

**We make commitments to our stakeholders that are long-term in nature** and, in order to be able to deliver on these commitments, we have to make sure that Stanbic is running a sustainable business. As such, sustainability is something that lasts over time and therefore resilience and transformation are critical in our day to day operations.

**The Kenyan banking industry in general and Stanbic in particular is going through a period of transformation.** The change that we are going through, presents not only an opportunity, but also a challenge. Digitisation comes with new ways of working which is exciting. We must ensure that as we evolve, we do so ethically and consider the impacts on all our stakeholders.

Issues around cyber security, client information protection, data management, client experience, employee engagement and change management will be critical going forward.

Stakeholders expect us to conduct ourselves ethically and in all our engagements with them, we are shifting from "can we do this?" to "should we do this?" and asking ourselves if what we do, in order to meet our stakeholders needs, is really the right thing to do. **We embrace the United Nations Sustainable Development Goals (SDG)** and being a financial institution, there are of course areas to which we can contribute more than others. Our stakeholders expect us to be here in the future and we can only do so by ensuring that we integrate sustainability into everything we do.

**We have integrated into our strategy the Social, Economic and Environmental Pillar (SEE).** This is because for our business to be sustainable, our value cannot only be pegged to monetary outcomes. Our value must encompass our social responsibilities, our contribution to the economic development of our communities, our safe stewardship of our environmental resources, our commitment to fair labor practices, our respect for human right and our championing of strict anti corruption measures. For us, responsible business is the only means for remaining successful in a changing global environment.



# Our Approach

We are part of a larger Pan African financial services powerhouse, Standard Bank Group. As a Group and a Bank, we operate through 25 branches in Kenya and South Sudan with 1,112 employees. We aim to be an important part of the daily life for many people in the regions we operate in.



As a bank, Stanbic has three main tasks; to convert savings into financing, to manage credit and other financial risks and to enable payments and other financial transactions efficiently and securely. Trust in the financial sector and in the financial system is crucial to financial stability. This remains the first and most important part of our social responsibility.

Apart from this, the economies we operate in, the infrastructure supporting our communities, the life decisions people make and the way our clients manage their money all impact our business in different ways – which is why we are looking at our role in the bigger picture.

We are listening to our clients and communities and making changes based on what they say. We know that at our scale, the way we run our business,

deliver our products and give back to the community matters.

Our objectives are to deliver exceptional client experiences, have engaged teams, manage costs and make strong financial returns. To succeed, we need our people to live the Stanbic values every day, building trust through how we act and the choices we make. We need to be backing our clients on an individual level, and at an organisational level. And for us, this means being the best business bank, tapping into new and emerging growth opportunities, having great leaders, talent and culture, and being simpler and faster for our clients.

We also take responsibility for our social and environmental impacts, and seek to create good outcomes for our community and business.

## Making good decisions

**Our purpose** – Kenya is our home, we drive her growth.

As part of this journey, we are working to embed our Social, Economic, Environmental (SEE) framework to help us assess the social, economic and environmental impacts of our decisions and how best to create value for the business in a way that also produces value for society. The Board oversees our business performance, including how our practices impact people and the environment. They receive updates on issues related to the SEE pillar that has been set out as part of our long-term strategy.

# SEE

## Shared Value

At Stanbic, we believe that in order to be a truly sustainable business, we must pursue and create value that goes beyond financial outcomes. We express this belief through our Social, Economic and Environmental (SEE) model.

We build trusted relationships through strong engagement with both clients and society and through our broad expertise across the wide range of products, services and solutions we provide within banking, insurance, investment and wealth management. As a bank, we contribute to progress in society and sustainable development by making it easier for people to realise their dreams. We work for something greater than the bank and our clients, employees and shareholders – we work for a greater good, delivering value and generating positive impact on society.

### Social

The value we create for society, as measured by the value created for our people in areas such as skills development and transformation; the shared value our business generates for our clients and other stakeholders, through deepening financial inclusion, investing in infrastructure, and supporting job creation through enterprise development and financing people, businesses and entrepreneurs; and our investments in education, sports, culture that benefit communities and future generations.

### Economic

The value we create for our shareholders and more broadly for society, by driving inclusive economic growth in our countries of operation, developing and implementing better ways of doing business, and supporting regional economic integration and development.

### Environmental

The value we create for the natural environment, through businesses we finance or do not finance, investments towards reducing carbon emissions and any other environmental degradation, and by helping our clients to lessen and adapt to the impacts of climate change.

SEE provides us with a lens to assess how we create value for our stakeholders and the Group:

## What is our 'SEE impact' all about?

Our business activities have social, economic and environmental (SEE) impacts in the economies and communities in which we operate.

We are committed to understanding these impacts, which are direct and indirect, and using this understanding to inform our decision-making at every level. This enables us to maximise the positive impacts of our business, and minimise and mitigate the negative impacts, while simultaneously generating new business opportunities and financial returns for the group. We've adopted SEE impacts as one of the five value drivers which inform our strategy, and against which we measure our performance.



# Business Units



## PERSONAL & BUSINESS BANKING (PBB)

offers banking and other financial services to individual clients and small-to medium-sized enterprises (SMEs). In the digital era, we engage in educating our retail clients, not only in conducting their banking business on their smartphones, tablets or laptops, but in knowing how to use them for other purposes, hence promoting inclusion in the digital society and business world. Every SME is unique and we endeavour to offer them the correct support that increases their capability to be sustainable contributors to society.



## CORPORATE & INVESTMENT BANKING (CIB)

offers corporate and investment banking services to clients, including governments, parastatals, larger corporates, multinationals and financial institutions. We share knowledge on the relevance to transform towards sustainable business and more resilient business models. We are relying on innovation as a key factor in providing more relevant products as global finance shifts to a sustainability approach in financing such as green bonds.



## WEALTH

offers services and product offerings, including insurance, investment, fiduciary, bespoke banking and multi-generational wealth preservation solutions to high net worth individuals, retail, business, commercial, and corporate clients across the Group's footprint. We screen our actively managed investments to ensure that the companies in which we invest, act responsibly.

# Stakeholder Engagement

Our stakeholders are categorised into **two primary groups**:



**Stakeholders with a direct relationship with the Group**

Our clients, our people, our partners, our suppliers, our investors



For this report, we focus exclusively on stakeholders with a direct relationship with the Group



**Stakeholders with an indirect relationship with the Group, but with a stake in our performance**

Civil society organisations, professional bodies, regulators, policy makers, academia, legislators, the diplomatic community, political parties, special-interest and advocacy groups, analysts, researchers and think-tanks, the media and non-governmental organisations



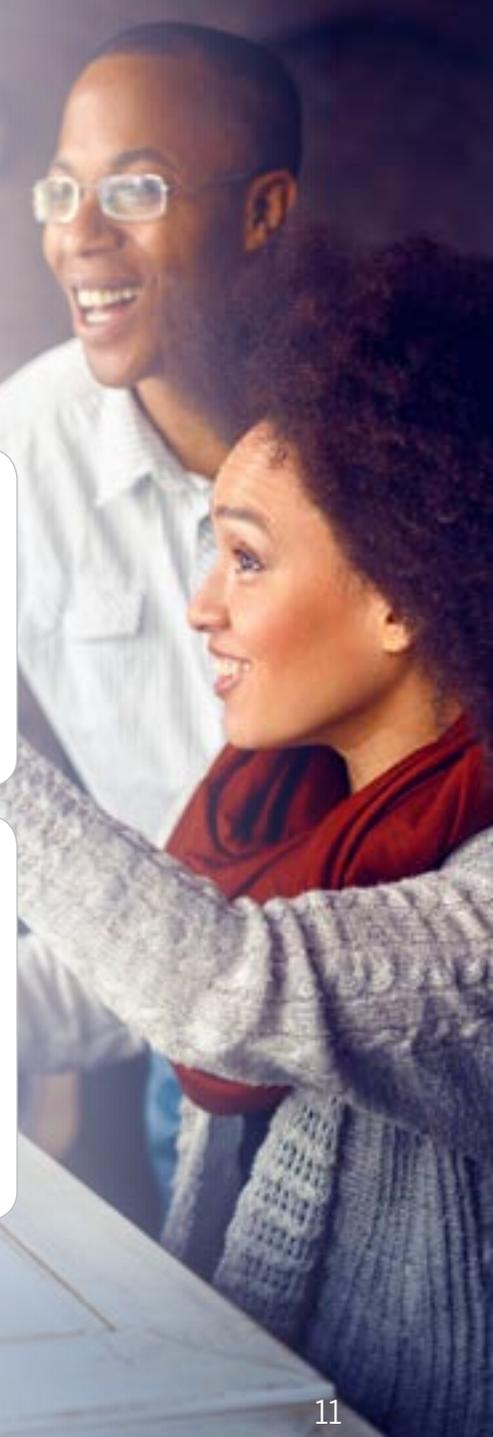
Stakeholder engagement is part of our everyday business. We engage with our different stakeholders in different ways and strive to be responsive to their concerns. Given the scale of our operations and the diversity of our stakeholders, The Group has adopted a decentralised stakeholder engagement approach. This means that different teams within the Group meet with their stakeholders regularly on matters of mutual interest, exploring potential partnerships, and searching for opportunities to create value. The issues in which we engage with stakeholders are multiple and diverse. Examples include our employee value proposition, progress in achieving transformation and inclusion, understanding the expectations of regulators, communicating strategy and financial performance, and identifying the needs of our clients.

Our proactive engagement with stakeholders informs the identification of our material issues, business strategy and operations, shapes products and services, helps us to manage and respond to stakeholder concerns and expectations, minimises reputational risk and influences our operating environment. Underpinning the decentralised operating model is our ethos of listening to, and constructively engaging with, legitimate stakeholders.

We engage with our stakeholders in the following ways:

**Stakeholders with a direct relationship with Stanbic Group**

	STAKEHOLDER GROUP	 CLIENTS	 OUR PEOPLE	 INVESTORS AND SHAREHOLDERS
<b>WHY?</b>	This is why we think it's important to engage	Our clients are at the centre of everything we do. We have a diverse client portfolio ranging from individuals and small businesses to large corporates. We need a clear understanding of each of our clients' needs and preferences, to provide an appropriately tailored service offering	Without our people, we cannot achieve our purpose. As such, regular engagement with our people and their trade union representatives is vital in fostering constructive relationships and truly making the Group a great place to work	Shareholders provide the financial capital that allows our business to grow and we have a fiduciary duty to manage their investment with care. We need to provide investors with a compelling value proposition to retain their confidence and support
<b>WHAT?</b>	These are the issues that matter the most to them	<ul style="list-style-type: none"> <li>• Delivering consistently excellent client experiences</li> <li>• Affordable and appropriate products and services</li> <li>• Safety and security of client data and assets</li> </ul>	<ul style="list-style-type: none"> <li>• Access to career advancement opportunities</li> <li>• Creating an environment where our employees are engaged and their well-being is supported</li> <li>• Reskilling employees to meet demands of rapidly evolving industry and remain employable</li> <li>• Diversity and inclusion</li> </ul>	<ul style="list-style-type: none"> <li>• Improving efficiency and return on investment</li> <li>• Responding to increased competition in challenging market conditions</li> <li>• Improving performance</li> <li>• Leveraging our partnerships within the larger Standard Bank Group</li> </ul>



STAKEHOLDER  
GROUP



CLIENTS

- We run financial literacy programmes to assist clients to better manage their finances, targeting individuals, entrepreneurs and SME owners.
- We engaged with corporate and business clients, to explore how best to deliver a tailored, seamless client experience.



OUR PEOPLE

- We regularly engage with trade union representatives.
- We are keenly aware of the impacts of increasing digitisation on our workforce, and are working with employees to manage these impacts, which include skills development programmes.
- We are participating in industry initiatives to support employees to develop skills relevant for future industry requirements.
- We continuously engage with our diversity and inclusion forums on matters of equity in the workplace.
- 'Critical Conversations' are held on a regular basis focusing on topical issues that give our people a platform to engage with senior executives and thought leaders on topical issues.



INVESTORS AND  
SHAREHOLDERS

- We engaged with a broad range of existing and potential local and international investors in meetings, calls and conferences both locally and internationally.
- We ensured that key themes and concerns raised were brought to the attention of relevant internal stakeholders, including the board, and considered in our reporting and planning.

HOW?

These are some of the ways we responded and engaged

### Material issues during the reporting period

Our material issues are those that matter most to our key stakeholders and providers of capital, and that impact on our ability to create value in the short, medium and long term. We therefore consider an issue to be material if it has the potential to substantially impact on our commercial viability, our social relevance and our relationships with our stakeholders. Our material issues are informed by the expectations of our stakeholders, and the economic, social and environmental context in which we operate (the triple bottom line).

We measure our ability to create shared value in terms of our five strategic value drivers – **client focus**, **employee engagement and risk and conduct**, which determine our **financial outcomes** and our **social, economic and environmental (SEE) impact**. Our material issues encompass the risks and opportunities in relation to each of these value drivers.

While material issues evolve over time, in response to changes in our operating environment and stakeholder expectations, the broad themes tend to be relatively stable. We view the materiality determination process as a business tool that facilitates integrated thinking.



## OUR VALUE DRIVERS



Client focus



Employee engagement



Risk and conduct



Financial outcomes



SEE impacts

Place the **client at the centre** of everything we do

Make Stanbic Group a **great place to work**

Do the **right business, the right way**

Deliver **superior value** to our shareholders

Create and maintain **sustainable value**

## OUR MATERIAL ISSUES

- Deliver a compelling value proposition for our clients in an increasingly competitive environment
- Protect and maintain the integrity of client data
- Work with our clients to mitigate overindebtedness

- Diversity and inclusion
- Impact of digitisation and automation on workforce requirements
- Build and retain skills and capabilities

- Cybersecurity
- Stability, security and speed of IT systems
- Reputational and operational risk associated with third parties, counterparties and suppliers
- Card fraud
- Policy, regulatory, and legal risks in key markets
- Constructive relationships with regulatory authorities
- Increase in physical security threats/incidents

- Returns on IT investment
- Maintain resilience of our balance sheet
- Improve efficiencies and manage the cost base
- Sustainable revenue growth
- Resolution of non-performing loans

- Contribute to job creation and enterprise development
- Deepen financial inclusion with appropriate digital offerings
- Balancing Kenya's power and energy needs with the negative impact of climate change

# Impact reporting

We identified 6 areas in which we believed that the Group could make a significant positive social, economic and environmental (SEE) impact.

We identified these areas by looking at the overlap between our core business as a provider of financial services, and the needs of Kenya's people, businesses and economies. The priority issues and targets contained in the UN's Global Sustainable Development Goals (SDGs), the African Union's Agenda 2063 and Kenya's Big Four Agenda informed our thinking.

We're in the process of refining our impact areas to narrow them down for monitoring purposes and remove overlap.

For the purposes of this report, we're focusing on **six impact areas**, namely:

Financial inclusion 1

Job creation and enterprise development 2

Infrastructure 3

Trade and investment 4

Education and skills development 5

Employee development and training 6

Our reporting to society suite provides an update on our contribution in each of these impact areas.

It also includes our environmental, social and governance (ESG) report, and an update on our progress on transformation in Kenya. The table that follows provides a summary of our reporting suite and illustrates how each theme relates to our material issues and the relevant SDGs.

## SEE IMPACT AREAS

1



### FINANCIAL INCLUSION

- Improving access and affordability – convenient digital products and services, accessible even without a bank account
- Rethinking security and collateral requirements for loans
- Providing consumer education to enable people to manage their finances more effectively
- Helping our clients save, invest and plan for the future, according to their individual needs

## OUR MATERIAL ISSUES

Deepen financial inclusion with appropriate digital offerings

Work with our clients to mitigate overindebtedness (including sales-in-execution)



## ALIGNMENT TO SUSTAINABLE DEVELOPMENT GOALS

**SDG 8.10** – Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all

2



### JOB CREATION AND ENTERPRISE DEVELOPMENT

- Helping small businesses access the tools and resources they need to become viable and sustainable
- Providing financial products designed to meet the needs of SMEs and entrepreneurs, particularly products that address SME cash flow and working capital challenges

Contribute to job creation and enterprise development

Deepen financial inclusion with appropriate digital offerings



**SDG 9.3** – Increase the access of small enterprises to financial services, including affordable credit, and their integration into value chains and markets

3



### INFRASTRUCTURE

- Placing increasing focus on renewable energy projects
- Working with the government and development institutions to structure appropriate funding instruments and mobilise funding for crucial developmental infrastructure:
  - Roads
  - Energy

Balancing Kenya's power and energy needs with the negative impact of climate change

Increase capacity to finance large scale infrastructure projects



**SDG 7** – Access to affordable, reliable, sustainable and modern energy for all

**SDG 9** – Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

## SEE IMPACT AREAS

4



### TRADE AND INVESTMENT

- Enabling businesses to grow and expand into new markets, invest in innovation and improve productivity and create jobs
- Facilitating trade and investment, particularly in the Africa-China corridor in conjunction with ICBC
- Improve access to trade finance

## OUR MATERIAL ISSUES

Contribute to job creation and enterprise development  
Increasing investment flows in Kenya to drive economic growth and job creation



## ALIGNMENT TO SUSTAINABLE DEVELOPMENT GOALS

**SDG 8** – Promotion of sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all

5



### EDUCATION AND SKILLS DEVELOPMENT

- Supporting early childhood development
- Supporting improved access to education and improved educational outcomes
- Improving access to student finance
- Supporting access to work opportunities and skills development

Improving access to quality education, from early childhood development to tertiary education



**SDG 4** – Inclusive and equitable quality education and the promotion of lifelong learning opportunities for all

6



### EMPLOYEE DEVELOPMENT AND TRAINING

- Building and retaining skills to support a strong succession pipeline of future leaders and develop critical skills, while helping our people reach their full potential and advance their careers

Impact of digitisation and automation on workforce requirements

Build and retain skills and capabilities



**SDG 4** – Inclusive and equitable quality education and the promotion of lifelong learning opportunities for all



SEE IMPACT AREA ONE

# Financial inclusion

## Summary

Provision of **affordable housing** is one of the key development priorities of the Kenya government under the **Big Four Agenda**. This agenda seeks to provide **500,000** new affordable houses by 2022. But affordable housing faces several challenges including funding and client's ability to pay. Helping people buy a home is one of the most important roles we play in society. A home provides shelter and dignity for families and provides an opportunity to build intergenerational wealth.

### What we are doing

- Helping clients purchase a home.
- Partnering with fintech companies to develop digital solutions that extend access to secure, affordable and reliable banking services, some accessible without a bank account.
- Educating people on our financial products and services, and how to use them cost-effectively.
- Consumer education programmes in Kenya and South Sudan.

### Challenges addressed

- Reliance of the low-income segment on cash and expensive service channels.
- Low levels of awareness around insurance and pension products.

- We partnered with Kenya Mortgage Refinance Company (KMRC) to support the government agenda of affordable housing.
- Assisted clients to purchase 1,900 homes.
- Supported 800 women to own a home.
- We have 153 schemes with different companies to support their employees to own a home and other financial needs.



**SDG 8.10**  
Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all

### MATERIAL ISSUE

- Improving access and affordability – convenient digital products and services, accessible even without a bank account.
- Rethinking security and collateral requirements for loans.
- Providing consumer education to enable people to manage their finances more effectively.
- Helping our clients save, invest and plan for the future, according to their individual needs.



SEE IMPACT AREA TWO

# Job creation and enterprise development

## Summary

Micro, small and medium enterprises are key drivers of economic growth and job creation. But many struggle to move from start-up businesses to sustainable firms with the potential to expand and employ others.

### What we are doing

- Helping small businesses access the tools and resources required to become sustainable. This includes working space, capacity building, access to new market opportunities and coaching and mentoring.
- Providing financial products that meet the needs of SMEs and entrepreneurs, particularly products that address SME cash flow and working capital challenges.

### Challenges addressed

- Unemployment and job creation.
- Challenges accessing finance given the high default risk associated with lending to SMEs.
- Small business needs for convenient, real-time payment and account management solutions.

- Supported around 500 Uber Chap Chap drivers in collaboration with CMC Motors, a Suzuki franchise holder to purchase their own fuel-efficient 800cc Suzuki Altos vehicles. Loans are advanced to drivers with high driver ratings, supporting entrepreneurship and safer mobility.
- Continue to partner with M-KOPA to provide "pay-as-you-go" household solar systems.
- SME accelerator programme that partners with SMEs whose focus is on green economy.
- Enterprise Direct connects over 28,000 SMEs to us via digital platforms.
- SME accelerator programme aimed at growing 'finance ready' SMEs.
- Biz Connect: KShs 13.8 million invested and 240 clients trained on entrepreneurial skill in partnership with Strathmore Business School.



### SDG 9.3

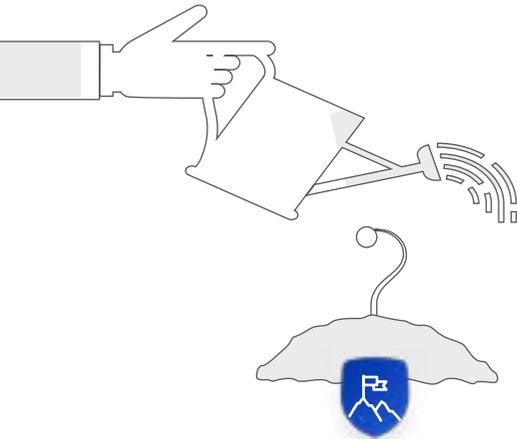
Increase the access of small enterprises to financial services, including affordable credit, and their integration into value chains and markets

### MATERIAL ISSUE

- Helping small businesses access the tools and resources they need to become viable and sustainable.
- Providing financial products designed to meet the needs of SMEs and entrepreneurs.

## Finance for entrepreneurs to grow their businesses

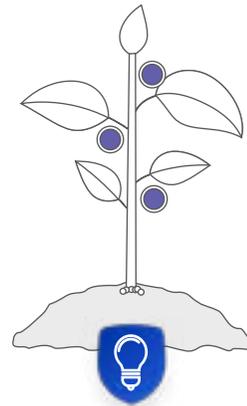
A major challenge for small enterprises is managing the consistency and predictability of cash flow. We're working with our clients to address this challenge, to help businesses get through crunch times without compromising their ability to deliver to their clients. Solutions include credit issues against government contracts, or invoices payable, as well as working capital loans.



**THE CHALLENGE**

The default risk associated with lending to SMEs makes it difficult and expensive for SMEs to access credit from commercial banks.

SME owners need quick, convenient and real-time solutions to make and receive payments and manage their accounts.

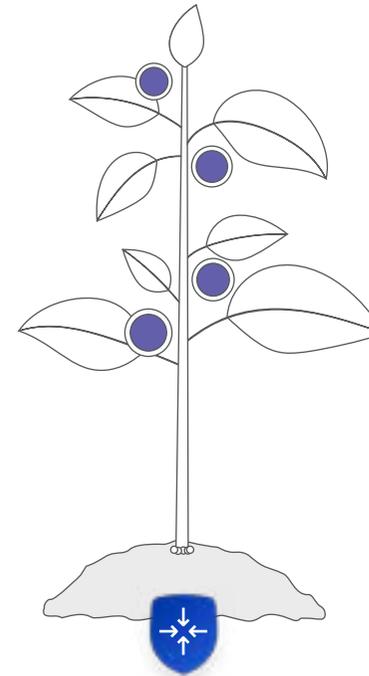


**THE SOLUTION**

**Mjeki** - A solution that provides instant short term working capital financing accessed through mobile phone.

**Partnership with Uber, CMC motors and Suzuki** to enable Kenya's Uber drivers to buy their own vehicles.

We have provided **24 hours cash deposit machines** to solve for cash.



**THE IMPACT**

**More SMEs able to access affordable finance, grow their businesses and create jobs.**

**Hassle-free banking through digital channels, which saves time and money for SME owners.**





CASE  
STUDY

## Uber chap chap

In January 2018, Stanbic, Uber, CMC Motors and Suzuki Japan partnered to support fleet drivers to purchase their own vehicles.

Stanbic proactively supported this process by identifying a suitable and affordable quality vehicle, settling on the Suzuki Alto. The vehicle has a lower engine capacity at 800CC, with exceptional fuel efficiency at 24 Kilometers per litre. Taking advantage of the prospects of bulk purchase, the bank negotiated a reduced purchase price for the units.

Drivers are provided with 100% financing for their vehicles, premium financing for insurance and financial education.

One of the key advantages of this arrangement is that drivers are enabled to own new vehicles – most vehicles in the cab business are second hand imported from Japan – with new technology backed by a local dealer.

These zero mileage vehicles have a lower environmental footprint while providing direct benefit to the local economy. The vehicles come with a manufacturer warranty which is rare in the Public Service Vehicle (PSV) category.

Stanbic recognized that the drivers are transitioning from being employed to becoming self-employed. This requires a different set of skills and discipline. In particular, financial discipline is essential since the drivers earn on a daily basis but are required to repay their loans on a monthly basis.

In addition, entrepreneurial aptitude is essential to ensure success and foster growth for the drivers. To address these issues, Stanbic offered several training sessions for the drivers covering wealth fitness, insurance, digital finance and debt management. Drivers are also provided with practical tools to facilitate savings including a savings account and debit card.

In addition to these benefits, drivers were also provided with a clear maintenance schedule by CMC Motors covering the three-year loan tenure period. The maintenance schedule includes the date, type of service and cost of service, enabling the drivers to plan their work schedules and cash flows.

One of the unique features of the loan is that Stanbic used the existing income stream earned by the drivers and high driver rating as the key determinant for the loan rather than their overall financial status. This was because normal borrowing metrics would have been inappropriate in evaluating the drivers. This enabled individuals who were unlikely to receive financing to be supported. In January 2018, the first batch of 100 drivers received their vehicles launching Uber's new service dubbed Uber Chap Chap. As at June 2019, there were 527 units financed under this arrangement.

This programme supports entrepreneurship, job creation and safe mobility.



**CASE STUDY**

## M-KOPA



In 2017, Stanbic Kenya was mandated by M-KOPA Group to raise USD 55 million in local currency for M-KOPA's Kenyan and Ugandan subsidiaries. This landmark deal would see M-KOPA, which is the global leader in “pay-as-you-go” household solar systems, providing much needed energy to off-grid clients on affordable payment plans.

This was the first solar-home-system deal that the bank concluded, and it required innovation in the funding structure to meet the needs of a rapidly-scaling company in a new category. M-KOPA did not immediately meet the conventional corporate borrowing metrics, so we developed a funding structure which took into account the highly cash generative nature of the business. Our evidence was the 100 million plus mobile money payments that have been processed by M-KOPA since inception.

This model has now been used by other solar-home-system providers in raising their own funds. What attracted Stanbic to M-KOPA was their vision to upgrade people's lives by providing power and productive appliances to 1 million homes in Africa by 2020.

In 2017, M-KOPA had distributed 500,000 units – expanding to 750,000 units by early 2019. Based on the fact that on average, each household has 5 members, M-KOPA is estimated to be impacting over 3.5 million people.

These solar systems allow low-income homes to access clean energy and finance. It is all made possible by harnessing Global System for Mobile (GSM), machine-to-machine communications (M2M) and solar technology.

Access to electricity and decent lighting improves children's ability to study at home after school. Consumers can access mobile phones, TVs and radios, helping them access Africa's burgeoning information economy.

M-KOPA is having a positive impact on the environment. Its solar systems will displace 1.7 million metric tonnes of carbon dioxide and black carbon over their lifetimes. This widespread displacement of toxic kerosene lanterns across East Africa equates to taking a coal-fired power plant offline for 150 days.

The majority of M-KOPA customers report they save money by displacing kerosene and phone charging expenditure. They save approximately USD 650 over the lifetime of their systems, amounting to over USD 400 million in increased household budgets across the current customer base.

Household savings translate to family gains. 25% of customers use available cash to purchase food and 24% dedicate extra funds to their children's' education. Many choose to use these savings to acquire additional life-changing assets and services from M-KOPA. More than 140,000 M-KOPA customers directly generate income through local phone charging services, hosting movie screenings, or using solar lighting for a business, increasing household budgets by 32%.

Since inception, M-KOPA has unlocked nearly a quarter of a billion dollars in micro-loans for low-income customers across East Africa, creating a pathway out of poverty.

In partnering with M-KOPA, not only is Stanbic contributing to the environment and social impact noted above but the bank is also enabling a significant number of consumers, who are largely outside of the formal economy, to create a credit history that should enable them to access further banking facilities in their personal capacity.

This landmark deal won us an EMEA Finance Award in the category of Best Local Currency Syndicated Loan for 2017



BizConnect is a training and mentoring programme for small and medium enterprises (SMEs) run by Stanbic Group in partnership with Strathmore Business School. Launched in 2017, this capacity building initiative aims at providing strategic solutions to SMEs to enhance their operational efficiency and imparting skills on basic methods of business and financial management.

The initiative also exposes business owners to critical skills and tools for effective leadership in business and gives them the unique opportunity to reflect on their current leadership abilities as well as enhance their leadership and management skills.

The SME sector in Kenya is very significant. It is estimated to constitute 98% of business, contributing 80% of new jobs and 3% of GDP. Yet, SMEs in Kenya face several challenges such as access to finance and the lack of financial skills and business management capabilities, weak adoption of new technologies and low adherence to regulatory and legislative changes.

Stanbic Group is committed to support our SME clients not just in providing basic banking services but more importantly helping them acquire the right skills required to be successful. The two-day enterprise development training sessions benefits the bank's current and potential clients. The training also helps to build a close community of business owners who encourage and support each other to build successful and sustainable businesses.

The Group conducted 8 sessions of the Bizconnect Financial Literacy training across the country in Mombasa, Kisumu, Eldoret, Meru/Nanyuki, Nakuru and Nairobi in 2018. A total of 240 participants were trained in the eight regions namely: Nairobi cohort I, Mombasa, Nairobi cohort II, Eldoret, Kisumu, Meru, Thika and Nairobi cohort III and costed KShs 13.8 million. The Enterprise Banking team are actively involved in putting together the training sessions together with the training provider – Strathmore Business School. The programme has impacted about 500 enterprise banking clients to-date.

**CASE STUDY**

## Gikomba Fire



In response to a fire that gutted the largest informal market in Kenya on 10 July 2018, we donated sewing machines and provided material support to the victims of the fire to the tune of KShs 1.2 million.



SEE IMPACT AREA THREE

# Infrastructure

## Summary

Stanbic Group works with the government, development finance institutions and other commercial banks to structure and provide appropriate financial solutions to address Africa's infrastructure gaps, with appropriate risk sharing arrangements.

Inadequate power, water, transport and telecommunications infrastructure inhibits Africa's economic growth and potential for job creation and human development.

### What we are doing

- Working with the government, development finance institutions and other commercial banks to mobilise funding and structure appropriate infrastructure funding instruments.
- Placing increasing focus on renewable energy projects.

### Challenges addressed

- Lack of capacity to finance large-scale infrastructure projects.
- Rising electricity prices and unstable supply.

- We continue to support various infrastructural and energy development projects in Kenya. In 2018, we actively participated in helping the government of Kenya in raising KShs 200 billion ( USD 2 billion) to finance various development projects to spur economic growth.



### SDG 7

Access to affordable, reliable, sustainable and modern energy for all



### SDG 9

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

### MATERIAL ISSUE

Working with the government and development institutions to structure appropriate funding instruments and mobilise funding for crucial developmental infrastructure:

- Roads
- Energy



CASE  
STUDY

## Lake Turkana Wind Project (LTWP)

Standard Bank South Africa was one of the financiers of the (EUR 635 million) - KShs 72 billion, 310.25MW wind farm in Kenya. The bank's role in the transaction was providing a KShs 2.9 billion commercial risk guarantee and acting as security agent for the consortium of lenders.

Current electricity demand in Kenya is estimated at 1,800 MW and is projected to grow to 2,600 -3600 MW by 2020 while installed capacity before the LTWP stood at 1429MW and now stands at approx. 2700MW. Thermal energy sources have been used in the past to make up for the shortfall, providing between 16% -33% of overall electricity output. This means that the country relied on expensive and environmentally unfriendly sources to mitigate its electricity deficit. In addition, a quarter of Kenyans still lack access to electricity. Responding to this challenge, in December 2018 the government launched the Kenya National Electrification Strategy (KNES) – a roadmap for achieving universal access to electricity by the year 2022.

LTWP is located in Loiyangalani sub-County in Marsabit County, Kenya. It comprises of 365 wind turbines, each with a capacity of 850kW, and a high voltage substation that has been connected to the Kenyan national grid. The wind farm provides reliable, low cost energy and currently produces approximately 17% of the country's installed capacity. The project is the largest utility-scale wind farm in Sub Saharan Africa.

It is estimated that the project will displace approximately KShs 14 billion of fossil fuel imports and mitigate the equivalent of 740,000 metric tonnes of carbon dioxide every year. This will have both economic and environmental benefits.

The project also showcases the potential of large-scale and complex projects in Kenya as it is the largest private sector investment in the country. The low-cost energy produced by the project also heralds the potential of lowering of electricity tariffs. Since being connected to the national grid in September 2018, the power project has injected more than 1.2 billion kilowatt hours of electricity and saved taxpayers up to KShs 8.5 billion in fuel-cost charges from reduced usage of heavy diesel-generated thermal power.

Since the Project's inception, LTWP has been ensuring that the local communities benefit from the project. As part of this commitment, LTWP established the Winds of Change Foundation (WoC), which has been working hard to improve the livelihoods of the communities in the project area. To date, the foundation has spent Euro 2.2million on implementing projects that enhance employability via primary & secondary education and vocational training support; improve access to health services by supporting health education and facilities; and, improve access to water by constructing boreholes and water supplies



SEE IMPACT AREA FOUR

# Trade and investment

## Summary

Our purpose is to drive Kenya's growth. A core part of our business is to facilitate trade and investment flows between Kenya and other African countries, and between Kenya and global markets. We partner with international investors to connect them to opportunities in Kenya, and with the government and businesses to facilitate their access to global capital markets.

### What we are doing

- Facilitating trade and investment, particularly in the Africa-China corridor, working with our strategic partner, ICBC.
- Improve access to trade finance.

### Challenges addressed

- Increasing investment flows in Kenya to drive economic growth and job creation.

- We accelerated access to trade finance solutions as evidence by growth in letters of credit and guarantees.
- The Group launched the Africa China Agent Proposition (ACAP), an exciting new initiative which aims to make China accessible to Kenyan importers. Our clients who trade with China now have a seamless experience in sourcing and validating quality goods, safely and efficiently, from the most competitive suppliers in China.



### SDG 8

Promotion of sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all

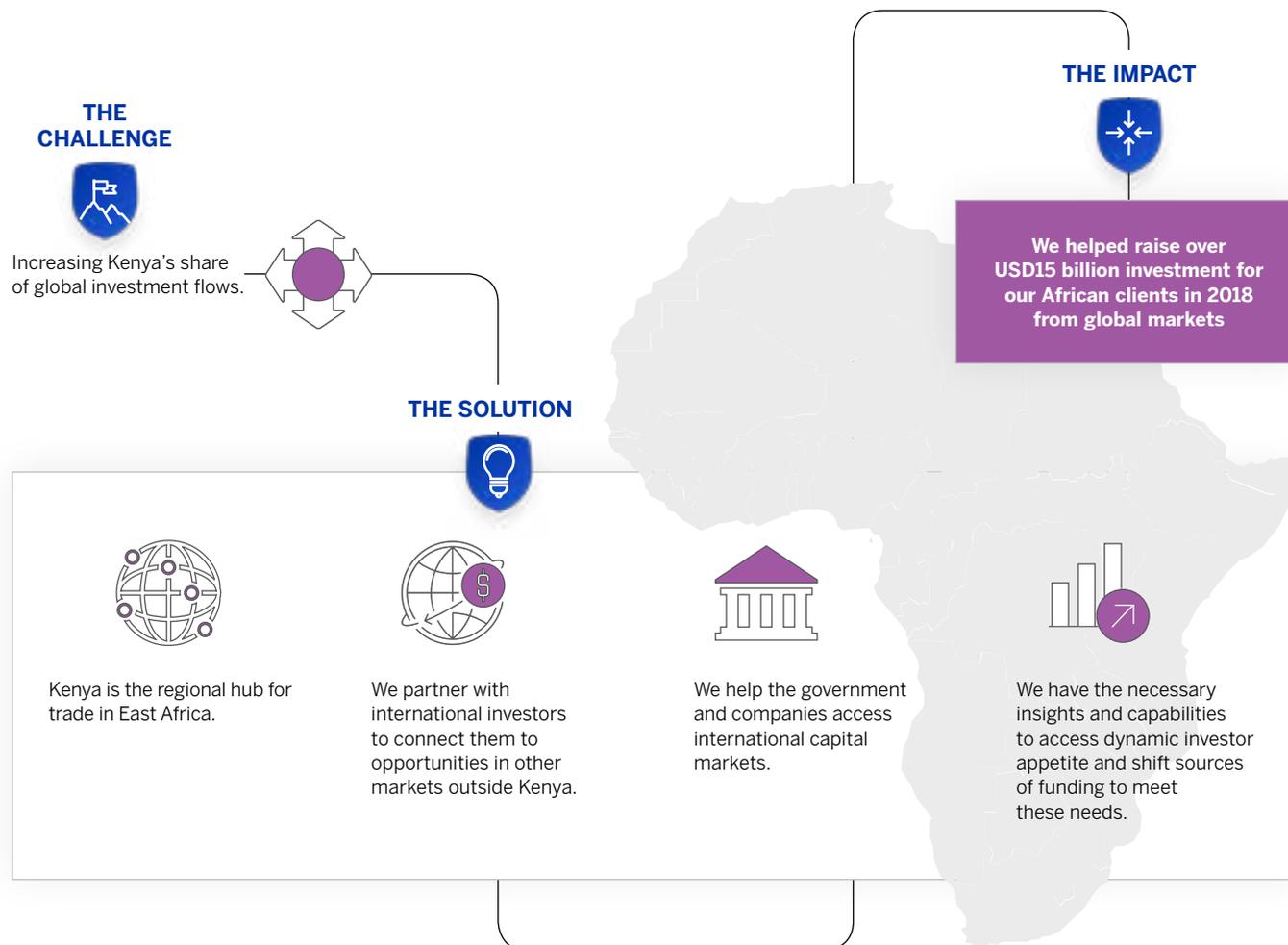
### MATERIAL ISSUE

- Facilitating trade and investment, particularly in the Africa-China corridor in conjunction with ICBC.
- Improve access to trade finance.

## Expanding trade to drive Kenya's growth

The African Union's Agenda 2063 highlights the importance of trade and investment infrastructure to connect Africa.

The deepening of trade and investment flows between African countries and global markets such as China provides opportunities for African economies to develop and expand manufacturing and services industries, and for African businesses to tap into new markets and access global supply chains. A core part of our business is to facilitate trade and investment flows between Kenya and other countries/markets.



Availability of bank-intermediated trade finance is far below what Africa needs, falling short by at least USD100 billion according to the African Development Bank.

Access is particularly difficult for SMEs. Digital solutions that increase the efficiency and reduce the cost of trade would make it easier for SMEs to access trade finance. Currently, trade finance in Africa remains heavily paper-based, and disconnected by national borders. But African governments are beginning to encourage digitisation as a way of boosting domestic and global trade in markets that lack traditional domestic and cross-border trade infrastructure.

We see potential for further digitisation of the physical supply, the financial supply and the documents chain. Our contribution to digitising the financial supply chain has included working with regulators supporting price discovery and risk management in the tea industry. We have also been working to digitise documents chains, including proof of concept tests using blockchain to digitise bills of lading, for example. We have identified the development of digital solutions that simplify and broaden access to trade finance.

Supporting trade also means working with clients to manage multiple categories of risk, including counterparty credit risk, country risk, currency risk and operational risk. A key element in this is helping clients match responses to real rather than perceived risk – by partnering with fintech firms operating trade contingent and asset risk distribution services, for example. We are also providing support and strategic guidance to regional organisations working to reduce trade barriers, speed up the clearing and release of goods, increase the predictability of landing costs, and support compliance to minimise the disruption and costs of legitimate trade, through use of digital platforms.



**CASE STUDY**

## **KEDA (Kenya) Ceramics Company Limited**

Stanbic Bank is the lead arranger of a financial facility to KEDA Ceramics. The funding is used for general Corporate purposes including the procurement of factory equipment and workshop construction. The factory is based in Kajiado county providing a major source of employment and income opportunities. The company is the largest ceramics producer in Africa with plants in Tanzania, Kenya, Ghana and Senegal and upholds the highest standards of environmental and social practices.

KEDA Ceramic is a major social actor in the Kajiado area supporting several initiatives aimed at creating benefits for the community through its Corporate Social Responsibility (CSR) activities. The company has contributed over 7 million shillings to rehabilitate 10 kilometers of gravel roads, planted over 3,000 trees, improved water access to 70 households and provided 70 scholarships for secondary, college and university students from the neighbouring community.

The company has partnered with other corporate stakeholders and the County Government to support health, cultural and youth empowerment initiatives. KEDA Ceramics has participated in the Kajiado Half Marathon and collaborated with the County Government in executing the Maasai Culture & Heritage preservation project.

Through partnership with the County Government, the company has helped improve access to health insurance for 5,000 vulnerable families by helping them secure National Hospital Insurance Fund (NHIF) medical cover.

Additional social impacts attributed to KEDA that is made possible by funding obtained from Stanbic include the creation of employment in a rural setting which has limited manufacturing enterprises and a high rate of unemployment. In addition, it has enabled the provision of good quality locally made ceramic tiles which are sold at a lower price enabling the local community to benefit from high quality products at discounted prices hence improving their lives.

KEDA's products are exported to neighbouring countries (Uganda, Rwanda and South Sudan) leading to foreign exchange earning of between USD15 – 20 million per year. The company has trained local employees to acquire specialised skills used in the ceramic industry while also transferring exceptional high-end technology for the sector.

KEDA aims to transition manufacturing operations and capacity to African Nations including Kenya enabling them to become key players in the industry. Stanbic Holdings views KEDA as a representative of the Group's agenda to support businesses with a clear sustainability agenda and proven social impacts.



SEE IMPACT AREA FIVE

# Education and skills development

## Summary

Kenya's growth depends on her people having access to quality education, and the promotion of skills training and lifelong learning opportunities in the context of the fourth industrial revolution. Stanbic Group supports this in various ways. We work with partners in the education and corporate sectors to address the challenge of accessing affordable and accessible student finance. Additionally, we also support educational initiatives through our Corporate Social Investment (CSI) activities.

### What we are doing

- Improving access to quality education, from early childhood development through to tertiary education.
- Providing first time work experience and learning opportunities.

### Challenges addressed

- Student access to funding.
- Lack of experience being a barrier to entry into the workplace.

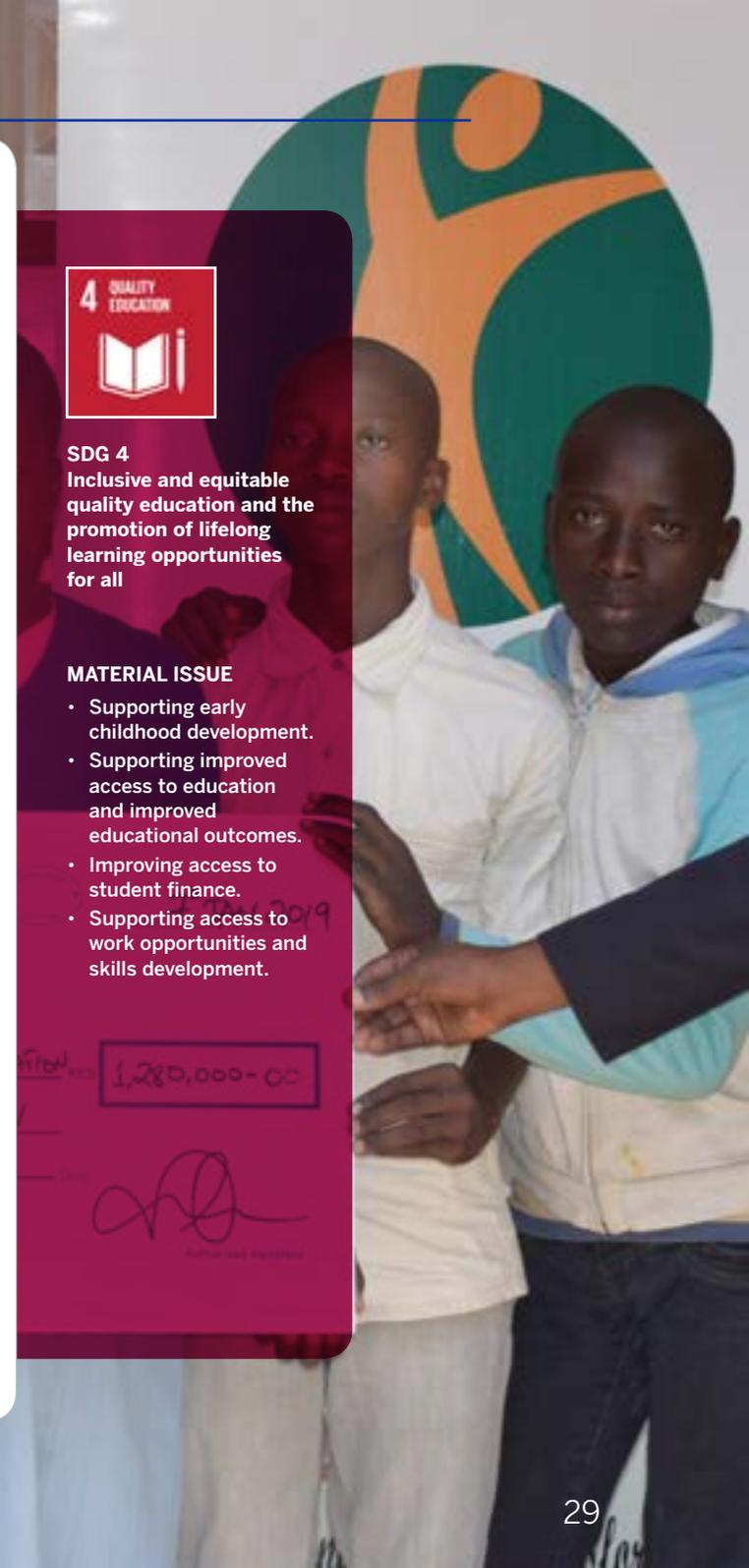
- KShs 2 million invested in education in 2018 through Palmhouse Foundation and SOS Children's Village
- 32 beneficiaries of secondary education under our partnership with Palmhouse Foundation
- Sponsorship of 20 children in the SOS Children's Village
- Capacity building for the regulator in South Sudan; Our branch in South Sudan has taken the lead in building institutional capacity in South Sudan in the areas of compliance, financial and global markets through training of the regulator and driving access to markets
- Financial fitness training for 13 corporates
- 9 financial fitness academy trainings for staff (1 044 employees in attendance)
- Launched future leaders' academy for the children of our clients



**SDG 4**  
Inclusive and equitable quality education and the promotion of lifelong learning opportunities for all

### MATERIAL ISSUE

- Supporting early childhood development.
- Supporting improved access to education and improved educational outcomes.
- Improving access to student finance.
- Supporting access to work opportunities and skills development.



## CSI in Education

Our Corporate Social Investment (CSI) is more than an intervention in communities, it is an integral part of how we do business. We proactively identify opportunities arising from key social, developmental and business issues when formulating our CSI programs. It is our vision to empower the communities in which we operate through facilitating socio-economic development of the underprivileged. In education, we support initiatives in Primary, Secondary and higher learning institutions (universities and colleges). The main focus within education especially in institutions of higher learning is to provide support to programs addressing the science, mathematics and accounting deficiency in the Kenyan labour market.



### Palmhouse Foundation Sponsorship and Mentorship Programme

It has been eight years since we partnered with Palmhouse Foundation to sponsor bright and needy students through their four years of secondary school education. Currently, 16 students are enrolled in various secondary schools across the country with 32 having successfully completed their secondary education since the inception of the program. Four other students will be sitting for the Kenya Certificate of Secondary Education at the end of this year. Throughout the year, our employees are constantly involved in the mentoring of these students during the school holidays and are involved in the selection process. The annual scholarships are valued at KShs 1.28 million for the 4 students for four years of secondary education.



### SOS Children's Villages

The SOS Village in Buruburu Nairobi continued to benefit from Stanbic Group through the renewal of our sponsorship of two houses for another year. The sponsorship caters for the education and upkeep of 20 children of different ages throughout the year to the tune of KShs 1.8 million. SOS Children's Villages is the largest child welfare organisation in Kenya that takes action for orphaned and abandoned children. SOS Children's Villages are driven by the vision of providing "a loving home to every child." Stanbic Group sponsors two homes catering for 20 children.



SEE IMPACT AREA SIX

# Employee development and training

## Summary

Stanbic Group is a major employer in Kenya, employing 1,112 employees. We encourage continuous learning and development to ensure our people are equipped to meet the demands of a rapidly changing, increasingly digital world of work. We invest in training and development at all levels, enabling us to build a strong succession pipeline of future leaders.

### What we are doing

- Building and retaining skills to support a strong succession pipeline of future leaders and develop critical skills, while helping our people reach their full potential and advance their careers.

### Challenges addressed

- Fierce competition for specialised skills.

- Exchange programs and cross departmental rotations for staff.
- 11 International assignments.
- Employee engagements with the Chief Executive.
- Future skills training.
- Assignment of employees to strategic pillar work streams.
- Inclusion of our employees in empowering clients through financial clinics.



**SDG 4**  
Inclusive and equitable quality education and the promotion of lifelong learning opportunities for all

### MATERIAL ISSUES

- Building and retaining skills in our countries of operation.

## Building a team of champions

**Attracting and retaining deeply committed people with the right skills and capabilities in competitive environments:** ensuring that we have the right people to deliver value to our clients, particularly given that fierce competition for highly specialised skills is intensifying.

**Enabling our people to be agile and adaptive to remain relevant in a rapidly evolving and increasingly digital environment:** encouraging and supporting employees to embrace new ways of working and develop new skills to ensure their future employability and 'employability' as digitisation matures and new services and solutions are introduced to deliver a seamless client experience.

**Leveraging diversity and ensuring local market expertise:** increasing the representation of diverse demographics at every level to leverage diverse thinking that stimulates innovation so that we deliver client-centric solutions.

**Creating an environment in which our people are engaged and enabled to take care of their wellbeing:** what our employees think and how they feel about working at Stanbic directly affects client satisfaction and the delivery of the Group's strategy. It is therefore incumbent on us to deliver a culture, working environment and value proposition that is compelling to our employees.

## Building and retaining local skills and capabilities

Our people are critical to the successful delivery of our strategy. We are committed to supporting our people to reach their full potential and remain effective and motivated.

We invest in training and development at all levels, enabling us to build critical and scarce skills and a strong succession pipeline of future leaders. We are working to build strong leadership pipelines. We have developed a unique leadership identity to guide the characteristics and behaviours required of our leaders. We are also working across the organisation to ensure that we have the skills required to thrive in the context of the fourth industrial revolution. These considerations inform the design of our leadership development programmes.

### LEARNING AND DEVELOPMENT

Training geared to improve personal and career life

#### E-Learning Training

- Personal: 29%
- Career: 39%
- Strategic trainings: 32%

#### Classroom Training

- Personal: 4%
- Career: 38%
- Strategic trainings: 58%

## Enhancing the employee experience



### KEY PRIORITIES

- Deliver consistent employee experiences that resonate with our people and enables the business to thrive.
- Ensure that our employees are deeply connected with our purpose and place the client at the centre of everything they do.
- Listen to our employees and enable them to share their insights in real-time to help co-create a conducive work environment.

### ACHIEVED IN 2018

- **Growth and development through;**
  - Investment in employees development and career growth (2018 training cost): KShs 61 million
  - 51,145 hours of training in 2018. (Classroom - 34,512 and Online - 16,633)
  - 1,140 employees trained. (Instructor Lead - 845 and Online 295)
  - International assignments to develop new skills (9 employees)
  - Comprehensive wellness program.
    - **Health initiative:** The Group provides wellness check-ups yearly for employees and their dependants.
    - **Medical:** The Group meets the cost of medical expenses for the permanent staff and their nuclear family. The Group pays the full premium of the medical cover which is provided by a private company. Optical, Dental and the standards of the cover were improved compared to the previous year.
    - **Nursing room** is accessible to expectant and nursing mothers.
    - **Break out rooms** are in each department, whereby employees take a break when having lunch or tea breaks.
    - **Counselling services:** ICAS (Counselling & Advisory Services) can be accessed by all employees and their immediate family.
    - **Group personal accident:** Cover for non-occupational injuries or death within and outside workplace.
- **Enabling environment to thrive;**
  - We continue to digitise and simplify processes to improve experience and functionality
  - Competitive compensation and recognition
- **Diversity, inclusion and delivering an integrated Group;**
  - We maintained our focus on identifying and developing diverse talent
  - Instituted gender and diversity programs for inclusivity
  - Created new roles for effective execution of strategy

### LOOKING AHEAD

- Continue to create an enabling environment for people to thrive and deliver to full potential
- Continue to empower employees through investing in their development and offering career growth opportunities
- Provide learning solutions to enable employees to deliver on our client promises
- Optimise and further enhance the digitisation and use of automated human capital processes



## EMPLOYEE ENGAGEMENT

How our people think and feel about their work correlates directly with how satisfied our clients are, and how successful we are in delivering our strategy and performance aspirations.

### What success looks like

- We are considered a great place to work and our people feel deeply connected to our purpose and our clients.
- Our people are empowered to, and are recognised for, delivering against our strategic objectives and being client-centric in everything that they do.
- Our people make the most of every opportunity to embrace new ways of working and learn new skills to achieve their full potential.

### How we measure progress

In line with global best practice, we use an employee net promoter score (eNPS) as an indicator of how likely an employee is to recommend the Group as a good place to work.

### Our indicators

- **eNPS:** calculated by subtracting the percentage of detractors from the percentage of promoters. This value can range from -100 (if every employee is a detractor) to +100 (if every employee is a promoter). Although the eNPS score measures the distribution of promoters, insights gained from the responses of detractors and passives are also assessed for further action.
- **Employee turnover:** measures the percentage of employees who left our employ during the year.

### How we performed

**eNPS:** Global benchmarks: Any score over +20 is great. Over +50 is outstanding.



**32%**  
EMPLOYEE NET PROMOTER SCORE  
2017: 45

**Employee turnover:** the global financial industry benchmarks for overall and voluntary turnover in 2018 was 1.2% and 3.2% respectively.

**9.2%**  
OVERALL EMPLOYEE TURNOVER RATE  
2017: 9.2

**5.1%**  
VOLUNTARY EMPLOYEE TURNOVER RATE  
2017: 6.4

**2.3%**  
VOLUNTARY REGRETTABLE EMPLOYEE TURNOVER RATE  
2017: 1.4

The primary reason for employees leaving our employ is for better career opportunities



## Doing the right business, the right way

### Being a better bank by making the right decisions

We must be a responsible business that makes ethical decisions – that does the right thing for our stakeholders.

This comes down to having a culture that drives the right behaviours and decisions. Our 8 values are critical to our success:

- Being proactive
- Growing our people
- Constantly raising the bar
- Working in teams
- Delivering to our stakeholders
- Respecting each other
- Serving our customers
- Upholding the highest levels of integrity

We are cognisant of our environmental footprint, occasioned by our operations. We aim to be precautionary in our environmental impacts, observing key principles for sustainable business practices. In this regard, we have undertaken several internal initiatives including:

**Paperless office:** we have invested in digital processes reducing the need to use paper in most of our functions. We continue to encourage and utilise these platforms e.g online banking, mobile banking, e-statements, diligent Board books in Governance office

**Recycling:** Use of green bins for separation of plastic, paper and organic waste. The organic waste is donated to a company that uses it to make fertilizer while the paper and plastic is recycled.

**LED Lighting:** We have installed Light Emitting Diode (LED) energy saving lights in our facilities. They replace conventional lights that consume approximately 4 times more power than LED bulbs. We have also installed lighting motion sensors to save on power.

**VRF System:** We have also instituted the use of air conditioners that save on power (Variable Refrigerant Flow (VRF) system, that has contributed to 30% power reduction from the conventional split systems.

## Stanbic Kenya Foundation

Stanbic Kenya received all regulatory approvals and the Foundation was incorporated in February 2019. The Foundation will focus on the following:

### Foundation operational focus

- SME Development/Accelerator - This will be the core operational focus of the Foundation and it is designed to be an SME accelerator programme aimed at growing 'finance ready' SMEs. The SME support programme will support SMEs to enable them to access formal finance.
- Health (Cancer Screening programme to launch in 2020)
- Foundation grant funding - The Foundation will, in addition, have a grant-making component to enable the funding of alternative initiatives in line with the vision and mission of the Foundation. This includes legacy CSI initiatives, and responses to pressing ad hoc needs such as a national emergency.

## Corporate Social Responsibility activities

**BuruBuru Branch** – the branch staff visited the SOS Village in Nairobi that houses orphaned children and spent a half a day with the girls at the home. They donated reusable sanitary pads worth KShs 100,000.

**Head office staff** – Stanbic staff spent a morning taking care of the HIV/AIDS orphaned children at New Life Home Trust and donated KShs 250,000 towards their 'Sponsor a Crib' initiatives that provides cribs for newborns.

**Operations Department** – the Operations team visited Nyumbani Children's home in Karen Nairobi and spent half a day with the kids helping in feeding them and spending quality time with the children. They presented medicine worth KShs 278,000.

**Lion Place Branch** – the branch staff visited Kanyiha Primary School for a mentoring session that culminated in a donation KShs 157,100 towards the purchase of a water tank for the school for harvesting rain water.

**Meru Branch** – the Meru branch staff spent an afternoon mentoring girls at Karamugi Girls Secondary School and thereafter donated laboratory equipment worth KShs 100,000.

**The Hub Branch** – the branch staff visited Nyumbani Children's Home and spent time with the children feeding them and made a cash donation of KShs 175,000.

### Other projects that benefitted from Stanbic Group Corporate Social Investments in 2018 were:

- WEMA fundraising
- Safaricom Foundation fundraiser
- Stanbic Group fielded a touch rugby team composed of staff for a corporate tournament to raise funds for building computer labs across the 47 counties. The support was to the tune of KShs 250,000.

### Sponsorships



#### Mwamba Rugby Football club

Stanbic Group renewed its shirt sponsor for Mwamba Rugby Football Club for another year. The club was founded in 1977 with the aim of promoting rugby among indigenous Kenyans. With the popularity of rugby sevens in Kenya and the fact that the club produces majority of the national sevens rugby team, this is a partnership that we hope will entrench the brand amongst ordinary Kenyans.



#### Kenya National 7 Circuit

We are the title sponsors of the Stanbic Bank's National 7's circuit, a property of the Kenya Rugby Union.



#### Eldoret Marathon

We were platinum sponsors for Eldoret Marathon. Eldoret is famously known as "Home of Champions".



[stanbicbank.co.ke](https://www.stanbicbank.co.ke)