



KCB | Making the
Difference

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PRESS RELEASE

For Immediate Release

KCB GROUP BOARD ANNOUNCES NEW ORGANIZATION STRUCTURE EFFECTIVE 17TH MAY, 2011

The KCB Group Board is pleased to announce that it has concluded the first phase of the transformation process which was launched in January 2011. One of the outcomes of this phase is a new organization structure, which was approved at this morning's Board meeting, following discussions on the recommendations by International consultants McKinsey & Company. The consultants had been engaged for a four month period to carry out diagnostics of the organization and make recommendations that will transform the company over time from Good to Great and thereby enhance shareholder value.

The organization structure announced today will help achieve many milestones which will include an efficient, lean organization that will allow for faster decision making for the benefit of the Bank's customers and other stakeholders. It will also enable the Bank pay focused attention to its businesses in Kenya as well as the International Business in line with its vision of becoming a pan African Bank.

Key changes in the new structure are as follows:

1. The positions of the two Deputy CEOs, the Director Public Affairs and Communication and the Divisional Director, Special Projects are eliminated.
2. New positions of Chief Business Officer, International and Chief Business Officer, Kenya, have been created. The former will look after businesses outside Kenya; whereas the latter will oversee the Retail,

Corporate Banking, Marketing and Communications, and Mortgages business within Kenya.

3. A Chief Operating Officer's position has been established and this will look after the following functions: Information Technology, Operations and Customer Service, Credit, and Logistics (including Procurement, Facilities, Transport and Security).
4. The following functions will continue to report to the CEO: Audit, Risk, Human Resources and Company Secretary (the latter role to include Legal, Investor Relations and the KCB Foundation)
5. A new position of Chief Finance Officer has been created to oversee Financial Planning and Control, Treasury, Strategy, Innovations and New Business Opportunities.

Further, the Executive Committee has been reduced from 22 to 7 members and will have new executive powers and a new mandate under the Chief Executive Officer.

Except for the Chief Executive, all positions within the Executive Committee will be filled through a transparent, professional and competitive process, starting with an internal job interview process.

The transformation project continues and the second phase will see alignment of functions across the rest of the business to support the new structure. In the meantime, implementation on a pilot basis of a number of initiatives is already returning positive and exciting results focusing on improved efficiency, cost management and customer service.

THE END

DR. MARTIN ODUOR-OTIENO
CHIEF EXECUTIVE

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