



**REMARKS BY MR. CHARLES RINGERA, CHAIRMAN OF THE
ASSOCIATION OF KENYA CREDIT PROVIDERS (AKCP) AT THE
LAUNCH OF AKCP'S 5-YEAR STRATEGIC PLAN ON 27TH OCTOBER 2014**

Our Chief Guest, Governor Central Bank of Kenya, Prof Njuguna Ndung'u

CEO of the Kenya Bankers Association, Mr. Habil Olaka

Managing Director of IDB Capital, Mr. Timothy Tiampati

Chief executives of various financial institutions

Chief Executives of licensed Credit Reference Bureaus

Members of the fourth estate,

Distinguished Ladies and Gentlemen, Good Morning!

I am pleased to make a few remarks on this occasion of the launch of the 5 year Strategic Plan of the Association of Kenya Credit Providers (AKCP). This is a fairly young entity, just having been granted legal status only a year and half ago in April 2013.

Our Chief Guest, it is very fitting of you to have kindly agreed to preside over this event, considering the significant role that you and the Central Bank of Kenya have played in ensuring the birth and early development of this mechanism. Throughout your term at the helm of the Central Bank of Kenya, you have championed a wide range of reforms that have contributed immensely to financial sector stability, financial inclusion as well as financial sector development. Of great significance is the unique approach you have given to market development initiatives, particularly the concept of partnership with private sector. They always say that Kenyans are slow in recognizing their own successful heroes, we therefore join Emerging Magazine (EM) in their award to you as the CENTRAL BANK GOVERNOR OF THE YEAR IN SUB-SAHARAN AFRICA

2014, in recognition of your stewardship of the Central Bank of Kenya that has inspired faith and confidence in Central Bank policy among key stakeholders. We note that your tenure at the Central Bank has been characterized by monetary policy and financial sector policies that have contributed to a supportive environment to growth. It is perhaps true that in no other respect has your guidance and keen collaboration with private sector been more visible than in the area of credit information sharing. As AKCP we want to be part of the solution of making credit cheaper and more affordable through credit information sharing beyond the traditional credit providers.

Ladies and Gentlemen

We applaud the Governor of the Central Bank for his wisdom in setting up a joint task force on credit information sharing, chaired by the Central Bank and with membership from the Kenya Bankers Association, way back in 2007. Governor, you later acceded to the request of the KBA to have Mr. Jared Getenga released from the Central Bank, to work with the industry in setting up structures for sharing of credit information under the umbrella of the Kenya Credit Information Sharing Initiative (KCISI), which you personally launched in August 2009.

In July 2011, you presided over the event marking the commencement of data sharing among commercial banks. You have led from the front and stood by this initiative at each one of its milestones, including opening the two international credit reporting conferences organised by KCISI in Nairobi in September 2011 and September 2013, respectively. Through your support, the Association was granted office space at the Kenya School of Monetary Studies, which provides an excellent working environment and neutrality required for engaging with a wide range of credit providers. In November 2013, you addressed the first Annual General Meeting of the newly formed Association and encouraged us to work together to mobilise as many credit providers as possible towards establishment of a more comprehensive database.

It is at that AGM twelve months ago that I was elected as the pioneer Chairman of AKCP's Governing Council. My Executive Committee consists of Mr. Timothy Tiampati, CEO of IDB Capital as Vice Chair, and Mr. Habil Olaka, CEO of the KBA as Treasurer. Other members of the Governing council are Mr. Benjamin Nkungi, CEO of the Association of Microfinance Institutions of Kenya (AMFI), Engineer Phillip Gichuki, CEO of Nairobi City Water & Sewerage Company and Chair of Water Services Providers Association, Mr. Lucas Meso, Managing Director of the Agricultural Finance Corporation, Mr. George Ototo, Managing Director of Kenya Union of Savings and Cooperative Societies (KUSCCO) and representatives of the Women Enterprise Fund, Kenya Industrial Estate (KIE) and Industrial and Commercial Development Corporation (ICDC), and Tourism Development Corporation. I am proud to mention, in this forum, some of our achievements during our first year in office. One is the development of our first

Strategic Plan covering the five years 2015-2019 that we are launching today. Second is the setting up of an Alternative Dispute Centre that will be launched next week on 7th November 2014 at the Kenya School of Monetary Studies. Third is the hiring of a CEO for the Association, and fourth is the setting up of a Membership Register that will be opened today for purposes of launching a membership drive.

Ladies and Gentlemen:

There are three obvious realities about the challenge in our hands: It is not logical that the credit market in Kenya can grow without a broad range of credit providers actively supplying raw data to - and utilising processed information from- the credit reference bureaus. The second fact is that if this mechanism is fed with garbage, it will only produce processed garbage, and this necessitates our subscribing to a clear code of conduct that is enforceable by industry players and backed by Regulatory Authorities. Lastly, this dream cannot translate to reality if credit providers are admitted to the credit reference bureaus before subscribing to AKCP's Code of Conduct.

I therefore take this opportunity, in my capacity as the Chair of the Governing Council, to extend an invitation to each and every credit provider to become a member of AKCP and benefit greatly through structured Credit Information Sharing. Among the documents available to you at the Membership Desk this morning is one titled "Why you need to join the Association of Kenya Credit Providers". This document summarises the benefits that our potential members can expect to accrue to them upon joining the Association.

The greatest of these benefits, in my view, is the fact that any credit provider, regardless of regulatory-status, will be able to access information on their customers, particularly potential customers, allowing a 360-degree view of a borrowing customer. In turn, borrowers will strive to keep a healthy CRB profile which will develop a good repayment culture in the market. Moreover, through the Alternative Dispute Resolution mechanism that the Association is helping set up, it is expected that speedy resolution of disputes will be achieved. The constant awareness campaigns that AKCP will carry out will help increase confidence about CIS, and this should improve relations between credit providers and their clientele.

Finally, allow me to comment on something very close to my heart. I do believe that every Kenyan should proudly possess and identify with his or her own credit score, which they monitor regularly. This score will define our creditworthiness and should encompass our consolidated rating in all aspects of credit, including payment profiles from utility companies, telcos, leasing companies, and consumer credit. According to the CBK Bank Supervision Report of 2013, only 26,000 customers accessed their reports within the year; from an estimated 22 million adult population in Kenya. It is my hope

that through the efforts of AKCP, customers will become more aware about CIS and their credit standing, measured through the credit score; and this credit score shall be as familiar to each borrower as their mobile phone number. With supply of positive information now flowing to credit bureaus, CRBs are no longer about blacklisting people, but about empowering us all with credit scores that define our credit-worthiness.

With this few remarks, Ladies and Gentlemen, please put your hands together to welcome Prof. Njuguna Ndung'u, Governor of the Central Bank of Kenya; to give us his Keynote Address.

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