**KCB plans to start operating in Ethiopia**

East Africa’s largest bank, KCB group, aims to expand its operations into the Ethiopian market. The bank already has subsidiaries in South Sudan, Burundi, Uganda, Tanzania and Rwanda. In the 2018 earnings report, all the subsidiaries (with the exception of Rwanda) registered significant growth in their Profit before Tax of 17 percent, 102 percent, 59 percent, 3989 percent respectively.

KCB plans to capitalize on Ethiopia’s big population (close to 100 million) which is largely unbanked. It is estimated that less than 15 percent of Ethiopians have bank accounts.

Ethiopia is going through a transformation after many years of authoritarian leadership. The country’s new Prime Minister, Abiy Ahmed, has introduced reforms in many sectors which are expected to attract foreign investors into the country.

KCB also hopes to gain from Ethiopia’s rapid economic growth. In 2019, IMF estimates that it will grow by 8.5 percent, the fastest in Africa.

According to KCB’s Chief Financial Officer, Lawrence Kimathi, KCB hopes to be the first Kenyan Bank to start operations in Ethiopia. “It’s a restricted market but with the talks of last week, we are hoping within the next year something will happen,” the officer told Business Daily.

KCB plans to partner with an Ethiopian Bank or to operate a subsidiary in the nation’s capital – Addis Ababa. Ethiopia has no foreign banks operating in the country.