

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31 DECEMBER 2023

	31 Dec 2022 Audited	31 Dec 2023 Audited
I. STATEMENT OF FINANCIAL POSITION	SHS '000	SHS '000
A Assets		
1 Cash (both local and foreign)	102,750	235,286
2 Balances due from Central Bank of Kenya	2,856,024	3,773,338
3 Kenya Government and other securities held for dealing purposes	-	-
4 Financial Assets at fair value through profit and loss	-	-
5 Investment Securities:		
a) Held to Maturity:	3,059,992	2,553,725
a. Kenya Government securities	2,651,422	2,247,158
b. Other securities	408,570	306,567
b) Available for sale:	5,531,196	5,051,143
a. Kenya Government securities	5,340,749	4,980,208
b. Other securities	190,447	70,935
6 Deposits and balances due from local banking institutions	804,284	303,553
7 Deposits and balances due from banking institutions abroad	1,442,542	1,547,393
8 Tax recoverable	67,926	298,076
9 Loans and advances to customers (Net)	34,384,062	41,348,964
10 Balances due from banking institutions in the group	-	-
11 Investments in associates	576,729	585,730
12 Investments in subsidiary companies	-	-
13 Investments in joint ventures	-	-
14 Investment properties	-	-
15 Property and equipment	747,943	924,145
16 Prepaid lease rentals	-	-
17 Intangible assets	33,654	21,546
18 Deferred tax asset	1,501,440	1,620,474
19 Retirement benefit asset	-	-
20 Other assets	973,490	937,377
21 Total assets	52,082,032	59,200,750
B Liabilities		
22 Balances due to Central Bank of Kenya	-	3,772,507
23 Customer deposits	38,908,327	39,898,096
24 Deposits and balances due to local banking institutions	170,888	304,755
25 Deposits and balances due to foreign banking institutions	1,221,714	1,632,348
26 Other money market deposits	-	-
27 Borrowed funds	4,226,877	5,664,037
28 Balances due to banking institutions in the group	-	-
29 Tax payable	-	-
30 Dividends payable	-	-
31 Deferred tax liability	-	-
32 Retirement benefit liability	-	-
33 Other liabilities	235,961	330,329
34 Total liabilities	44,763,767	51,602,072
C Shareholders' funds		
35 Paid up / Assigned share capital	838,494	838,494
36 Share premium / (discount)	1,321,289	1,321,289
37 Revaluation reserves	137,000	137,000
38 Retained earnings/Accumulated losses	5,510,865	6,019,547
39 Statutory loan loss reserve	-	-
40 Other Reserves	(489,383)	(717,652)
41 Proposed dividends	-	-
42 Capital grants	-	-
43 Total shareholders' funds	7,318,265	7,598,678
44 Total liabilities and shareholders' funds	52,082,032	59,200,750
II. STATEMENT OF COMPREHENSIVE INCOME		
1 Interest income		
1.1 Loans and advances	3,740,970	5,176,198
1.2 Government securities	910,622	956,146
1.3 Deposits and placements with banking institutions	5,412	20,706
1.4 Other interest income	68,186	61,712
1.5 Total interest income	4,725,190	6,214,762
2 Interest expense		
2.1 Customer deposits	2,262,880	3,096,730
2.2 Deposits and placements from banking institutions	31,627	262,667
2.3 Other interest expense	343,538	703,142
2.4 Total interest expenses	2,638,045	4,062,539
3 Net interest income/(loss)	2,087,145	2,152,223
4 Non-interest Income		
4.1 Fees and commissions on loans and advances	277,606	160,875
4.2 Other fees and commissions	161,464	159,708
4.3 Foreign exchange trading income/(loss)	162,472	170,101
4.4 Dividend income	7,044	6,954
4.5 Other income	(6,268)	49,525
4.6 Total non-interest income	602,318	547,163
5 Total operating income	2,689,463	2,699,386
6 Other operating expenses		
6.1 Loan loss provisions	772,710	455,000
6.2 Staff costs	563,017	611,336
6.3 Directors' emoluments	154,846	175,172
6.4 Rental charges	35,551	38,204
6.5 Depreciation charge on property and equipment	88,237	117,641
6.6 Amortization charges	18,753	17,915
6.7 Other operating expenses	354,853	503,194
6.8 Total other operating expenses	1,987,967	1,918,462
7 Profit/(loss) before tax and exceptional items	701,496	780,924
8 Exceptional items	-	-
9 Profit/(loss) after exceptional items	701,496	780,924
10 Current tax	(396,069)	(78,570)
11 Deferred tax	344,057	21,204
12 Profit/(loss) after tax and exceptional items	649,484	723,558
13 Other Comprehensive Income		
13.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-
13.2 Fair value changes in available for sale financial assets	(203,684)	(285,927)
13.3 Revaluation surplus on Property, plant and equipment	-	-
13.4 Share of other comprehensive income of associates	-	-
13.5 Income tax relating to components of other comprehensive income	-	-
14 Other Comprehensive Income for the year net of tax	(203,684)	(285,927)
15 Total comprehensive income for the year	445,800	437,631
16 Earnings per share - Basic	15.49	17.26
16 Earnings per share - Diluted	15.49	17.26
17 Dividend Per share	2.75	3.75

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III. OTHER DISCLOSURES	SHS '000	SHS '000
1 Non-performing loans and advances		
a) Gross non-performing loans and advances	4,562,584	4,757,462
b) Less: Interest in suspense	381,614	513,153
c) Total non-performing loans and advances (a - b)	4,180,970	4,244,309
d) Less: Loan loss provisions	2,711,474	2,511,732
e) Net non-performing loans and advances (c - d)	1,469,496	1,732,577
f) Less: Discounted value of securities	1,469,496	1,732,577
g) Net non-performing loans exposure (e - f)	-	-
2 Insider loans and advances		
a) Directors, shareholders and associates	597,153	709,511
b) Employees	90,391	173,841
c) Total insider loans, advances and other facilities	687,544	883,352
3 Off-balance sheet items		
a) Letters of credit, guarantees, acceptances	8,244,605	8,436,756
b) Forwards, swaps and options	557,446	904,589
c) Other contingent liabilities	134,884	81,347
d) Total contingent liabilities	8,936,935	9,422,692
4 Capital strength		
a) Core capital	6,903,583	7,361,397
b) Minimum Statutory Capital	1,000,000	1,000,000
c) Excess (a-b)	5,903,583	6,361,397
d) Supplementary capital	1,555,815	1,807,432
e) Total capital (a + d)	8,459,398	9,168,829
f) Total risk weighted assets	50,279,293	58,305,919
g) Core capital / total deposit liabilities	17.70%	18.50%
h) Minimum Statutory Ratio	8.00%	8.00%
i) Excess (g- h)	9.70%	10.50%
j) Core capital / total risk weighted assets	13.70%	12.60%
k) Minimum Statutory Ratio	10.50%	10.50%
l) Excess (j - k)	3.20%	2.10%
m) Total capital / total risk weighted assets	16.80%	15.70%
n) Minimum Statutory Ratio	14.50%	14.50%
o) Excess (m - n)	2.30%	1.20%
5 Liquidity		
a) Liquidity Ratio	29.60%	22.80%
b) Minimum Statutory Ratio	20.00%	20.00%
c) Excess (a - b)	9.60%	2.80%

MESSAGE FROM THE DIRECTORS

The above Statement of Financial Position and Statement of Comprehensive Income are extracts from the Bank's financial statements as audited by PricewaterhouseCoopers LLP and have received an unqualified opinion. The complete set of audited financial statements, statutory and qualitative disclosures can be accessed on the Institution's website www.victoriabank.co.ke. They may also be accessed at the institution's head office located at Victoria Towers, Mezzanine Floor, Kilimanjaro Avenue, Upper Hill, Nairobi Kenya.

The financial statements were approved by the Board of Directors on 25th March 2024.

Ketaki Sheth
CHAIR OF THE BOARD

Yogesh K Pattni Ph.D
CHIEF EXECUTIVE OFFICER

OUR SUSTAINABILITY JOURNEY



ESG & Sustainability at VCB Bank: A Commitment to Responsible Banking

At Victoria Commercial Bank PLC, we care about the well-being of communities and the planet. Our banking services are guided by a sense of responsibility and a vision for a better world. We embed sustainability in our core values and strive to be a positive influence. Come along with us on this journey where we align our banking practices with ESG principles to create a positive impact and to ensure a fairer future for generations to come.

PARTNERSHIPS WITH SOLAR COMPANIES

VCB has partnered with Solar Companies to help its clients transition towards a clean and affordable energy pathway through solar uptake.

UN GLOBAL COMPACT NETWORK KENYA

VCB has been an active member of the United Nations Global Compact, a pact to get businesses worldwide to adopt sustainable and socially responsible policies since June 2021.

GOVERNANCE & 2X CHALLENGE

VCB qualified for the 2X Challenge which aims at enhancing the empowerment of women entrepreneurs as well as women at the workplace. Currently, more than 50% of the Bank's employees are women and 33% of senior executives are also women.