

# UN AUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 30 JUNE 2016

	30-Jun-2015 UN AUDITED SHS '000	31-Dec-2015 AUDITED SHS '000	31-Mar-2016 UN AUDITED SHS '000	30-Jun-2016 UN AUDITED SHS '000
<b>STATEMENT OF FINANCIAL POSITION</b>				
<b>A Assets</b>				
1 Cash (both local and foreign)	69,607	82,144	91,159	80,523
2 Balances due from Central Bank of Kenya	1,302,580	1,237,465	1,829,568	1,312,453
3 Kenya Government and other securities held for dealing purposes	0	0	0	0
4 Financial Assets at fair value through profit and loss	0	0	0	0
5 Investment Securities:				
a) Held to Maturity:	<b>2,278,105</b>	<b>2,420,562</b>	<b>2,981,765</b>	<b>2,566,722</b>
a. Kenya Government securities	1,759,378	2,148,445	2,360,058	2,454,088
b. Other securities	518,727	272,117	621,707	112,634
b) Available for sale:	<b>987,052</b>	<b>927,329</b>	<b>948,511</b>	<b>947,810</b>
a. Kenya Government securities	772,635	675,345	697,998	698,263
b. Other securities	214,417	251,984	250,513	249,547
6 Deposits and balances due from local banking institutions	377,124	659,443	401,161	504,852
7 Deposits and balances due from banking institutions abroad	298,782	833,248	395,250	1,813,167
8 Tax recoverable	0	0	0	0
9 Loans and advances to customers ( Net )	12,869,226	13,124,420	13,731,749	13,281,855
10 Balances due from banking institutions in the group	0	0	0	0
11 Investments in associates	596,599	253,111	253,111	253,111
12 Investments in subsidiary companies	0	0	0	0
13 Investments in joint ventures	0	0	0	0
14 Investment properties	0	0	0	0
15 Property and equipment	174,177	235,466	226,713	199,679
16 Prepaid lease rentals	0	0	0	0
17 Intangible assets	36,425	32,047	30,272	33,860
18 Deferred tax asset	4,054	24,695	24,695	24,695
19 Retirement benefit asset	0	0	0	0
20 Other assets	232,963	191,142	244,594	227,649
<b>21 Total assets</b>	<b>19,226,689</b>	<b>20,020,072</b>	<b>21,158,718</b>	<b>21,246,376</b>
<b>B Liabilities</b>				
22 Balances due to Central Bank of Kenya	0	0	0	0
23 Customer deposits	14,232,533	14,024,406	15,645,835	15,686,824
24 Deposits and balances due to local banking institutions	223,313	666,195	92,413	0
25 Deposits and balances due to foreign banking institutions	139,066	410,742	297,193	0
26 Other money market deposits	0	0	0	0
27 Borrowed funds	1,407,664	1,305,428	1,269,859	1,606,477
28 Balances due to banking institutions in the group	0	0	0	0
29 Tax payable	12,246	14,495	70,495	23,093
30 Dividends payable	0	0	0	0
31 Deferred tax liability	0	0	0	0
32 Retirement benefit liability	0	0	0	0
33 Other liabilities	102,609	87,297	130,984	119,566
<b>34 Total liabilities</b>	<b>16,117,431</b>	<b>16,508,563</b>	<b>17,506,779</b>	<b>17,435,960</b>
<b>C Shareholders' funds</b>				
35 Paid up / Assigned share capital	607,501	607,501	607,501	607,501
36 Share premium / ( discount )	420,393	420,393	420,393	420,393
37 Revaluation reserves	189,900	137,000	137,000	137,000
38 Retained earnings/Accumulated losses	1,860,660	2,314,386	2,432,163	2,590,376
39 Statutory loan loss reserve	93,000	98,000	98,000	98,000
40 Other Reserves	(62,196)	(65,771)	(43,118)	(42,854)
41 Proposed dividends	0	0	0	0
42 Capital grants	0	0	0	0
<b>43 Total shareholders' funds</b>	<b>3,109,258</b>	<b>3,511,509</b>	<b>3,651,939</b>	<b>3,810,416</b>
<b>44 Total liabilities and total shareholders' funds</b>	<b>19,226,689</b>	<b>20,020,072</b>	<b>21,158,718</b>	<b>21,246,376</b>

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<b>STATEMENT OF COMPREHENSIVE INCOME</b>				
<b>1 Interest income</b>				
1.1 Loans and advances	818,329	1,885,454	512,465	1,033,948
1.2 Government securities	132,166	296,816	86,099	180,124
1.3 Deposits and placements with banking institutions	38,455	115,535	15,889	22,369
1.4 Other interest income	37,593	82,051	11,569	25,685
<b>1.5 Total interest income</b>	<b>1,026,543</b>	<b>2,379,856</b>	<b>626,022</b>	<b>1,262,126</b>
<b>2.0 Interest expense</b>				
2.1 Customer deposits	521,418	1,211,770	344,189	652,498
2.2 Deposits and placements from banking institutions	5,431	13,919	5,279	13,303
2.3 Other interest expense	40,089	99,705	19,080	37,983
<b>2.4 Total interest expense</b>	<b>566,938</b>	<b>1,325,394</b>	<b>368,548</b>	<b>703,784</b>
<b>3.0 Net interest income/(loss)</b>	<b>459,605</b>	<b>1,054,462</b>	<b>257,474</b>	<b>558,342</b>
<b>4.0 Non interest income</b>				
4.1 Fees and commissions on loans and advances	34,792	68,048	18,318	37,162
4.2 Other fees and commissions	42,744	110,664	27,705	64,923
4.3 Foreign exchange trading income/(loss)	12,708	27,741	6,493	13,552
4.4 Dividend income	0	0	0	0
4.5 Other income	134	5,068	449	2,470
<b>4.6 Total non interest income</b>	<b>90,378</b>	<b>211,521</b>	<b>52,965</b>	<b>118,107</b>
<b>5.0 Total operating income</b>	<b>549,983</b>	<b>1,265,983</b>	<b>310,439</b>	<b>676,449</b>
<b>6.0 Other operating expenses</b>				
6.1 Loan loss provisions	15,000	20,026	32	7,032
6.2 Staff costs	91,726	228,642	56,418	110,418
6.3 Directors' emoluments	26,700	94,585	15,810	31,620
6.4 Rental charges	5,982	15,003	5,237	12,525
6.5 Depreciation charge on property and equipment	17,493	28,709	9,572	16,215
6.6 Amortization charges	10,796	21,814	5,797	11,917
6.7 Other operating expenses	69,436	180,263	43,795	90,732
<b>6.8 Total other operating expenses</b>	<b>237,133</b>	<b>589,042</b>	<b>136,661</b>	<b>280,459</b>
<b>7.0 Profit/(loss) before tax and exceptional items</b>	<b>312,850</b>	<b>676,941</b>	<b>173,778</b>	<b>395,990</b>
8.0 Exceptional items	0	242,161	0	0
<b>9.0 Profit/(loss) after exceptional items</b>	<b>312,850</b>	<b>919,102</b>	<b>173,778</b>	<b>395,990</b>
10.0 Current tax	96,000	207,491	56,000	120,000
11.0 Deferred tax	0	(2,189)	0	0
<b>12.0 Profit/(loss) after tax and exceptional items</b>	<b>216,850</b>	<b>713,800</b>	<b>117,778</b>	<b>275,990</b>
<b>13.0 Other Comprehensive Income</b>				
13.1 Gains/(Losses) from translating the financial statements of foreign operations	0	0	0	0
13.2 Fair value changes in available for sale financial assets	(25,311)	(43,054)	22,653	22,917
13.3 Revaluation surplus on Property, plant and equipment	0	0	0	0
13.4 Share of other comprehensive income of associates	0	0	0	0
13.5 Income tax relating to components of other comprehensive income	0	0	0	0
<b>14.0 Other Comprehensive Income for the year net of tax</b>	<b>(25,311)</b>	<b>(43,054)</b>	<b>22,653</b>	<b>22,917</b>
<b>15.0 Total comprehensive income for the year</b>	<b>191,539</b>	<b>670,746</b>	<b>140,431</b>	<b>298,907</b>
<b>16.0 Earnings per share - Basic &amp; diluted</b>	<b>7.37</b>	<b>23.87</b>	<b>3.88</b>	<b>9.09</b>
<b>17.0 Dividend Per share</b>	<b>0.00</b>	<b>3.00</b>	<b>0.00</b>	<b>0.00</b>

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<b>OTHER DISCLOSURES</b>				
<b>1.0 Non-performing loans and advances</b>				
a) Gross non-performing loans and advances	0	0	0	0
b) Less: Interest in suspense	0	0	0	0
<b>c) Total non-performing loans and advances ( a - b )</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
d) Less: Loan loss provisions	0	0	0	0
<b>e) Net non-performing loans and advances ( c - d )</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
f) Less: Discounted value of securities	0	0	0	0
<b>g) Net non-performing loans exposure ( e - f )</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2.0 Insider loans and advances</b>				
a) Directors, shareholders and associates	130,228	108,341	155,548	154,057
b) Employees	64,196	50,368	47,424	80,821
<b>c) Total insider loans, advances and other facilities</b>	<b>194,424</b>	<b>158,709</b>	<b>202,972</b>	<b>234,878</b>
<b>3.0 Off-balance sheet items</b>				
a) Letters of credit , guarantees , acceptances	2,538,906	2,825,280	3,251,386	2,919,655
b) Forwards, swaps and options	0	36,233	28,674	84,225
c) Other contingent liabilities	164,296	107,427	96,648	165,432
<b>d) Total contingent liabilities</b>	<b>2,703,202</b>	<b>2,968,940</b>	<b>3,376,708</b>	<b>3,169,312</b>
<b>4.0 Capital strength</b>				
a) Core capital	2,780,129	3,342,280	3,401,168	3,480,274
b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000
<b>c) Excess ( a - b )</b>	<b>1,780,129</b>	<b>2,342,280</b>	<b>2,401,168</b>	<b>2,480,274</b>
d) Supplementary capital	140,475	132,250	132,250	132,250
<b>e) Total capital ( a + d )</b>	<b>2,920,604</b>	<b>3,474,530</b>	<b>3,533,418</b>	<b>3,612,524</b>
f) Total risk weighted assets	17,185,896	18,004,191	18,932,213	18,361,123
<b>g) Core capital / total deposit liabilities</b>	<b>19.50%</b>	<b>23.80%</b>	<b>21.70%</b>	<b>22.20%</b>
h) Minimum Statutory Ratio	8.00%	8.00%	8.00%	8.00%
i) Excess ( g - h )	11.50%	15.80%	13.70%	14.20%
<b>j) Core capital / total risk weighted assets</b>	<b>16.20%</b>	<b>18.60%</b>	<b>18.00%</b>	<b>19.00%</b>
k) Minimum Statutory Ratio	10.50%	10.50%	10.50%	10.50%
l) Excess ( j - k )	5.70%	8.10%	7.50%	8.50%
<b>m) Total capital / total risk weighted assets</b>	<b>17.00%</b>	<b>19.30%</b>	<b>18.70%</b>	<b>19.70%</b>
n) Minimum Statutory Ratio	14.50%	14.50%	14.50%	14.50%
o) Excess ( m - n )	2.50%	4.80%	4.20%	5.20%
<b>5.0 Liquidity</b>				
a) Liquidity Ratio	26.50%	27.10%	30.30%	38.20%
b) Minimum Statutory Ratio	20.00%	20.00%	20.00%	20.00%
c) Excess ( a - b )	6.50%	7.10%	10.30%	18.20%

## MESSAGE FROM DIRECTORS

The above Statement of Financial Position and Statement of Comprehensive income are extracts from the financial records of the bank. The complete set of quarterly financial statements, statutory and qualitative disclosures can be accessed on the bank's website [www.victoriabank.co.ke](http://www.victoriabank.co.ke) and at our head office located at Victoria Towers, Mezzanine Floor, Kilimanjaro Avenue Upper Hill, Nairobi, Kenya.

SIGNED

KANJI D PATTNI  
CHAIRMAN

YOGESH K PATTNI Ph.D  
MANAGING DIRECTOR

**VICTORIA**  
COMMERCIAL BANK

Elevating Relationships

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