

# UNAUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES

FOR THE PERIOD ENDED 30 SEPTEMBER 2015

## STATEMENT OF FINANCIAL POSITION

	30 Sep 2014 Un-Audited	31 Dec 2014 Audited	31 Mar 2015 Un-Audited	30 Jun 2015 Un-Audited	30 Sep 2015 Un-Audited
	SHS. '000	SHS. '000	SHS. '000	SHS. '000	SHS. '000
<b>A. ASSETS</b>					
1. Cash (both local and foreign)	24,395	47,909	55,169	69,607	58,835
2. Balances due from Central Bank of Kenya	901,661	1,485,540	1,109,396	1,302,580	934,874
3. Kenya Government and other securities held for dealing purposes	0	0	0	0	0
4. Financial Assets at fair value through profit and loss	0	0	0	0	0
5. Investment Securities:	0	0	0	0	0
<b>a) Held to Maturity:</b>	<b>1,897,236</b>	<b>1,788,927</b>	<b>2,258,623</b>	<b>2,278,105</b>	<b>2,867,145</b>
a. Kenya Government securities	1,788,839	1,682,520	1,643,690	1,759,378	2,088,416
b. Other securities	108,397	106,407	614,933	518,727	778,729
<b>b) Available for sale:</b>	<b>597,612</b>	<b>914,845</b>	<b>1,002,196</b>	<b>987,052</b>	<b>910,429</b>
a. Kenya Government securities	404,273	717,360	803,192	772,635	680,453
b. Other securities	193,339	197,485	199,004	214,417	229,976
6. Deposits and balances due from local banking institutions	801,334	709,548	1,161,449	377,124	1,327,031
7. Deposits and balances due from banking institutions abroad	396,060	330,905	424,050	298,782	194,547
8. Tax recoverable	0	1,879	0	0	0
9. Loans and advances to customers (Net)	10,907,047	10,979,238	11,381,768	12,869,226	13,581,899
10. Balances due from banking institutions in the group	0	0	0	0	0
11. Investments in associates	559,594	596,594	596,594	596,594	243,411
12. Investments in subsidiary companies	0	0	0	0	0
13. Investments in joint ventures	0	0	0	0	0
14. Investment properties	0	0	0	0	0
15. Property and equipment	137,848	185,373	179,400	174,177	169,569
16. Prepaid lease rentals	0	0	0	0	0
17. Intangible assets	48,208	44,966	41,823	36,425	31,027
18. Deferred tax asset	7,597	4,054	4,054	4,054	4,054
19. Retirement benefit asset	0	0	0	0	0
20. Other assets	190,946	154,314	205,485	232,963	328,628
<b>21. Total assets</b>	<b>16,469,538</b>	<b>17,244,092</b>	<b>18,420,007</b>	<b>19,226,689</b>	<b>20,651,449</b>
<b>B. LIABILITIES</b>					
22. Balances due to Central Bank of Kenya	0	0	0	0	0
23. Customer deposits	11,522,918	12,288,662	13,747,602	14,232,533	15,269,193
24. Deposits and balances due to local banking institutions	54,641	100,020	0	223,313	155,745
25. Deposits and balances due to foreign banking institutions	534,861	536,532	271,563	139,066	226,212
26. Other money market deposits	0	0	0	0	0
27. Borrowed funds	1,434,550	1,387,418	1,296,252	1,407,664	1,424,219
28. Balances due to banking institutions in the group	0	0	0	0	0
29. Tax payable	931	0	42,121	12,246	32,827
30. Dividends payable	0	0	0	0	0
31. Deferred tax liability	0	0	0	0	0
32. Retirement benefit liability	0	0	0	0	0
33. Other liabilities	69,123	55,912	98,847	102,609	107,737
<b>34. Total liabilities</b>	<b>13,617,024</b>	<b>14,368,544</b>	<b>15,456,385</b>	<b>16,117,431</b>	<b>17,215,933</b>
<b>C. SHAREHOLDERS' FUNDS</b>					
35. Paid up / Assigned share capital	588,721	588,721	588,721	607,501	607,501
36. Share premium / (discount)	382,834	382,833	382,833	420,393	420,393
37. Revaluation reserves	189,900	189,900	189,900	189,900	137,000
38. Retained earnings/Accumulated losses	1,648,618	1,643,811	1,746,053	1,860,660	2,286,315
39. Statutory loan loss reserve	73,000	93,000	93,000	93,000	93,000
40. Other Reserves	-30,559	-22,717	-36,885	-62,196	-108,693
41. Proposed dividends	0	0	0	0	0
42. Capital grants	0	0	0	0	0
<b>43. Total shareholders' funds</b>	<b>2,852,514</b>	<b>2,875,548</b>	<b>2,963,622</b>	<b>3,109,258</b>	<b>3,435,516</b>
<b>44. Total liabilities and total shareholders' funds</b>	<b>16,469,538</b>	<b>17,244,092</b>	<b>18,420,007</b>	<b>19,226,689</b>	<b>20,651,449</b>

## OTHER DISCLOSURES

	30 Sep 2014 Un-Audited	31 Dec 2014 Audited	31 Mar 2015 Un-Audited	30 Jun 2015 Un-Audited	30 Sep 2015 Un-Audited
	SHS. '000	SHS. '000	SHS. '000	SHS. '000	SHS. '000
<b>1.0 Non-performing loans and advances</b>					
a) Gross non-performing loans and advances	0	0	0	0	0
b) Less: Interest in suspense	0	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>	<b>0</b>
d) Less: Loan loss provisions	0	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>	<b>0</b>
f) Less: Discounted value of securities	0	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>0</b>
<b>2.0 Insider loans and advances</b>					
a) Directors, shareholders and associates	106,308	168,837	175,649	130,228	103,251
b) Employees	51,580	60,197	69,092	64,196	52,132
<b>c) Total insider loans, advances and other facilities</b>	<b>157,888</b>	<b>229,034</b>	<b>244,741</b>	<b>194,424</b>	<b>155,383</b>
<b>3.0 Off-balance sheet items</b>					
a) Letters of credit, guarantees, acceptances	1,254,219	1,750,891	1,791,023	2,538,906	2,898,963
b) Forwards, swaps and options	13,061	6,024	13,436	0	0
c) Other contingent liabilities	107,307	23,632	157,531	164,296	239,316
<b>d) Total contingent liabilities</b>	<b>1,374,587</b>	<b>1,780,547</b>	<b>1,961,990</b>	<b>2,703,202</b>	<b>3,138,279</b>
<b>4.0 Capital strength</b>					
a) Core capital	2,469,186	2,615,365	2,666,485	2,780,129	2,992,956
b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>c) Excess (a - b)</b>	<b>1,469,186</b>	<b>1,615,365</b>	<b>1,666,485</b>	<b>1,780,129</b>	<b>1,992,956</b>
d) Supplementary capital	120,475	140,475	140,475	140,475	127,250
<b>e) Total capital (a + d)</b>	<b>2,589,661</b>	<b>2,755,840</b>	<b>2,806,960</b>	<b>2,920,604</b>	<b>3,120,206</b>
f) Total risk weighted assets	13,693,738	14,375,861	15,286,631	17,185,896	18,349,422
<b>g) Core capital / total deposit liabilities</b>	<b>21.40%</b>	<b>21.30%</b>	<b>19.40%</b>	<b>19.50%</b>	<b>19.60%</b>
h) Minimum Statutory Ratio	8.00%	8.00%	8.00%	8.00%	8.00%
i) Excess (g - h)	13.40%	13.30%	11.40%	11.50%	11.60%
<b>j) Core capital / total risk weighted assets</b>	<b>18.00%</b>	<b>18.20%</b>	<b>17.40%</b>	<b>16.20%</b>	<b>16.30%</b>
k) Minimum Statutory Ratio	10.50%	10.50%	10.50%	10.50%	10.50%
l) Excess (j - k)	7.50%	7.70%	6.90%	5.70%	5.80%
<b>m) Total capital / total risk weighted assets</b>	<b>18.90%</b>	<b>19.20%</b>	<b>18.40%</b>	<b>17.00%</b>	<b>17.00%</b>
n) Minimum Statutory Ratio	14.50%	14.50%	14.50%	14.50%	14.50%
o) Excess (m - n)	4.40%	4.70%	3.90%	2.50%	2.50%
<b>5.0 Liquidity</b>					
a) Liquidity Ratio	<b>31.10%</b>	<b>32.60%</b>	<b>32.40%</b>	<b>26.50%</b>	<b>29.60%</b>
b) Minimum Statutory Ratio	20.00%	20.00%	20.00%	20.00%	20.00%
c) Excess (a - b)	11.10%	12.60%	12.40%	6.50%	9.60%

## 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, and at our Head Office located at Victoria Towers, Mezzanine Floor, Kilimanjaro Avenue Upperhill, Nairobi.

SIGNED **Kanji D Pattni** **Yogesh K Pattni Ph.D**  
CHAIRMAN MANAGING DIRECTOR

GCR affirms VICTORIA COMMERCIAL BANK LIMITED'S rating of BBB(KE); Outlook Stable.

**GCR**  
GLOBAL CREDIT RATING CO.

VICTORIA COMMERCIAL BANK LIMITED

## Kenya Capital Analysis / August 2015

Rating Class	Rating Scale	Rating	Rating Outlook	Expiry Date
Long-Term	National	BBB (KE)	Stable	August 2016
Short-Term	National	A2 (KE)	Stable	August 2016

... The ratings of VCB reflect its successful relationship-based niche private banking model and broadly stable credit profile, underpinned by excellent asset quality, comfortable capitalisation and sound profitability ...  
\* Extract of Global Rating Co's Credit Rating Announcement - August 2015

## STATEMENT OF COMPREHENSIVE INCOME

	30 Sep 2014 Un-Audited	31 Dec 2014 Audited	31 Mar 2015 Un-Audited	30 Jun 2015 Un-Audited	30 Sep 2015 Un-Audited
	SHS. '000	SHS. '000	SHS. '000	SHS. '000	SHS. '000
<b>1. Interest income</b>					
1.1 Loans and advances	1,025,998	1,427,341	393,309	818,329	1,312,959
1.2 Government securities	125,930	187,511	58,985	132,166	208,798
1.3 Deposits and placements with banking institutions	52,984	63,792	19,185	38,455	92,666
1.4 Other interest income	64,906	76,051	17,715	37,593	54,876
<b>1.5 Total interest income</b>	<b>1,269,818</b>	<b>1,754,695</b>	<b>489,194</b>	<b>1,026,543</b>	<b>1,669,299</b>
<b>2.0 Interest expense</b>					
2.1 Customer deposits	547,818	780,836	256,776	521,418	826,240
2.2 Deposits and placements from banking institutions	13,777	18,629	3,169	5,431	8,396
2.3 Other interest expense	68,209	103,434	19,959	40,089	62,045
<b>2.4 Total interest expense</b>	<b>629,804</b>	<b>902,899</b>	<b>279,904</b>	<b>566,938</b>	<b>896,681</b>
<b>3.0 Net interest income/(loss)</b>	<b>640,014</b>	<b>851,796</b>	<b>209,290</b>	<b>459,605</b>	<b>772,618</b>
<b>4.0 Non interest Income</b>					
4.1 Fees and commissions on loans and advances	42,526	54,264	18,839	34,792	51,541
4.2 Other fees and commissions	59,697	82,844	19,830	42,744	77,735
4.3 Foreign exchange trading income/(loss)	17,708	23,419	5,291	12,708	20,223
4.4 Dividend income	0	4,500	0	0	0
4.5 Other income	8,037	52,301	1,267	134	613
<b>4.6 Total non interest income</b>	<b>127,968</b>	<b>217,328</b>	<b>45,227</b>	<b>90,378</b>	<b>150,112</b>
<b>5.0 Total operating income</b>	<b>767,982</b>	<b>1,069,124</b>	<b>254,517</b>	<b>549,983</b>	<b>922,730</b>
<b>6.0 Other operating expenses</b>					
6.1 Loan loss provisions	27,378	10,982	0	15,000	24,026
6.2 Staff costs	134,888	191,620	45,822	91,726	148,201
6.3 Directors' emoluments	36,705	57,520	13,350	26,700	42,210
6.4 Rental charges	6,088	8,945	2,717	5,982	9,846
6.5 Depreciation charge on property and equipment	15,617	19,460	6,857	17,493	29,900
6.6 Amortization charges	15,627	21,312	5,398	10,796	16,194
6.7 Other operating expenses	98,108	124,400	34,131	69,436	124,505
<b>6.8 Total other operating expenses</b>	<b>334,411</b>	<b>434,239</b>	<b>108,275</b>	<b>237,133</b>	<b>394,882</b>
<b>7.0 Profit/(loss) before tax and exceptional items</b>	<b>433,571</b>	<b>634,885</b>	<b>146,242</b>	<b>312,850</b>	<b>527,848</b>
8.0 Exceptional items	0	0	0	0	276,656
<b>9.0 Profit/(loss) after exceptional items</b>	<b>433,571</b>	<b>634,885</b>	<b>146,242</b>	<b>312,850</b>	<b>804,504</b>
10.0 Current tax	131,598	172,242	44,000	96,000	162,000
11.0 Deferred tax	0	-1,702	0	0	0
<b>12.0 Profit/(loss) after tax and exceptional items</b>	<b>301,973</b>	<b>464,345</b>	<b>102,242</b>	<b>216,850</b>	<b>642,504</b>
<b>13.0 Other Comprehensive Income</b>					
13.1 Gains/(Losses) from translating the financial statements of foreign operations	0	0	0	0	0
13.2 Fair value changes in available for sale financial assets	17,753	12,239	-14,168	-25,311	-46,497
13.3 Revaluation surplus on Property, plant and equipment	0	0	0	0	0
13.4 Share of other comprehensive income of associates	0	0	0	0	0
13.5 Income tax relating to components of other comprehensive income	0	0	0	0	0
<b>14.0 Other Comprehensive Income for the year net of tax</b>	<b>17,753</b>	<b>12,239</b>	<b>-14,168</b>	<b>-25,311</b>	<b>-46,497</b>
<b>15.0 Total comprehensive income for the year</b>	<b>319,726</b>	<b>476,584</b>	<b>88,074</b>	<b>191,539</b>	<b>596,007</b>
<b>16.0 Earnings per share - Basic &amp; diluted</b>	<b>10.26</b>	<b>15.86</b>	<b>3.47</b>	<b>7.37</b>	<b>21.15</b>
<b>17.0 Dividend Per share - Declared</b>					