

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31 DECEMBER 2017

	31-Dec-2016 AUDITED	31-Dec-2017 AUDITED
STATEMENT OF FINANCIAL POSITION	SHS '000	SHS '000
A Assets		
1 Cash (both local and foreign)	67,627	87,665
2 Balances due from Central Bank of Kenya	1,271,638	1,660,897
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:	2,084,701	1,429,704
a. Kenya Government securities	1,971,466	1,316,967
b. Other securities	113,235	112,737
b) Available for sale:	1,273,543	1,619,958
a. Kenya Government securities	1,022,138	1,269,728
b. Other securities	251,405	350,230
6 Deposits and balances due from local banking institutions	658,346	909,801
7 Deposits and balances due from banking institutions abroad	1,053,632	632,351
8 Tax recoverable	-	-
9 Loans and advances to customers (Net)	15,292,829	18,870,101
10 Balances due from banking institutions in the group	-	-
11 Investments in associates	284,031	297,064
12 Investments in subsidiary companies	-	-
13 Investments in joint ventures	-	-
14 Investment properties	-	-
15 Property and equipment	192,350	174,508
16 Prepaid lease rentals	-	-
17 Intangible assets	26,104	26,186
18 Deferred tax asset	13,734	15,435
19 Retirement benefit asset	-	-
20 Other assets	184,946	261,490
21 Total assets	22,403,481	25,985,160
B Liabilities		
22 Balances due to Central Bank of Kenya	-	-
23 Customer deposits	15,695,947	18,677,388
24 Deposits and balances due to local banking institutions	-	-
25 Deposits and balances due to foreign banking institutions	-	208,812
26 Other money market deposits	-	-
27 Borrowed funds	1,519,870	1,382,370
28 Balances due to banking institutions in the group	-	-
29 Tax payable	7,152	6,721
30 Dividends payable	-	-
31 Deferred tax liability	-	-
32 Retirement benefit liability	-	-
33 Other liabilities	120,475	97,976
34 Total liabilities	17,343,444	20,373,267
C Shareholders' Funds		
35 Paid up / Assigned share capital	829,162	838,494
36 Share premium / (discount)	1,271,743	1,321,289
37 Revaluation reserves	137,000	137,000
38 Retained earnings/Accumulated losses	2,747,906	3,203,346
39 Statutory loan loss reserve	105,000	120,000
40 Other Reserves	(30,774)	(8,236)
41 Proposed dividends	-	-
42 Capital grants	-	-
43 Total shareholders' funds	5,060,037	5,611,893
Total liabilities and total shareholders' funds	22,403,481	25,985,160
STATEMENT OF COMPREHENSIVE INCOME		
1.0 Interest income		
1.1 Loans and advances	2,024,589	2,180,414
1.2 Government securities	355,834	319,034
1.3 Deposits and placements with banking institutions	36,292	43,387
1.4 Other interest income	34,096	15,840
1.5 Total interest income	2,450,811	2,558,675
2.0 Interest expense		
2.1 Customer deposits	1,193,949	1,174,689
2.2 Deposits and placements from banking institutions	7,382	3
2.3 Other interest expense	101,534	99,671
2.4 Total interest expense	1,302,865	1,274,363
3.0 Net interest income/(loss)	1,147,946	1,284,312
4.0 Non interest Income		
4.1 Fees and commissions on loans and advances	90,192	153,016
4.2 Other fees and commissions	106,936	118,441
4.3 Foreign exchange trading income/(loss)	26,246	29,587
4.4 Dividend income	7,500	-
4.5 Other income	37,196	57,669
4.6 Total non interest income	268,070	358,713
5.0 Total operating income	1,416,016	1,643,025
6.0 Other operating expenses		
6.1 Loan loss provisions	12,032	35,321
6.2 Staff costs	258,374	349,096
6.3 Directors' emoluments	84,635	101,495
6.4 Rental charges	24,345	22,984
6.5 Depreciation charge on property and equipment	35,662	34,972
6.6 Amortization charges	24,370	8,088
6.7 Other operating expenses	180,185	241,870
6.8 Total other operating expenses	619,603	793,826
7.0 Profit/(loss) before tax and exceptional items	796,413	849,199
8.0 Exceptional items	-	-
9.0 Profit/(loss) after exceptional items	796,413	849,199
10. Current tax	(208,056)	(243,382)
11. Deferred tax	4,038	11,360
12. Profit/(loss) after tax and exceptional items	592,395	617,177
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	34,997	22,538
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	34,997	22,538
15. Total comprehensive income for the year	627,392	639,715
16. Earnings per share - Basic & diluted	18.60	14.72
17. Dividend Per share	3.00	3.50

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OTHER DISCLOSURES	SHS '000	SHS '000
1.0 Non-performing loans and advances		
a) Gross non-performing loans and advances	-	16,855
b) Less: Interest in suspense	-	1,696
c) Total non-performing loans and advances (a - b)	-	15,159
d) Less: Loan loss provisions	-	15,159
e) Net non-performing loans and advances (c - d)	-	-
f) Less: Discounted value of securities	-	-
g) Net non-performing loans exposure (e - f)	-	-
2.0 Insider loans and advances		
a) Directors, shareholders and associates	150,965	181,051
b) Employees	92,213	117,602
c) Total insider loans, advances and other facilities	243,178	298,653
3.0 Off-balance sheet items		
a) Letters of credit , guarantees , acceptances	2,203,095	2,756,914
b) Forwards, swaps and options	26,765	34,712
c) Other contingent liabilities	118,704	54,081
d) Total contingent liabilities	2,348,564	2,845,707
4.0 Capital strength		
a) Core capital	4,848,811	5,363,129
b) Minimum Statutory Capital	1,000,000	1,000,000
c) Excess (a - b)	3,848,811	4,363,129
d) Supplementary capital	139,250	154,250
e) Total capital (a + d)	4,988,061	5,517,379
f) Total risk weighted assets	19,598,582	24,264,522
g) Core capital / total deposit liabilities	30.90%	28.70%
h) Minimum Statutory Ratio	8.00%	8.00%
i) Excess (g - h)	22.90%	20.70%
j) Core capital / total risk weighted assets	24.70%	22.10%
k) Minimum Statutory Ratio	10.50%	10.50%
l) Excess (j - k)	14.20%	11.60%
m) Total capital / total risk weighted assets	25.50%	22.70%
n) Minimum Statutory Ratio	14.50%	14.50%
o) Excess (m - n)	11.00%	8.20%
5.0 Liquidity		
a) Liquidity Ratio	31.40%	28.60%
b) Minimum Statutory Ratio	20.00%	20.00%
c) Excess (a - b)	11.40%	8.60%

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 and have received unqualified opinion.

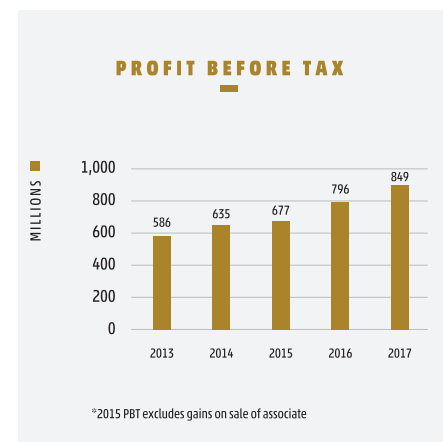
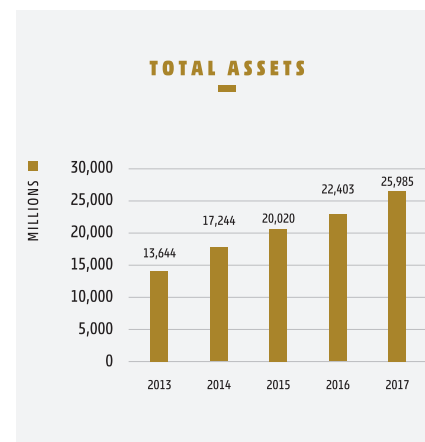
The complete set of audited financial statements, statutory and qualitative disclosures can be accessed on the Institution's website www.victoriabank.co.ke. They may also be accessed at the Institution's head office located at Victoria Towers , Mezzanine Floor, Kilimanjaro Avenue ,Upper hill, Nairobi Kenya.

The financial statement were approved by the Board of Directors on Thursday, 01 March 2018.

SIGNED

Kanji D Pattni
CHAIRMAN

Yogesh K Pattni Ph.D
CHIEF EXECUTIVE OFFICER



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