

UNAUDITED HALF YEAR FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 30 JUNE 2023

	30 Jun 2022 Unaudited	31 Dec 2022 Audited	31 Mar 2023 Unaudited	30 Jun 2023 Unaudited
	SHS '000	SHS '000	SHS '000	SHS '000
I. STATEMENT OF FINANCIAL POSITION				
A Assets				
1 Cash (both local and foreign)	138,670	102,750	107,063	103,311
2 Balances due from Central Bank of Kenya	1,970,094	2,856,024	2,717,845	2,602,716
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:	2,527,033	3,059,992	3,721,331	3,488,565
a. Kenya Government securities	2,118,649	2,651,422	3,313,134	3,114,043
b. Other securities	408,384	408,570	408,197	374,522
b) Available for sale:	5,530,569	5,531,196	5,618,155	5,402,710
a. Kenya Government securities	5,355,007	5,340,749	5,400,033	5,159,286
b. Other securities	175,562	190,447	218,122	243,424
6 Deposits and balances due from local banking institutions	351,933	804,284	2,228	9,763
7 Deposits and balances due from banking institutions abroad	975,468	1,442,542	2,931,987	1,524,267
8 Tax recoverable	139,275	67,926	67,926	125,781
9 Loans and advances to customers (Net)	31,972,620	34,384,062	36,174,779	37,801,314
10 Balances due from banking institutions in the group	-	-	-	-
11 Investments in associates	556,610	576,729	576,729	576,729
12 Investments in subsidiary companies	-	-	-	-
13 Investments in joint ventures	-	-	-	-
14 Investment properties	-	-	-	-
15 Property and equipment	320,777	747,943	729,813	709,754
16 Prepaid lease rentals	-	-	-	-
17 Intangible assets	40,391	33,654	29,048	24,573
18 Deferred tax asset	1,131,296	1,501,440	1,497,128	1,613,475
19 Retirement benefit asset	-	-	-	-
20 Other assets	1,223,459	973,490	1,194,787	1,204,213
21 Total assets	46,878,195	52,082,032	55,368,819	55,187,171
B Liabilities				
22 Balances due to Central Bank of Kenya	-	-	-	-
23 Customer deposits	34,431,806	38,908,327	40,625,497	39,841,682
24 Deposits and balances due to local banking institutions	1,088,425	170,888	58,229	1,233,122
25 Deposits and balances due to foreign banking institutions	955,091	1,221,714	920,393	424,235
26 Other money market deposits	-	-	-	-
27 Borrowed funds	3,051,099	4,226,877	5,795,498	5,818,286
28 Balances due to banking institutions in the group	-	-	-	-
29 Tax payable	-	-	75,125	-
30 Dividends payable	-	-	-	-
31 Deferred tax liability	-	-	-	-
32 Retirement benefit liability	-	-	-	-
33 Other liabilities	210,269	235,961	328,895	268,415
34 Total liabilities	39,736,690	44,763,767	47,803,637	47,585,740
C Shareholders' funds				
35 Paid up / Assigned share capital	838,494	838,494	838,494	838,494
36 Share premium / (discount)	1,321,289	1,321,289	1,321,289	1,321,289
37 Revaluation reserves	137,000	137,000	137,000	137,000
38 Retained earnings/Accumulated losses	5,273,236	5,510,865	5,709,220	5,913,696
39 Statutory loan loss reserve	-	-	-	-
40 Other Reserves	(428,514)	(489,383)	(440,821)	(609,048)
41 Proposed dividends	-	-	-	-
42 Capital grants	-	-	-	-
43 Total shareholders' funds	7,141,505	7,318,265	7,565,182	7,601,431
44 Total liabilities and shareholders' funds	46,878,195	52,082,032	55,368,819	55,187,171
II. STATEMENT OF COMPREHENSIVE INCOME				
1 Interest income				
1.1 Loans and advances	1,645,187	3,740,970	1,098,989	2,335,758
1.2 Government securities	451,539	910,622	236,277	481,540
1.3 Deposits and placements with banking institutions	1,335	5,412	10,368	15,655
1.4 Other interest income	33,907	68,186	16,767	33,006
1.5 Total interest income	2,131,968	4,725,190	1,362,401	2,865,959
2 Interest expense				
2.1 Customer deposits	1,016,605	2,262,880	727,751	1,493,888
2.2 Deposits and placements from banking institutions	25,844	31,627	1,169	8,556
2.3 Other interest expense	115,449	343,538	155,197	331,872
2.4 Total interest expenses	1,157,898	2,638,045	884,117	1,834,316
3 Net interest income/(loss)	974,070	2,087,145	478,284	1,031,643
4 Non-interest Income				
4.1 Fees and commissions on loans and advances	159,859	277,606	46,636	81,746
4.2 Other fees and commissions	79,841	161,464	52,017	97,838
4.3 Foreign exchange trading income/(loss)	82,169	162,472	51,978	108,185
4.4 Dividend income	-	7,044	-	6,954
4.5 Other income	(10,650)	(6,268)	9,920	19,290
4.6 Total non-interest income	311,219	602,318	160,551	314,013
5 Total operating income	1,285,289	2,689,463	638,835	1,345,656
6 Other operating expenses				
6.1 Loan loss provisions	360,224	772,710	55,000	202,500
6.2 Staff costs	244,777	563,017	138,938	274,650
6.3 Directors' emoluments	79,167	154,846	43,591	91,694
6.4 Rental charges	14,499	35,551	7,317	15,276
6.5 Depreciation charge on property and equipment	32,372	88,237	27,136	54,502
6.6 Amortization charges	9,669	18,753	4,606	9,081
6.7 Other operating expenses	130,646	354,853	105,267	214,121
6.8 Total other operating expenses	871,354	1,987,967	381,855	861,824
7 Profit/(loss) before tax and exceptional items	413,935	701,496	256,980	483,832
8 Exceptional items	-	-	-	-
9 Profit/(loss) after exceptional items	413,935	701,496	256,980	483,832
10 Current tax	(117,375)	(396,069)	(75,125)	(141,751)
11 Deferred tax	-	344,057	16,500	60,750
12 Profit/(loss) after tax and exceptional items	296,560	649,484	198,355	402,831
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	(142,815)	(203,684)	48,562	(119,665)
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	(142,815)	(203,684)	48,562	(119,665)
15 Total comprehensive income for the year	153,745	445,800	246,917	283,166
16 Earnings per share - Basic	7.07	15.49	4.73	9.60
16 Earnings per share - Diluted	7.07	15.49	4.73	9.60
17 Dividend Per share	-	2.75	-	-

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III. OTHER DISCLOSURES				
1 Non-performing loans and advances				
a) Gross non-performing loans and advances	4,511,022	4,562,584	4,595,349	4,630,527
b) Less: Interest in suspense	381,765	381,614	408,287	437,612
c) Total non-performing loans and advances (a - b)	4,129,257	4,180,970	4,187,062	4,192,915
d) Less: Loan loss provisions	2,442,379	2,711,474	2,756,474	2,871,474
e) Net non-performing loans and advances (c - d)	1,686,878	1,469,496	1,430,588	1,321,441
f) Less: Discounted value of securities	1,686,878	1,469,496	1,430,588	1,321,441
g) Net non-performing loans exposure (e - f)	-	-	-	-
2 Insider loans and advances				
a) Letters of credit, shareholders and associates	758,113	597,153	618,142	649,406
b) Employees	87,214	90,391	132,903	132,863
c) Total insider loans, advances and other facilities	845,327	687,544	751,045	782,269
3 Off-balance sheet items				
a) Letters of credit, guarantees, acceptances	5,311,602	8,244,605	10,096,355	8,486,523
b) Forwards, swaps and options	500,788	557,446	-	272,491
c) Other contingent liabilities	262,214	134,884	190,667	264,131
d) Total contingent liabilities	6,074,604	8,936,935	10,287,022	9,023,145
4 Capital strength				
a) Core capital	6,556,265	6,903,583	6,992,843	7,084,857
b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000
c) Excess (a-b)	5,556,265	5,903,583	5,992,843	6,084,857
d) Supplementary capital	1,546,393	1,555,815	1,633,223	1,697,065
e) Total capital (a + d)	8,102,658	8,459,398	8,626,066	8,781,922
f) Total risk weighted assets	45,169,618	50,279,293	53,662,690	54,264,766
g) Core capital / total deposit liabilities	19.00%	17.70%	17.20%	17.80%
h) Minimum Statutory Ratio	8.00%	8.00%	8.00%	8.00%
i) Excess (g- h)	11.00%	9.70%	9.20%	9.80%
j) Core capital / total risk weighted assets	14.50%	13.70%	13.00%	13.10%
k) Minimum Statutory Ratio	10.50%	10.50%	10.50%	10.50%
l) Excess (j - k)	4.00%	3.20%	2.50%	2.60%
m) Total capital / total risk weighted assets	17.90%	16.80%	16.10%	16.20%
n) Minimum Statutory Ratio	14.50%	14.50%	14.50%	14.50%
o) Excess (m - n)	3.40%	2.30%	1.60%	1.70%
5 Liquidity				
a) Liquidity Ratio	25.30%	29.60%	32.40%	26.50%
b) Minimum Statutory Ratio	20.00%	20.00%	20.00%	20.00%
c) Excess (a - b)	5.30%	9.60%	12.40%	6.50%

MESSAGE FROM THE 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 half year 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.

Ketaki Sheth
CHAIR OF THE BOARD

Yogesh K Pattani Ph.D
CHIEF EXECUTIVE OFFICER



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