

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES

FOR THE YEAR ENDED 31 DECEMBER 2023

Number N		COMMERCIAL BANK	1	UK II
Cach contail local and foreign)				31 Dec 2023 Audited
Cach Charb foot and franges 102,700 287,288 287,289 287,299 287	ı. Si	TATEMENT OF FINANCIAL POSITION	SHS '000	SHS '000
2			102.750	725 706
Finited Assets of Environment Strongly prefit and loss	2	Balances due from Central Bank of Kenya	. ,	3,773,338
3 100	4		-	-
2,551,422 2,247,15 2,577,15	5		3,059,992	2,553,725
Distribution Dist		a. Kenya Government securities	2,651,422	2,247,158
Section Sect				
Beginst and balances due from lical banking institutions amount 14,245 13935 1		a. Kenya Government securities	5,340,749	4,980,208
70 Beproks and balances due from barking institutions alterad 1,42,42,52 1,52,73,32 71 Dames and the section construents, (1) the section of the sectio		b. Other securities	190,447	70,935
Take recoverable				303,553 1,547,393
10 Balances due from bankling institutions in the group 15,000	8	Tax recoverable	67,926	298,076
Booksterments in polar recurriers	10	Balances due from banking institutions in the group	-	-
15 Penger yan quergement	12	Investments in subsidiary companies	5/6,/29	585,/30
			-	-
Image			747,943	924,145
19 Retinement hernefit assets		Intangible assets		21,546 1 620 474
1	19	Retirement benefit asset	· · ·	-
28 Balances due to Central Bank of Kenya 3,772,50 29 Oppoits and balances due to focal banking institutions 1,708,88 20 Oppoits and balances due to focal banking institutions 1,708,88 20 Oppoits and balances due to focal banking institutions 1,227,74 20 Oppoits and balances due to focal banking institutions in the group 4,226,677 21 Tax payable 4,226,677 20 Ovidend payable 4,226,677 31 Deferred tax liability 235,961 32 Tax payable 4,226,677 32 Tax payable 4,226,677 33 Tax payable 235,961 34 Total facilities 44,761,767 35 Paid up / Acapited share capital 83,494 36 Paid up / Acapited share capital 133,293 37 Real and paid share save 137,000 38 Relating share save 137,000 39 Statutory (an loss reserve (489,383) 30 Statutory (an loss reserve (489,383) 31 From the save save save save save save save sav				59,200,750
	В	Liabilities		
24 Depoits and balances due to local banking institutions 12,174 1,522,346 25 Depoits and balances due to foreigh banking institutions 1,274 1,522,346 26 Depoits and balances due to foreigh banking institutions 1,274 1,522,346 27 Borrower Tulmer of the money market depoits 1,266,577 1,566,4,03 28 Balances due to banking institutions in the group 1,266,577 1,566,4,03 28 Balances due to banking institutions in the group 1,266,577 1,360,207 29 Devidend Syanyshie 2,259,381 1,260,207 1,36			- 38 908 327	3,772,507 39,898,096
25 Chee money market deporties	24	Deposits and balances due to local banking institutions	170,888	304,755
Residence of the to banking institutions in the group	26	Other money market deposits	-	-
10			4,226,877	5,664,037
			- -	-
		Deferred tax liability	<u>-</u>	-
C Shareholders' funds 838.494 838.495 838.494 838.494 838.495 838.494 838.495 838.494 838.495 838.494 838.495 838.496	33	Other liabilities		330,329
35 Paid up / Assigned share capital 88.8.494 88.8.49 36 Share premium/ (discount) 1.321,289 1.321,289 37 Revaluation reserves 137,000 137,000 38 Retained samings/Accumulated losses 5.510,865 6.019,54 39 Statutory loan loss reserve - - 40 Other Reserves (489,383) (77,652 41 Proposed dividends - - 42 Total shareholders' funds \$2,302,002 \$5,200,75 11 Interest income 3 7,403,007 \$1,758,007 12 Covernment securities 90,622 95,141 13 Deposts and placements with banking institutions 5,412 20,70 14 Other interest income 4,725,190 5,214,76 15 Total interest income 4,725,190 5,214,76 16 Uniform interest income 4,725,190 5,214,76 17 Uniform interest income 3,142,72,790 5,176,19 18 Uniform interest income 2,262,880 3,96,73 19 Uniform interest income 3,122,282 3,005,73 21 Uniform interest income 2,263,			44,/63,/6/	51,602,072
37 Revaluation reserves			838,494	838,494
Section Sect				1,321,289 137,000
			5,510,865	6,019,547
	40	Other Reserves	(489,383)	(717,652)
IL STATEMENT OF COMPREHENSIVE INCOME	42	Capital grants		
Interest income				7,598,678 59,200,750
1. Loans and advances 3,740,970 5,176,19 1. Covernment securities 910,622 955,14 2. Covernment securities 910,622 955,14 3. Covernment securities 910,622 955,14 3. Covernment securities 910,622 955,14 4. Covernment securities 910,622 955,14 5. Covernment securities 910,622 955,14 5. Covernment securities 910,622	II. S	TATEMENT OF COMPREHENSIVE INCOME		
1.2 Coverment securities 910,622 955,14 1.3 Deposits and placements with banking institutions 5,412 20,714 1.4 Other interest income 6,8186 61,77 1.5 Total interest income 6,8186 61,77 2.2 Deposits and placements from banking institutions 31,627 262,680 3. Deposits and placements from banking institutions 31,627 262,680 3. Deposits and placements from banking institutions 31,627 262,680 3. Deposits and placements from banking institutions 31,627 262,680 3. Deposits and placements from banking institutions 31,627 262,680 3. Deposits and placements from banking institutions 31,627 262,680 3. Deposits and placements from banking institutions 31,627 262,680 3. Deposits and placements from banking institutions 31,627 262,680 3. Deposits and placements from banking institutions 31,627 3. Deposits and placements from banking institutions 31,627 262,680 4. Deposits and placements from banking institutions 31,627 4. Deposits and placements from banking institutions 31,627 5. Deposits and placements from banking institutions 31,627 6. Deposits and placements from banking institutions 31,627 6. Deposits and placements from banking institutions 31,627 7. Deposits and placements from banking institutions 31,627 7. Deposits and commissions 31,627	1	Interest income		
1.3 Deposits and placements with banking institutions 5.412 (20.70) 1.5 Total interest income 6.8186 (5.17) 1.5 Total interest income 4.725,190 (5.214,75) 2 Interest expense 2.62,880 (3.096,73) 2.1 Deposits and placements from banking institutions 31,627 (26.28,80) 2.2 Deposits and placements from banking institutions 31,627 (26.28,80) 2.3 Universet expense .233,333 (73.34) 3 Net interest expense .243,538 (73.34) 4 Volument expenses .26,880,485 (36.53) 4 Volument expenses .27,600 (16.08) 4 Volument expenses .26,269,460 (16.08) 5 Varial portain income .60,289 (49.52) 4 Volument expenses .26,89,461 (26.98) 6 Volument expenses .26,89,461 (26.98) <t< td=""><td></td><td></td><td></td><td>5,176,198 956,146</td></t<>				5,176,198 956,146
			5,412	20,706
2.1 Customer deposits 2.262,880 3.096,73 3.096,73 2.20 2.2				6,214,762
2.2 Deposits and placements from banking institutions 31,627 262,68 2.3 Other interest expenses 343,538 703,44 2.4 Total interest expenses 2,687,045 4,062,53 3 Net interest income/(loss) 2,087,145 2,152,22 4 Non-interest Income 277,606 160,87 4.2 Other fees and commissions on loans and advances 277,606 160,87 4.2 Other fees and commissions 161,424 159,70 4 Dividend income 7,044 6,95 4.5 Other fees and commissions 162,427 170,10 4 Dividend income 7,044 6,95 4 Dividend income 6,25,88 49,52 4.5 Other income 6,25,88 49,52 4.5 Other income 6,25,88 49,52 5 Other operating expenses 7,044 6,95 6 Other operating expenses 772,710 455,00 6 Other operating expenses 753,01 455,00 6 Other operating expenses 33,255 38,20 6 Other operating expenses 354,853 503,31 6 Other operating expenses 354,853 503,31 <td< td=""><td></td><td></td><td></td><td></td></td<>				
2.4 Total interest expenses 2,638,045 4,062,53 3 Net interest income/(loss) 2,087,145 2,152,22 4 Non-interest Income 2 4.1 Fees and commissions on loans and advances 277,606 150,87 4.2 Other fees and commissions on loans and advances 161,464 159,70 4.3 Foreign exchange trading income/(loss) 162,472 170,10 4.4 Dividend income (5,268 495,52 4.5 Other income (5,268 495,52 4.5 Total non- interest income 602,318 547,16 5 Total operating income 2,689,463 2,689,463 2,689,38 6 Other operating expenses 772,710 455,00 2,689,463 2,689,38 6 Other operating expenses 563,017 611,33 1,75,17 455,00 2,689,463 1,75,17 455,00 3,75,17 455,00 3,75,17 455,00 3,87,27 1,88,66 1,88,73 17,51 4,88,27 17,64 4,88,27 17,64 4,88,27 17,64 4,88,23 15,31,3 1,98,26 2,98,28 4,88,27 17,				3,096,730 262,667
Not interest income (loss)				703,142 4,062,539
Non-interest Income		·		
4.1 Fees and commissions on loans and advances 277,606 150,87 4.2 Other fees and commissions 161,464 159,70 4.3 Foreign exchange trading income/(loss) 162,472 170,10 4.5 Dividend income 7,044 6,55 4.5 Other income 60,281 547,60 5. Total operating income 60,281 547,60 5. Total operating expenses 772,710 455,00 6.1 Loan loss provisions 772,710 455,00 6.2 Staff costs 563,017 611,33 6.3 Directors' emoluments 154,846 175,11 6.4 Rental charges 35,551 38,20 6.5 Depreciation charge on property and equipment 88,237 117,64 6.6 Amortization charges 35,853 503,19 6.7 Total other operating expenses 35,853 503,19 6.8 Total other operating expenses 35,8853 503,19 7 Profit/(loss) before tax and exceptional items 701,496 780,92 8 Exceptional i			2,007,143	2,132,223
4.3 Foreign exchange trading income/(loss) 162,472 170,10 4.4 Dividend Income 7,044 6,95 5.5 Total non- interest income 602,318 547,16 5. Total operating income 2,689,463 2,699,38 6. Other operating expenses 772,710 455,000 6.2 Staff costs 563,017 611,33 6.3 Directors' emoluments 154,846 175,17 6.4 Rental charges 35,551 38,20 6.5 Depreciation charge on property and equipment 88,237 117,64 6.6 Amortization charges 18,753 79,176 6.7 Other operating expenses 354,853 503,19 6.8 Total other operating expenses 1,987,967 1,918,46 7 Profit/(loss) before tax and exceptional items 701,496 780,92 8 Exceptional items 701,496 780,92 9 Profit/(loss) after exceptional items 344,057 21,20 10 Deferred tax 344,057 21,20 12 Profit/(loss) after t			277,606	160,875
				159,708 170,101
4.6 Total operating income 602,318 547,16 5 Total operating income 2,689,463 2,699,38 6 Other operating expenses 772,70 455,00 6.2 Staff costs 563,017 611,33 6.3 Directors' emoluments 154,846 175,17 6.4 Rental charges 35,551 38,20 6.5 Depreciation charge on property and equipment 88,237 117,64 6.6 Amortization charges 18,753 17,91 6.7 Other operating expenses 1,887,967 1,918,46 7 Profit/(loss) before tax and exceptional items 701,496 780,92 8 Exceptional items 701,496 780,92 9 Profit/(loss) after exceptional items 701,496 780,92 10 Current tax 344,057 21,20 11 Profit/(loss) after exceptional items 649,484 723,55 12 Perfit/(loss) after tax and exceptional items 649,484 723,55 13 Other Comprehe	4.4	Dividend income		6,954 49,525
6 Other operating expenses 772,710 455,000 6.1 Loan loss provisions 772,710 455,000 6.2 Staff costs 563,017 611,33 6.3 Directors' emoluments 154,846 175,17 6.4 Rental charges 35,551 38,20 6.5 Depreciation charge on property and equipment 88,237 117,64 6.6 Amortization charges 18,753 17,91 6.6 Amortization charges 354,853 503,19 6.7 Other operating expenses 503,19 6.8 Total other operating expenses 701,496 780,92 6.8 Total other operating expenses 701,496 780,92 7 Profit/(loss) before tax and exceptional items 701,496 780,92 8 Exceptional items 701,496 780,92 10 Current tax (356,069) (78,570 11 Deferced tax 344,057 21,20 12 Profit/(loss) after tax and exceptional items 649,484 <td< td=""><td></td><td></td><td></td><td>547,163</td></td<>				547,163
6.1 Loan loss provisions 772,710 455,000 6.2 Staff costs 563,017 611,33 6.3 Directors emoluments 154,846 175,11 6.4 Rental charges 35,551 38,20 6.5 Depreciation charge on property and equipment 88,237 117,64 6.6 Amortization charges 18,753 17,91 6.6 Amortization charges 354,853 503,19 6.8 Total other operating expenses 1,987,967 1,918,46 7 Profit/(loss) before tax and exceptional items 701,496 780,92 8 Exceptional items 701,496 780,92 9 Profit/(loss) after exceptional items 701,496 780,92 10 Current tax (396,069) (78,570 11 Deferred tax 344,057 21,20 12 Profit/(loss) after tax and exceptional items 649,484 723,55 13 Calins/(Losses) from translating the financial statements of foreign operations - 13 Calins/(Losses) from translating the financial statements of foreign operations -	5	Total operating income	2,689,463	2,699,386
6.2 Staff costs 563,017 611,33 6.3 Directors' emoluments 154,846 175,17 6.4 Rental charges 35,551 38,207 6.5 Depreciation charge on property and equipment 88,237 117,64 6.6 Amortization charges 18,753 17,91 6.7 Other operating expenses 354,853 503,19 6.8 Total other operating expenses 701,496 780,92 7 Profit/(loss) before tax and exceptional items 701,496 780,92 8 Exceptional items 701,496 780,92 9 Profit/(loss) after exceptional items 395,059 (78,570 10 Current tax (395,069) (78,570 11 Deferred tax 344,057 21,20 12 Profit/(loss) after tax and exceptional items 649,484 723,55 13 Ginis/(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				
6.4 Rental charges 35,551 38,20 6.5 Depreciation charge on property and equipment 88,237 117,64 6.6 Amortization charges 18,753 17,91 6.7 Other operating expenses 354,853 503,19 6.8 Total other operating expenses 1,987,967 1,918,46 7 Profit/(loss) before tax and exceptional items 701,496 780,92 8 Exceptional items 701,496 780,92 9 Profit/(loss) after exceptional items 701,496 780,92 10 Current tax (396,069) (78,570 11 Deferred tax 344,057 21,20 12 Profit/(loss) after tax and exceptional items 649,484 723,55 13 Other Comprehensive Income 344,057 21,20 14 Comprehensive Income 11 13 14<				455,000 611,336
6.5 Depreciation charge on property and equipment 88,237 117,64 6.6 Amortization charges 18,753 17,91 6.6 Amortization charges 354,853 503,19 6.8 Total other operating expenses 1,987,967 1,918,46 7 Profit/(loss) before tax and exceptional items 701,496 780,92 8 Exceptional items - - 9 Profit/(loss) after exceptional items 0,96,699 (78,570 10 Current tax (396,069) (78,570 12 Profit/(loss) after tax and exceptional items 344,057 21,20 12 Profit/(loss) after tax and exceptional items 649,484 723,55 13 Other Comprehensive Income - 13.2 Fair value changes in available for sale financial statements of foreign operations - 13.3 Revaluation surplus on Property, plant and equipment - 13.4 Fair value changes in available for sale financial assets (203,684) (285,927 13.5 Income tax relating to components of other comprehensive income of c	6.3	Directors' emoluments		175,172
6.7 Other operating expenses 354,853 503,19 6.8 Total other operating expenses 1,987,967 1,918,46 7 Profit/(loss) before tax and exceptional items 701,496 780,92 8 Exceptional items 701,496 780,92 9 Profit/(loss) after exceptional items 701,496 780,92 10 Curnet tax (396,069) (78,570 11 Deferred tax 344,057 21,20 12 Profit/(loss) after tax and exceptional items 440,057 21,20 12 Profit/(loss) after tax and exceptional items 649,484 723,55 13 Other Comprehensive Income 5 4 13.1 Gains/(Losses) from translating the financial statements of foreign operations 5 4 13.2 Fair value changes in available for sale financial assets (203,684) (285,927) 13.3 Revaluation surplus on Property,plant and equipment 5 4 13.4 Share of other comprehensive income of associates 6 4 13.5 Income tax relating to components of other comprehensive income of associates 6 4 15. Income tax relating to components of the year net of tax (203,684) (285,927)	6.5	Depreciation charge on property and equipment	88,237	117,641
Profit / (loss) before tax and exceptional items	6.7	Other operating expenses	354,853	503,194
8 Exceptional items —	6.8	Total other operating expenses	1,987,967	1,918,462
9 Profit/(loss) after exceptional items 701,496 780,92 0 Current tax (396,099) (78,570 10 Defrered tax 344,057 21,20 12 Profit/(loss) after tax and exceptional items 649,484 723,55 13 Other Comprehensive Income			701,496	780,924
11 Deferred tax 344,057 21,20 12 Profit/(loss) after tax and exceptional items 649,484 723,55 3 Other Comprehensive Income 3 13.1 Gains/(Losses) from translating the financial statements of foreign operations 0 13.2 Fair value changes in available for sale financial assets (203,684) (285,927) 13.3 Revaluation surplus on Property,plant and equipment 0 0 0 13.4 Share of other comprehensive income of associates 0	9	Profit/(loss) after exceptional items		780,924 (78,570)
13 Other Comprehensive Income 31.1 Gains/(Losses) from translating the financial statements of foreign operations - 31.2 Fair value changes in available for sale financial assets (203,684) 31.3 Revaluation surplus on Property, plant and equipment - 31.4 Share of other comprehensive income of associates - 31.5 Income tax relating to components of other comprehensive inco - 31.6 Total comprehensive Income for the year net of tax (203,684) (285,927) 31.6 Earnings per share - Basic 445,800 437,63 31.5 Earnings per share - Basic 15.49 17.2 31.6 Earnings per share - Diluted 15.49 17.2	11	Deferred tax	344,057	21,204
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 inco - (203,684) (285,927) 14 Other Comprehensive Income for the year net of tax (203,684) (285,927) 15 Total comprehensive income for the year 445,800 437,63 16 Earnings per share - Basic 15.49 115.49 16 Earnings per share - Diluted 15.49 17.2	13	Other Comprehensive Income	649,484	723,558
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 inco - 14 Other Comprehensive Income for the year net of tax (203,684) (285,927) 15 Total comprehensive income for the year 445,800 437,63 8 Farnings per share - Basic 15.49 17.2 16 Earnings per share - Diluted 15.49 17.2	13.1	Gains/(Losses) from translating the financial statements of foreign operations	(203 684)	(285,927)
13.5 Income tax relating to components of other comprehensive inco - 14 Other Comprehensive Income for the year net of tax (203,684) (285,927 15 Total comprehensive income for the year 445,800 437,63 16 Earnings per share - Basic 15.49 17.2 16 Earnings per share - Diluted 15.49 17.2	13.3	Revaluation surplus on Property, plant and equipment	-	(203,327)
15 Total comprehensive income for the year 445,800 437,63 16 Earnings per share - Basic 15.49 17.2 16 Earnings per share - Diluted 15.49 17.2	13.5	Income tax relating to components of other comprehensive inco	- -	laar oor
16 Earnings per share - Diluted 15.49 17.2	15	Total comprehensive income for the year	445,800	(285,927) 437,631
				17.26 17.26
				3.75

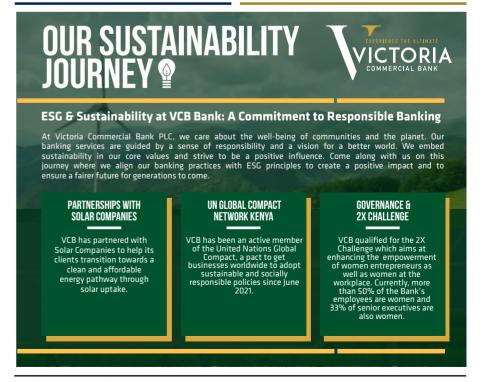
		31 Dec 2022 Audited	31 Dec 2023 Audited
III. OTHER DISCLOSURES		SHS '000	SHS '000
	Non-performing loans and advances		
	a) Gross non-performing loans and advances	4,562,584	4,757,462
	b) Less: Interest in suspense	381,614	513,153
	c) Total non-performing loans and advances (a - b)	4,180,970	4,244,30
	d) Less: Loan loss provisions	2,711,474	2,511,732
	e) Net non-performing loans and advances (c - d)	1,469,496	1,732,57
	f) Less: Discounted value of securities	1,469,496	1,732,57
	g) Net non-performing loans exposure (e - f)	-	-
	Insider loans and advances		
	a) Directors, shareholders and associates	597,153	709,51
	b) Employees	90,391	173,84
	c) Total insider loans, advances and other facilities	687,544	883,352
	Off-balance sheet items		
	a) Letters of credit , guarantees , acceptances	8,244,605	8,436,75
	b) Forwards, swaps and options	557.446	904,589
	c) Other contingent liabilities	134.884	81.34
	d) Total contingent liabilities	8,936,935	9,422,69
	Capital strength		
	a) Core capital	6.903.583	7.361.39
	b) Minimum Statutory Capital	1,000,000	1,000,00
	c) Excess (a-b)	5,903,583	6,361,39
	d) Supplementary capital	1,555,815	1,807,43
	e) Total capital (a + d)	8,459,398	9,168,82
	f) Total risk weighted assets	50.279.293	58,305,91
	g) Core capital / total deposit liabilities	17.70%	18.509
	h) Minimum Statutory Ratio	8.00%	8.009
	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%
	I) Excess (j - k)	3.20%	2.109
	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 25^{th} March 2024.

Ketaki Sheth CHAIR OF THE BOARD Yogesh K Pattni Ph.D CHIEF EXECUTIVE OFFICER



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