



Q1 2020 RESULTS

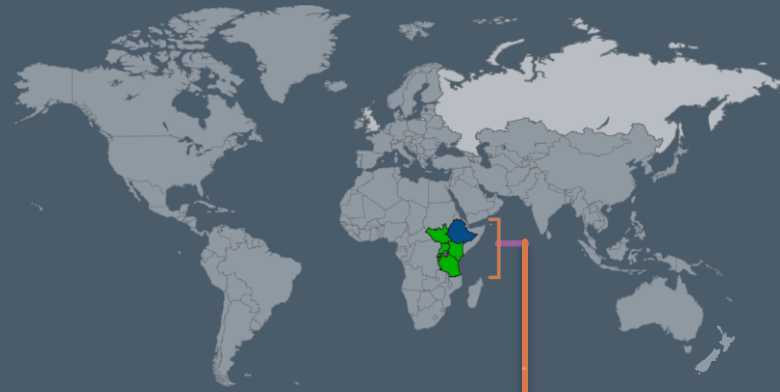
OUR REGIONAL PRESENCE

Banking Businesses:

- KCB Bank Kenya
- KCB Bank Tanzania
- KCB Bank South Sudan
- KCB Bank Rwanda
- KCB Bank Uganda
- KCB Bank Burundi
- National Bank of Kenya
- Ethiopia Rep. Office

Other Investments:

- KCB Capital Limited
- KCB Insurance Agency
- KCB Foundation
- Kencom House Limited



CUSTOMERS

28.0 MILLION



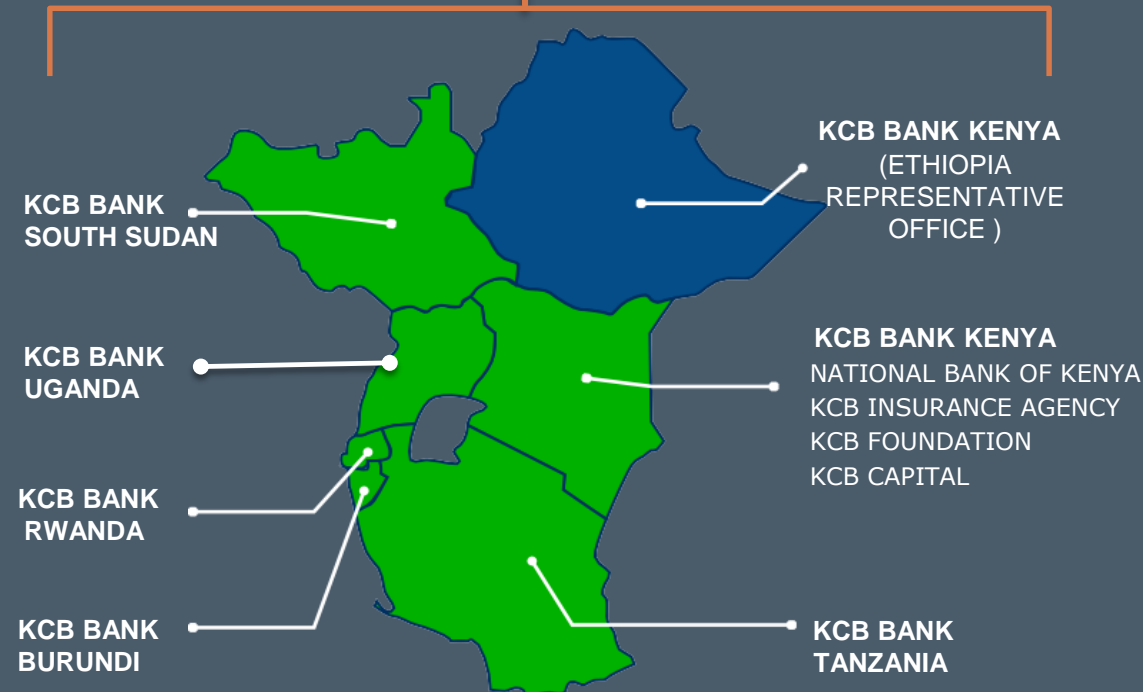
344 BRANCHES

1,058 ATMS,
21,681 AGENTS & MERCHANTS



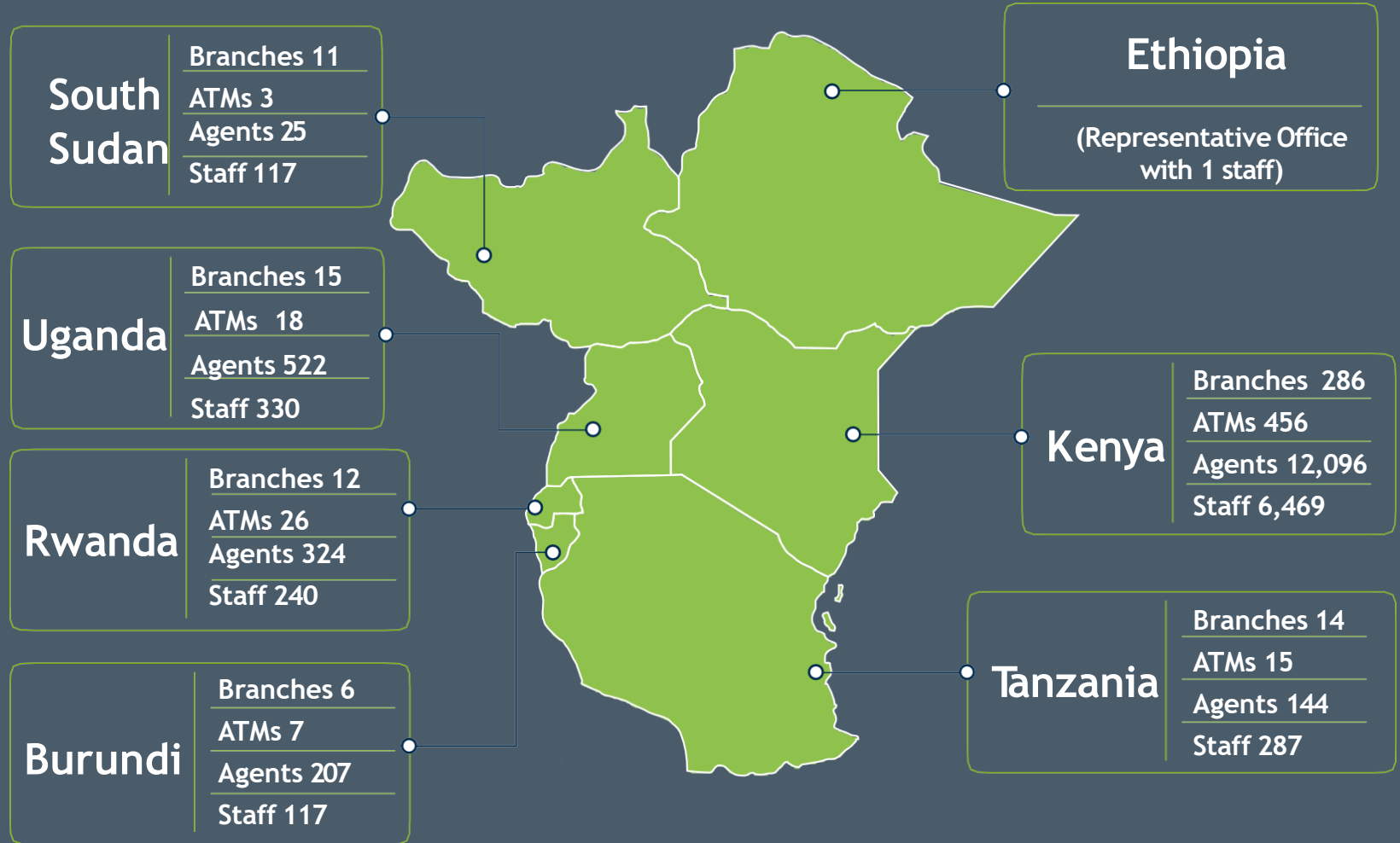
STAFF

7,561



OUR FOOTPRINT

Touch Points:



STABLE CREDIT RATINGS

RATING AGENCY

MOODY'S
INVESTORS SERVICE

S&P Global
Ratings

SOVEREIGN

KCB BANK KENYA

B2
(Negative)

B2 (Negative)

B+/B

B+/B

Q1 2020 HIGHLIGHTS

Responses to
COVID-19
Pandemic

CBR	Central Bank Rates lowered across the region:		
	Kenya: 100 bps reduction to 7.25% Further reduction by MPC by 25 bps to 7.00%	Uganda: 100bps reduction to 8.0%	
	Tanzania: 200bps reduction of the discount rate to 5.0%	Rwanda: 50bps reduction to 4.5%	
CRR	Cash Reserve Ratios lowered across the region by 100bps		
	Kenya: 4.25%	Rwanda: 4.0%	Tanzania: 6.0%



Q1 2020 HIGHLIGHTS

Responses to
COVID-19
Pandemic

LIQUIDITY

Provision of exceptional liquidity assistance to banks and increase in maximum Repurchase Agreements (REPOs) tenures in Kenya, Rwanda and Uganda.
Reduction of haircuts on government securities in Tanzania; From 10% to 5% for Treasury bills and from 40% to 20% for Treasury bonds.

LOAN RESTRUCTURING

Easing of loan repayment conditions for impacted borrowers and approval for banks to restructure the affected loans in Kenya, Rwanda, Uganda and Tanzania

FISCAL INTERVENTIONS

Lowering of VAT, Personal and Corporation income tax rates in Kenya.
Expediting VAT refunds and deferment of tax payment obligations for the most affected sectors in Rwanda and Uganda



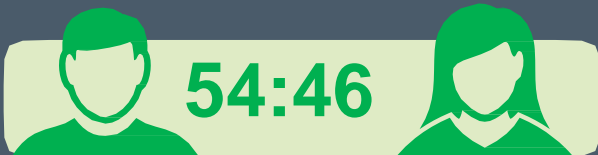
KCB 2JIAJIRI PROGRAMME HIGHLIGHTS



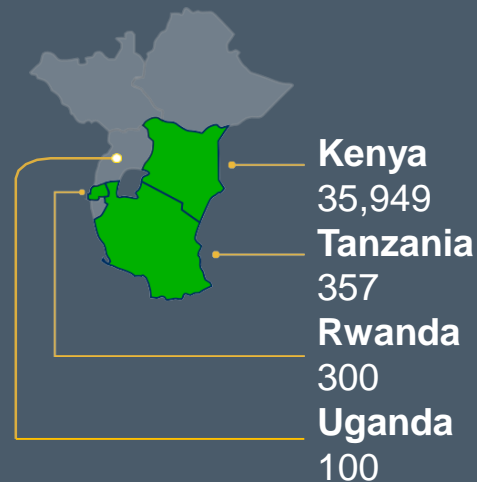
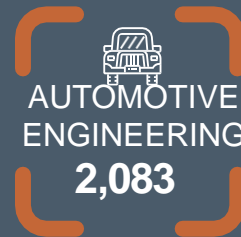
36,706

BENEFICIARIES TO DATE

Male : Female Ratio



2JIAJIRI BENEFICIARIES PER SECTOR



FUTURE OF 2JIAJIRI

Catalyze job and wealth creation for at least

2,000,000

youth engaged in the informal sector within Eastern Africa

5-year investment of over

KShs 50 billion

to nurture and grow youthful and SME entrepreneurs

‘Young Africa Works’

KShs 10 billion funding from the MasterCard Foundation to scale up the Bank’s 2jiajiri job creation programme

KCB FOUNDATION CASE STUDIES

Juliana Githieya, Owner, Ashleys Mtaani Barber & Salon, Nairobi



- *2jiajiri* beauty and personal care graduate.
- Utilised a KShs. 5 million loan from KCB to open Ashleys *Mtaani* salon in Nairobi under the franchise agreement between Ashleys and KCB Foundation.
- Employs 3 fellow *2jiajiri* graduates in her business.
- Makes on average KShs 700,000 per month.

Salome Malala, Owner, Birunji General Works Limited, Kisumu



- Started off as a casual house help (*mama nguo*).
- Studied welding and fabrication at Kisumu National Polytechnic under KCB Foundation's *2jiajiri* and GIZ's E4D/SOGA – *Employment and Skills for Eastern Africa* Programme and also received toolkits.
- Employs 3 fellow youth and undertakes major welding and fabrication works in Kisumu and neighbouring Siaya County.

SUSTAINABILITY UPDATE



MAINSTREAMING SUSTAINABLE DEVELOPMENT GOALS



- Cumulatively, loans amounting to **KShs. 447 billion** have been screened for ESDD compliance since 2015.

- In 2019 the Group adopted SDG 13 on **Climate Action** in line with the collective commitment to climate action by the founding banks of the recently launched Principles of Sustainable Banking.

- Commitment to be a carbon neutral business by 2028.

- **26** staff engagements in integrating Sustainability in the new 2020 – 2022 *Beyond Banking* Strategy have been conducted reaching 50% of the total Group staff.



PRINCIPLES FOR RESPONSIBLE BANKING

ALIGNMENT

CLIENTS & CUSTOMERS

STAKEHOLDERS

IMPACT

GOVERNANCE & TARGET SETTING

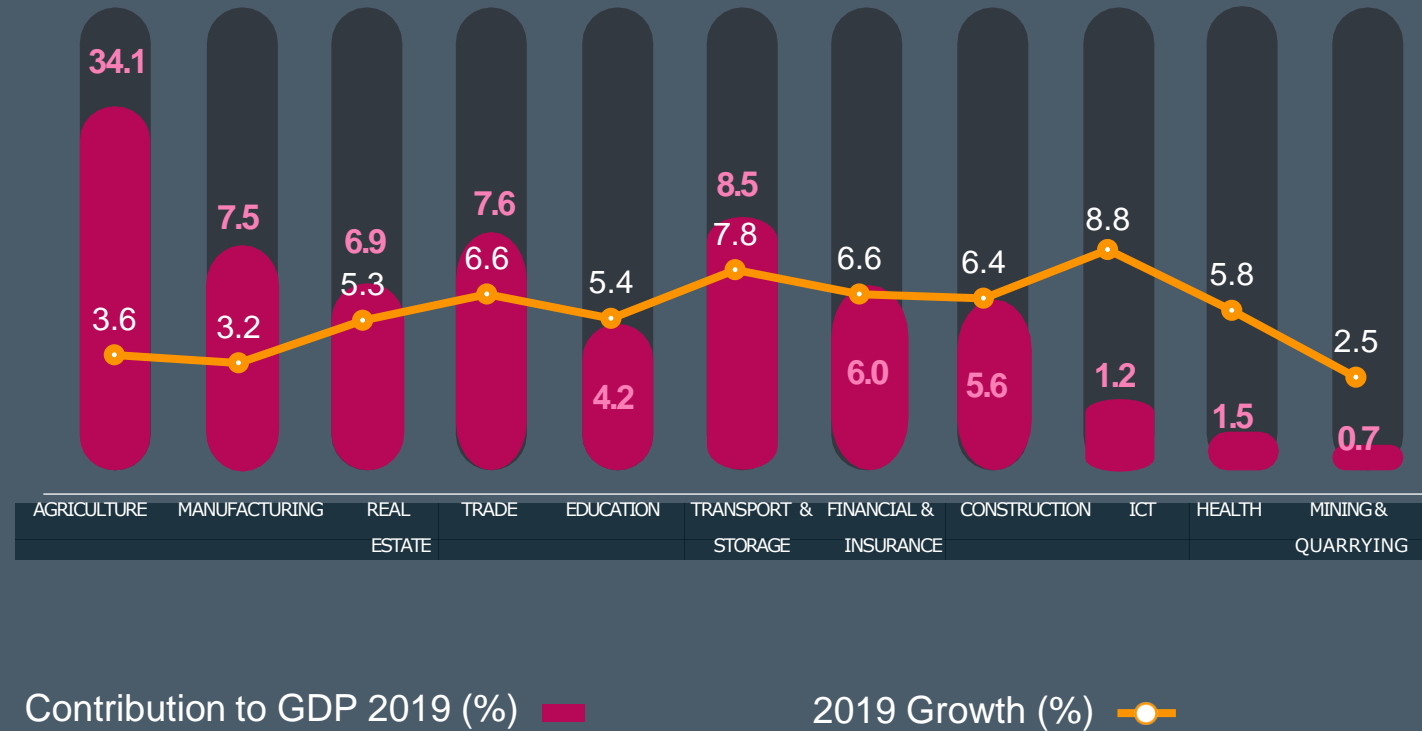
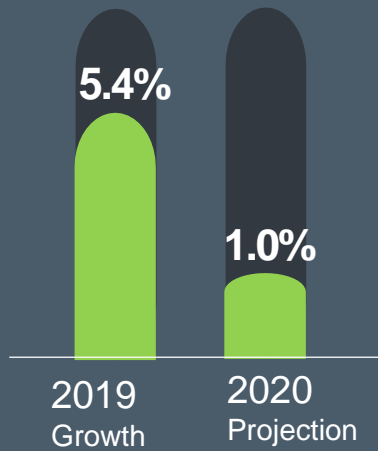
TRANSPARENCY & ACCOUNTABILITY

Macro-Economic Highlights



MACROECONOMIC HIGHLIGHTS

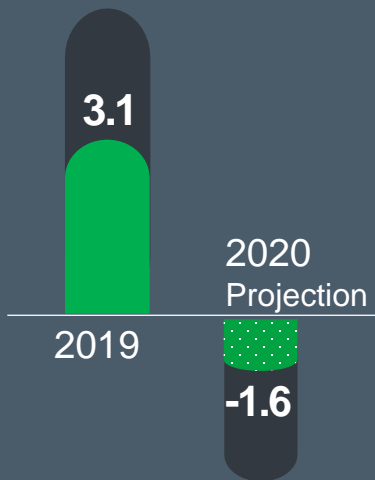
Kenya



Sources: -Kenya National Bureau of Statistics
-IMF

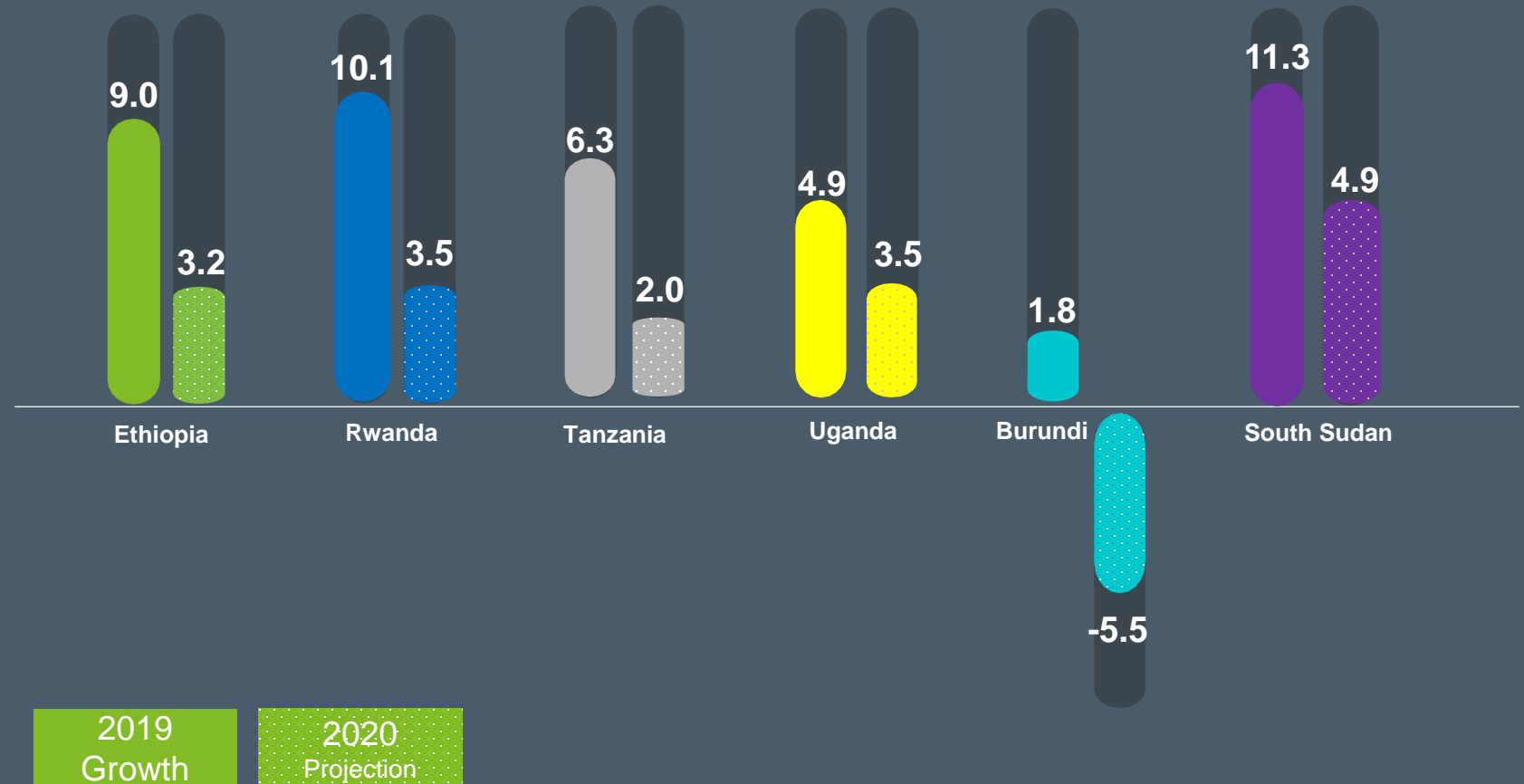
MACROECONOMIC HIGHLIGHTS

Sub-Saharan Africa GDP Growth (%)



Source: IMF

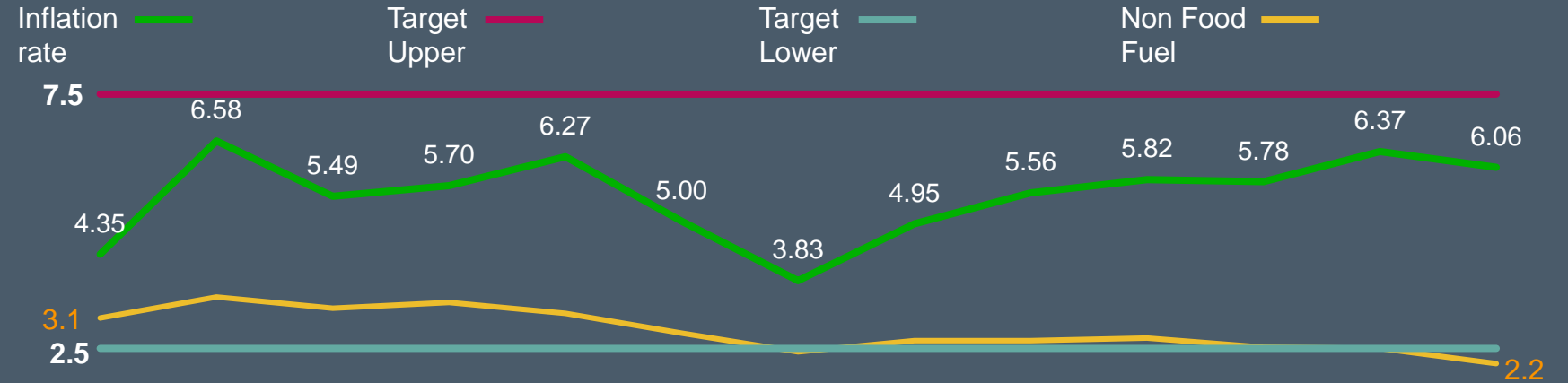
GDP Growth (%)



MACROECONOMIC HIGHLIGHTS

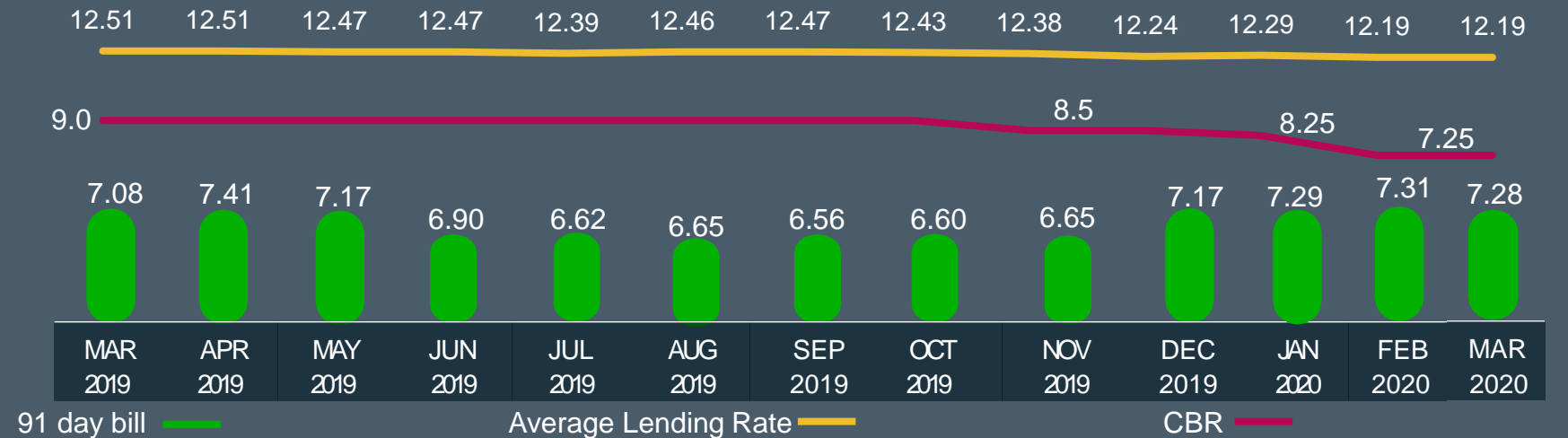
Kenya

Inflation Evolution (%)



MAR 2019	APR 2019	MAY 2019	JUN 2019	JUL 2019	AUG 2019	SEP 2019	OCT 2019	NOV 2019	DEC 2019	JAN 2020	FEB 2020	MAR 2020
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Interest Rates Evolution (%)



MAR 2019	APR 2019	MAY 2019	JUN 2019	JUL 2019	AUG 2019	SEP 2019	OCT 2019	NOV 2019	DEC 2019	JAN 2020	FEB 2020	MAR 2020
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Sources: Central Bank of Kenya
Kenya National Bureau of Statistics

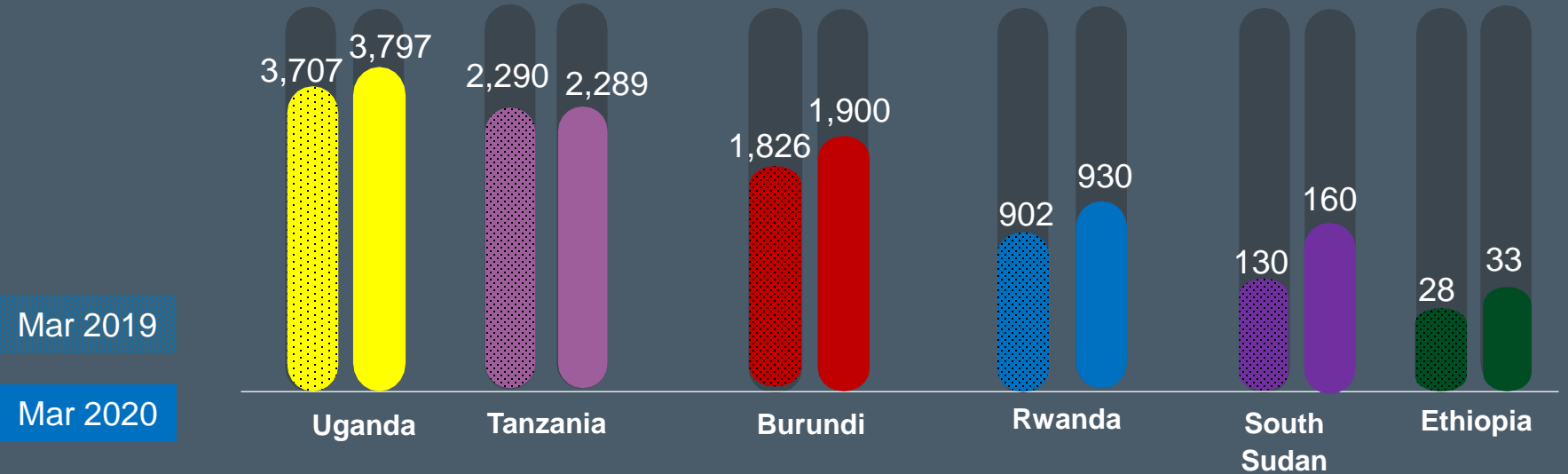
MACROECONOMIC HIGHLIGHTS

Currency Movement

USD/KShs. Average Monthly Exchange Rate



Exchange Rates, Local Currency to USD



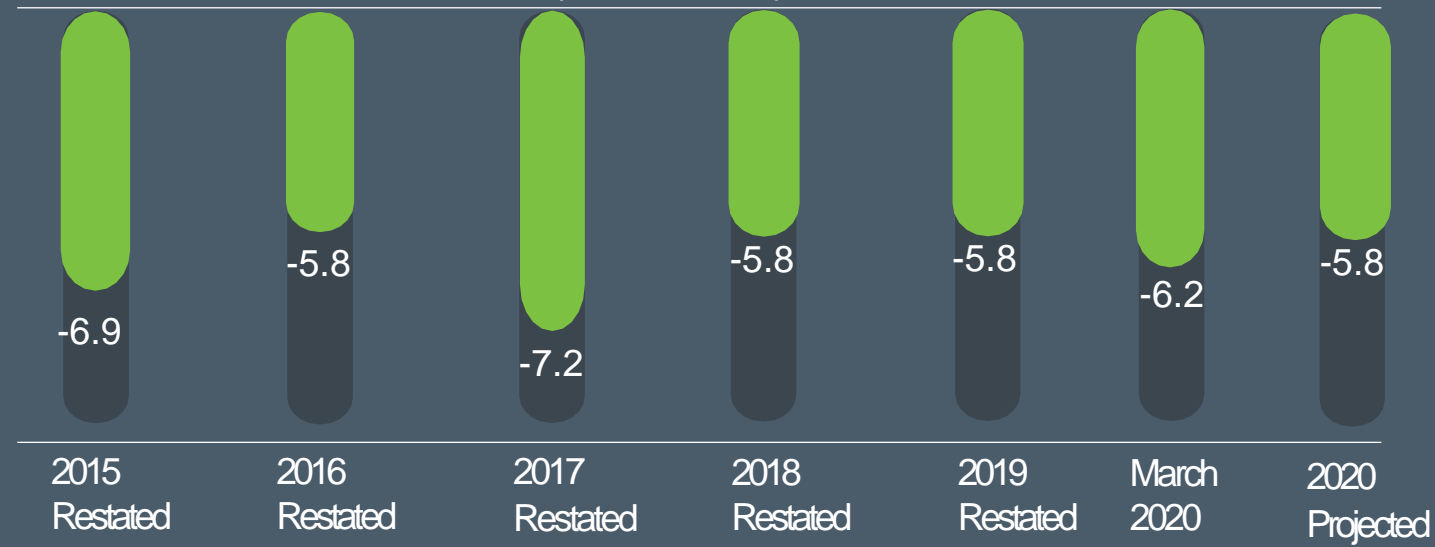
MACROECONOMIC HIGHLIGHTS

Kenya

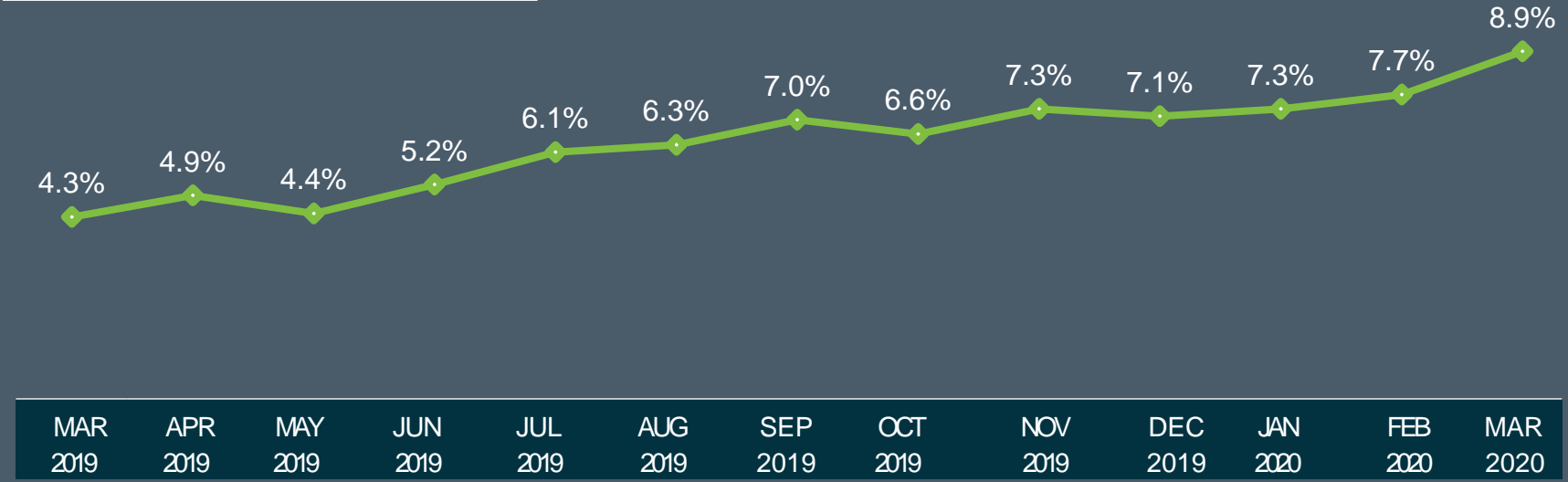
6%

Diaspora remittances
 1Q20: \$ 707.3M
 1Q19: \$ 665.8M

Current Account Balance (% of GDP)



12 Month Private Sector Growth



Channel Performance

OUR CHANNEL CONTRIBUTION

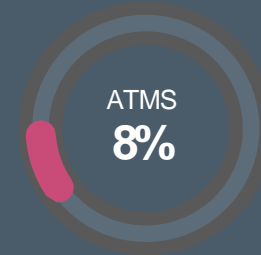
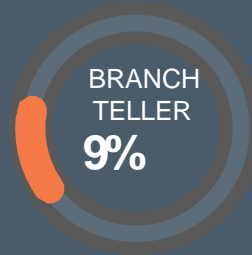
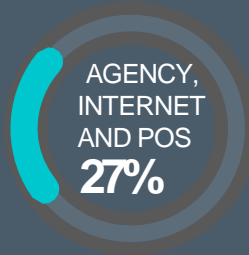
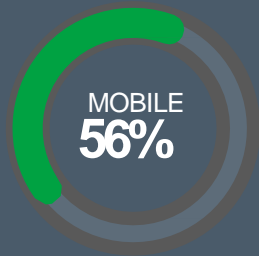


97% of transactions performed outside the branch

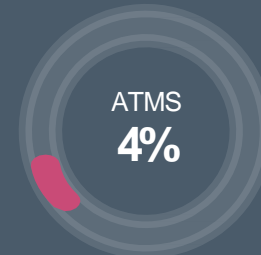
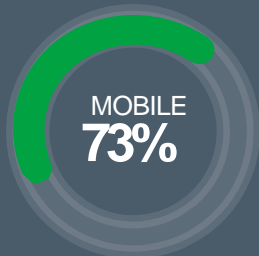


65% growth in non-branch revenue to **2.8B**

Q1 2019



Q1 2020



11% decrease in average transactions / teller per day



Avg. Transactions / Teller per day

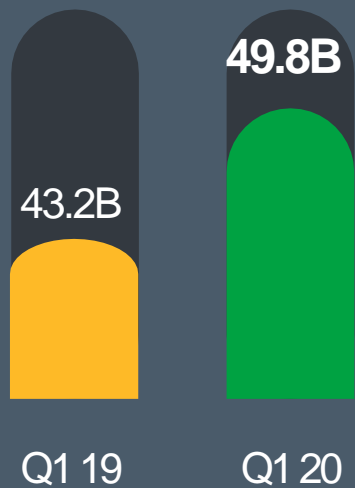
40% decrease in Number of branch transactions.



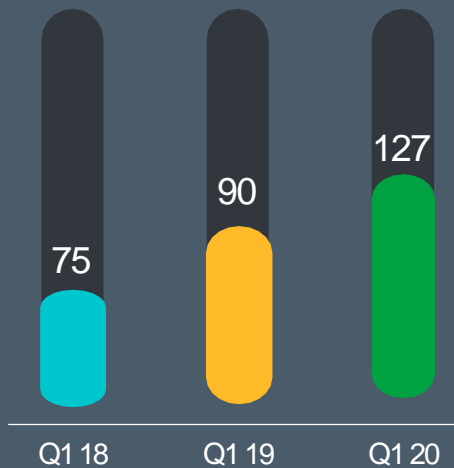
Number of Branch Transactions (M)

OUR CHANNEL CONTRIBUTION

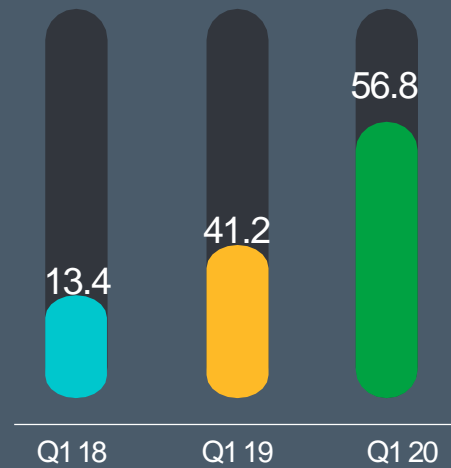
15%
Growth in Total Mobile Loans Advanced



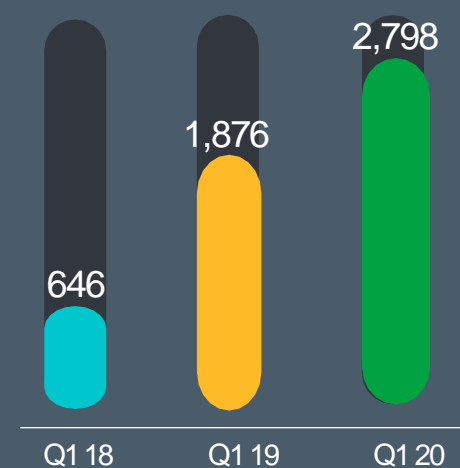
Value of Transactions: Mobi Service (KShs. B)



No. of Mobile Transactions (M)



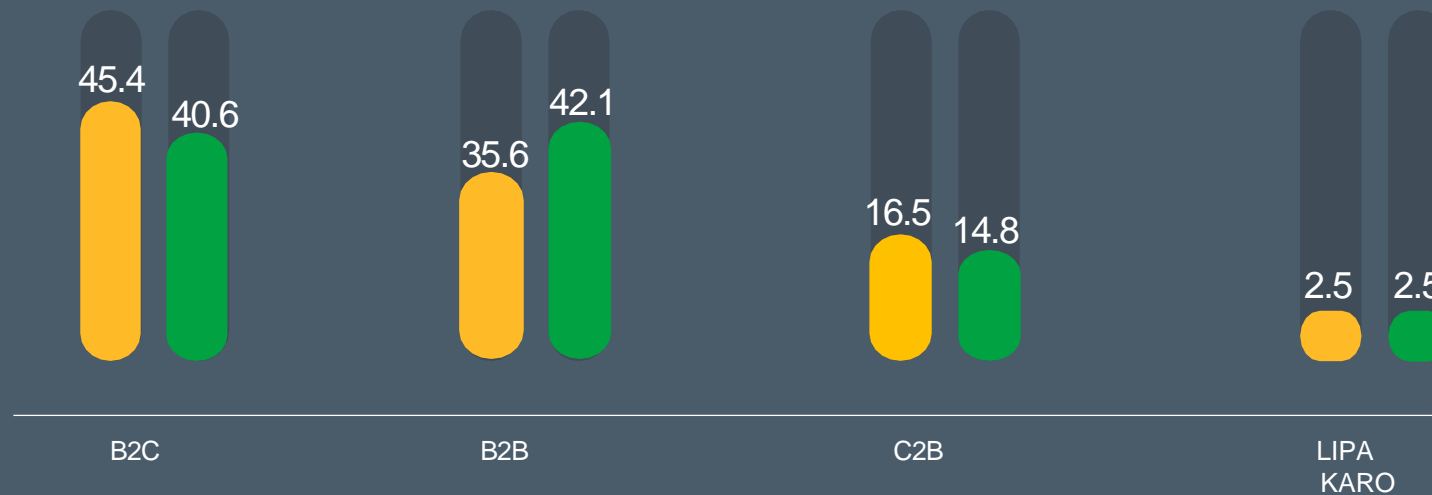
Mobile Revenue (KShs. M)



Mobi Transaction type (%)

Q1 2019

Q1 2020



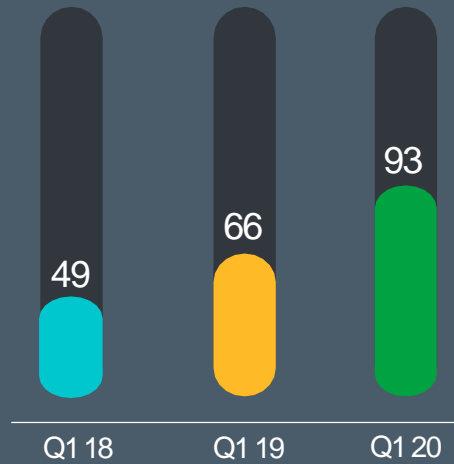
OUR CHANNEL CONTRIBUTION

AGENCY

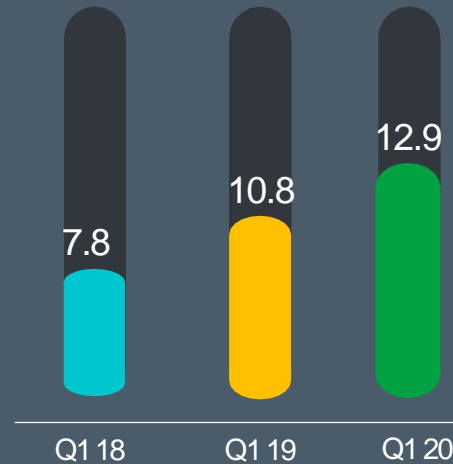
94%

Growth in Agency Banking Revenue

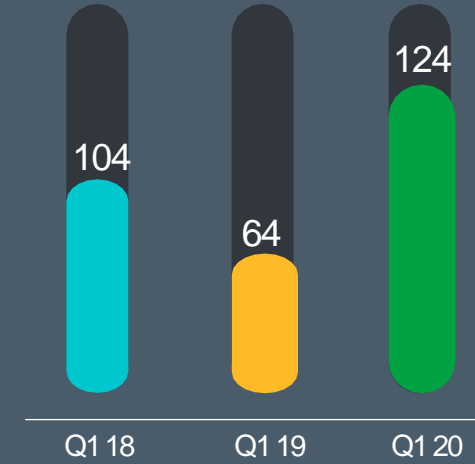
Value of Transactions
(KShs.B)



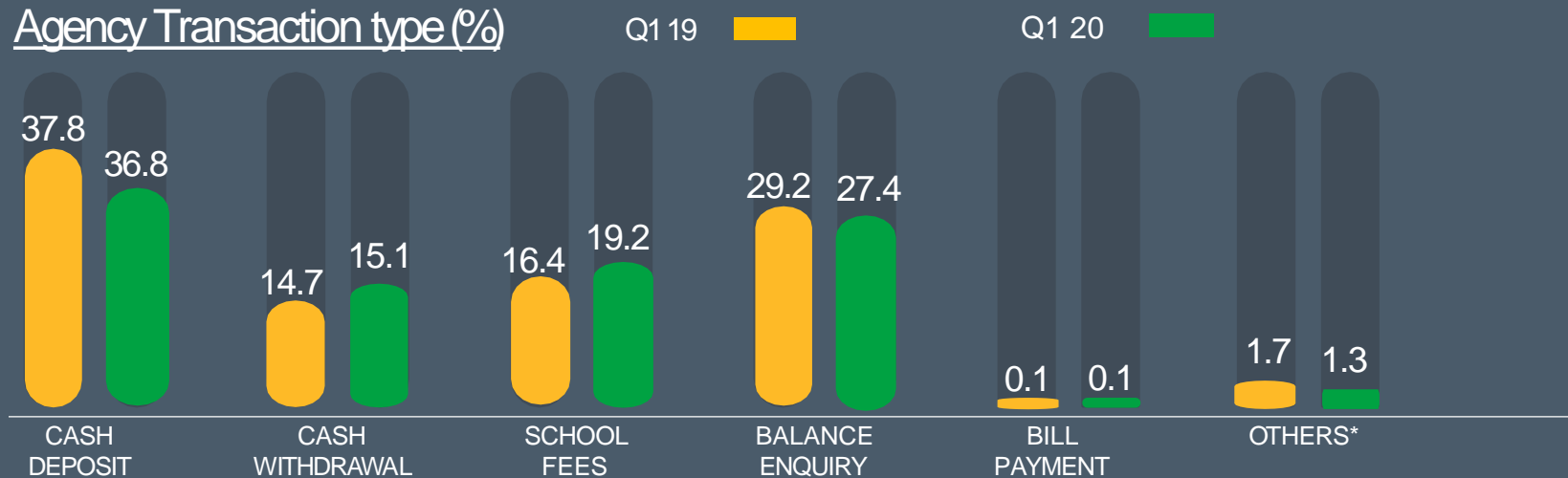
No. of transactions
(M)



Agency Revenue
(KShs.M)



Agency Transaction type (%)



*Others: Account opening, mini statement, load cards and Funds transfer

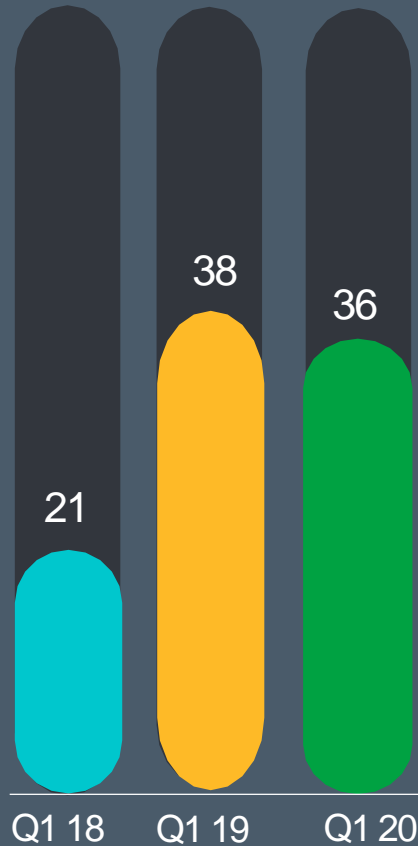
OUR CHANNEL CONTRIBUTION

ATM

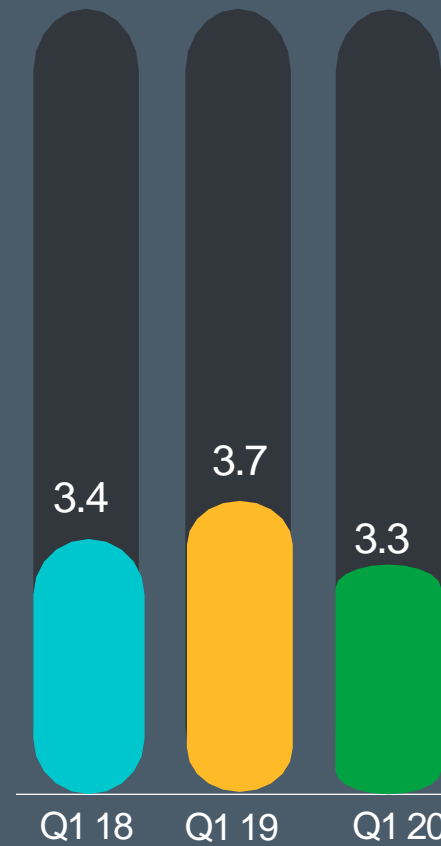
▼ 9%

Reduction in number of ATM transactions

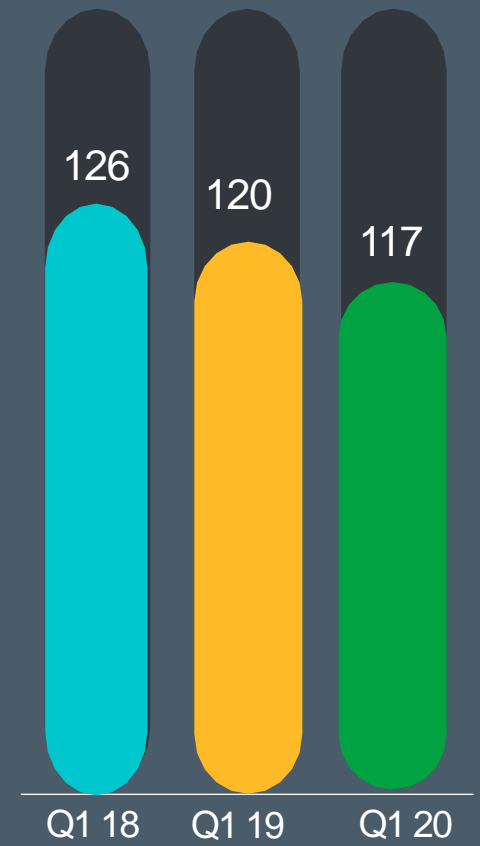
Value of Transactions (KShs. B)



No. of Transactions (M)



ATM Revenue (KShs M)



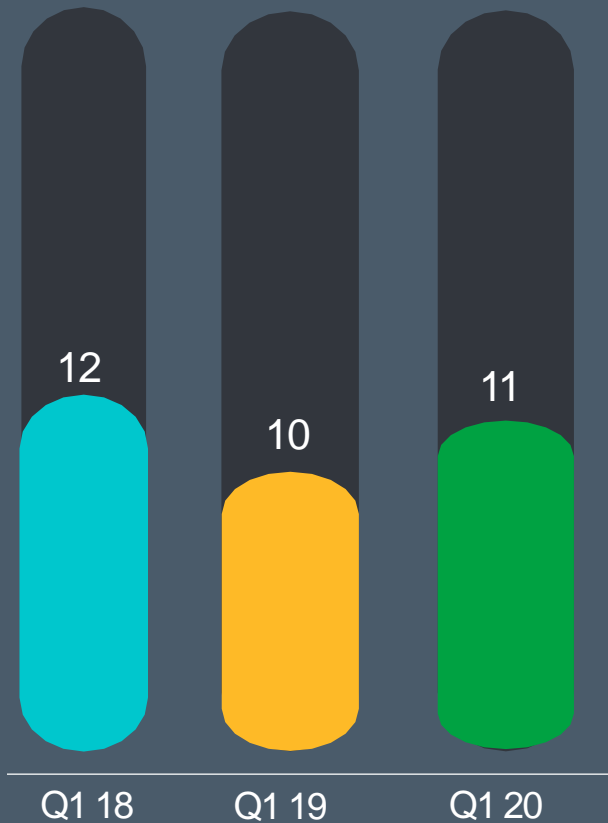
OUR CHANNEL CONTRIBUTION

MERCHANT / POS

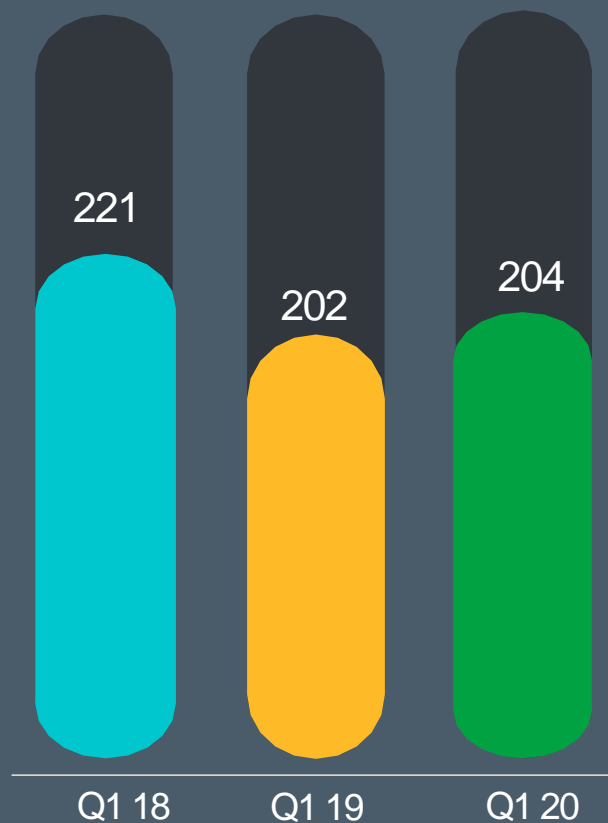
 **6%**

Growth in average daily transactions per POS

Value of Transactions (KShs. B)



POS Revenue (KShs. M)



Financial Performance



BALANCE SHEET HIGHLIGHTS

 **31%**
Growth in
Total Assets

Government Securities

KShs 133.3B

KShs 203.7B

Net Loans & Advances

KShs 464.3B

KShs 553.7

Customer Deposits

KShs 552.2B

KShs 740.4

Total Assets

KShs 725.7B

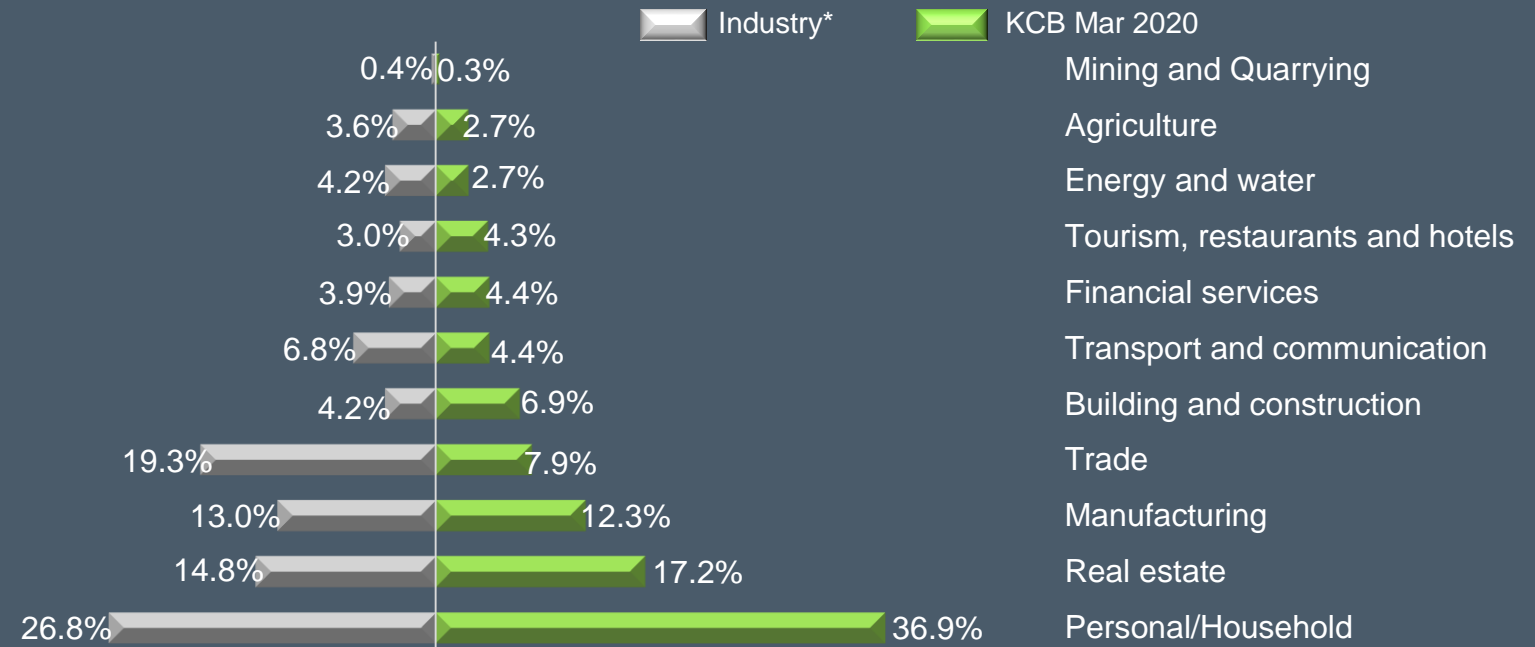
KShs 947.1

Q1 19

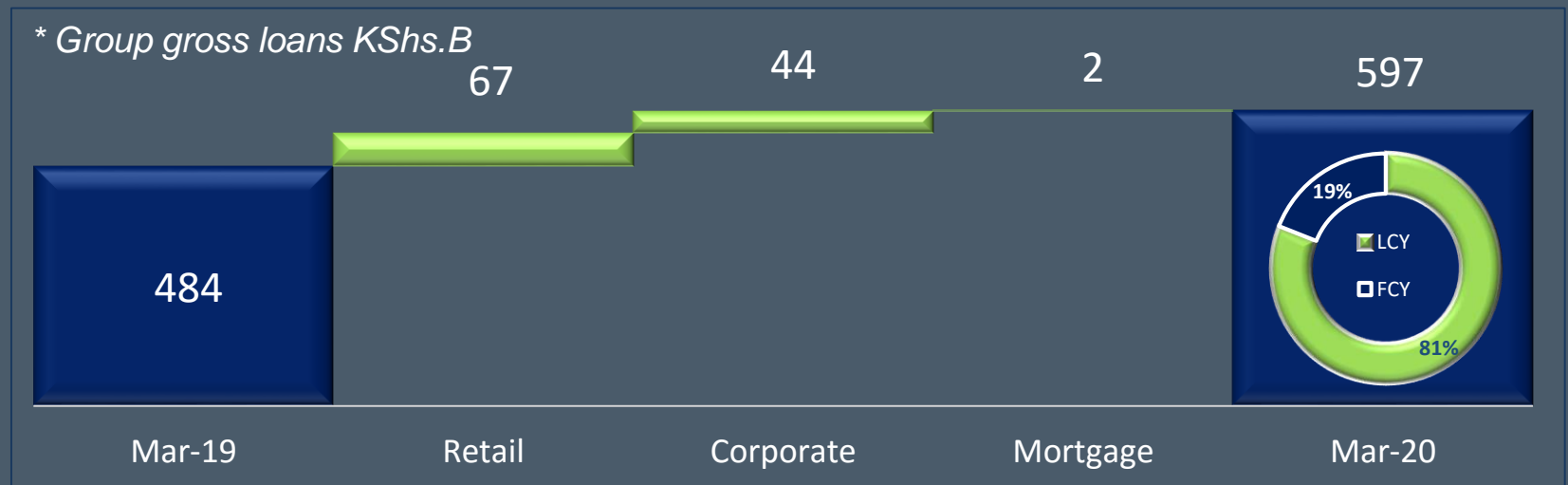
Q1 20

LOAN BOOK PERFORMANCE

Sectoral Loans Comparison

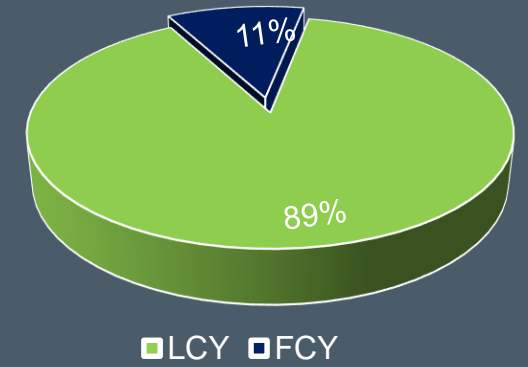
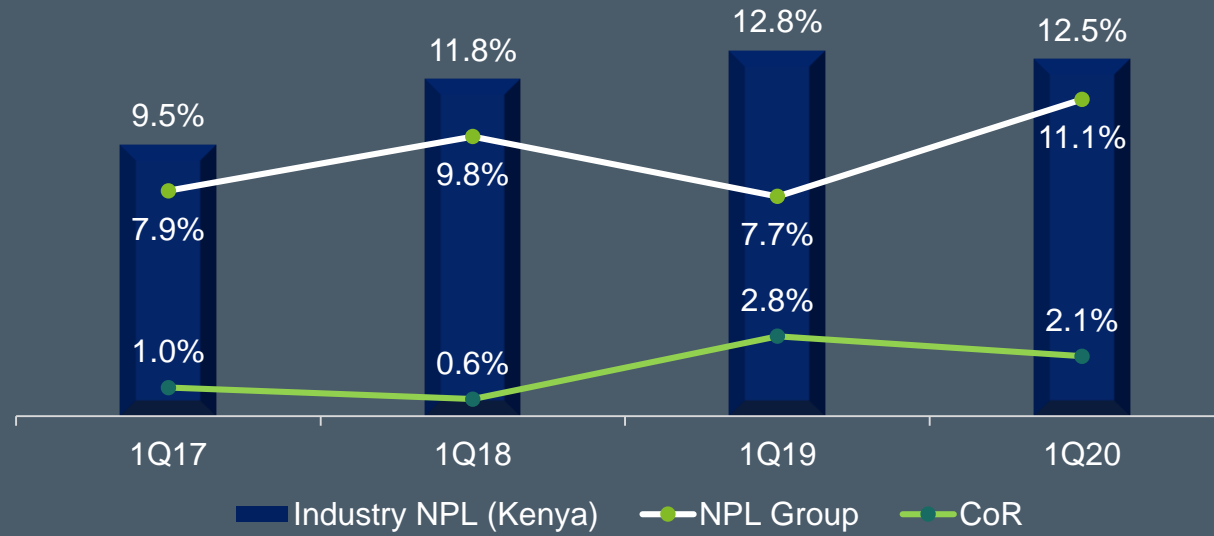


*CBK Data as at June 2019

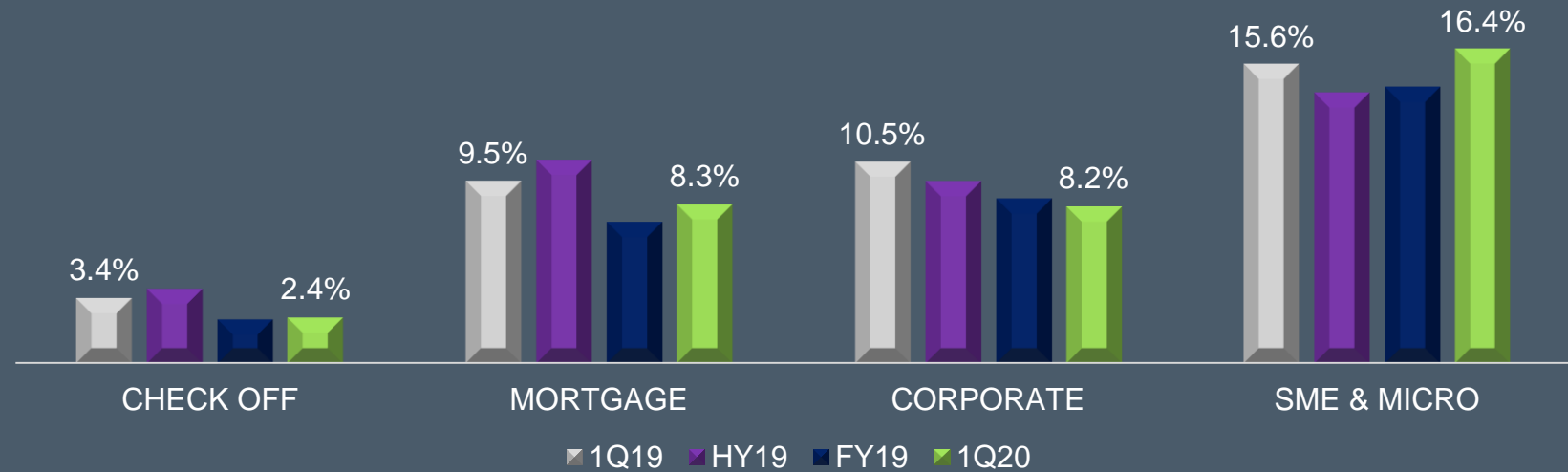


LOAN BOOK PERFORMANCE

Asset Quality Review

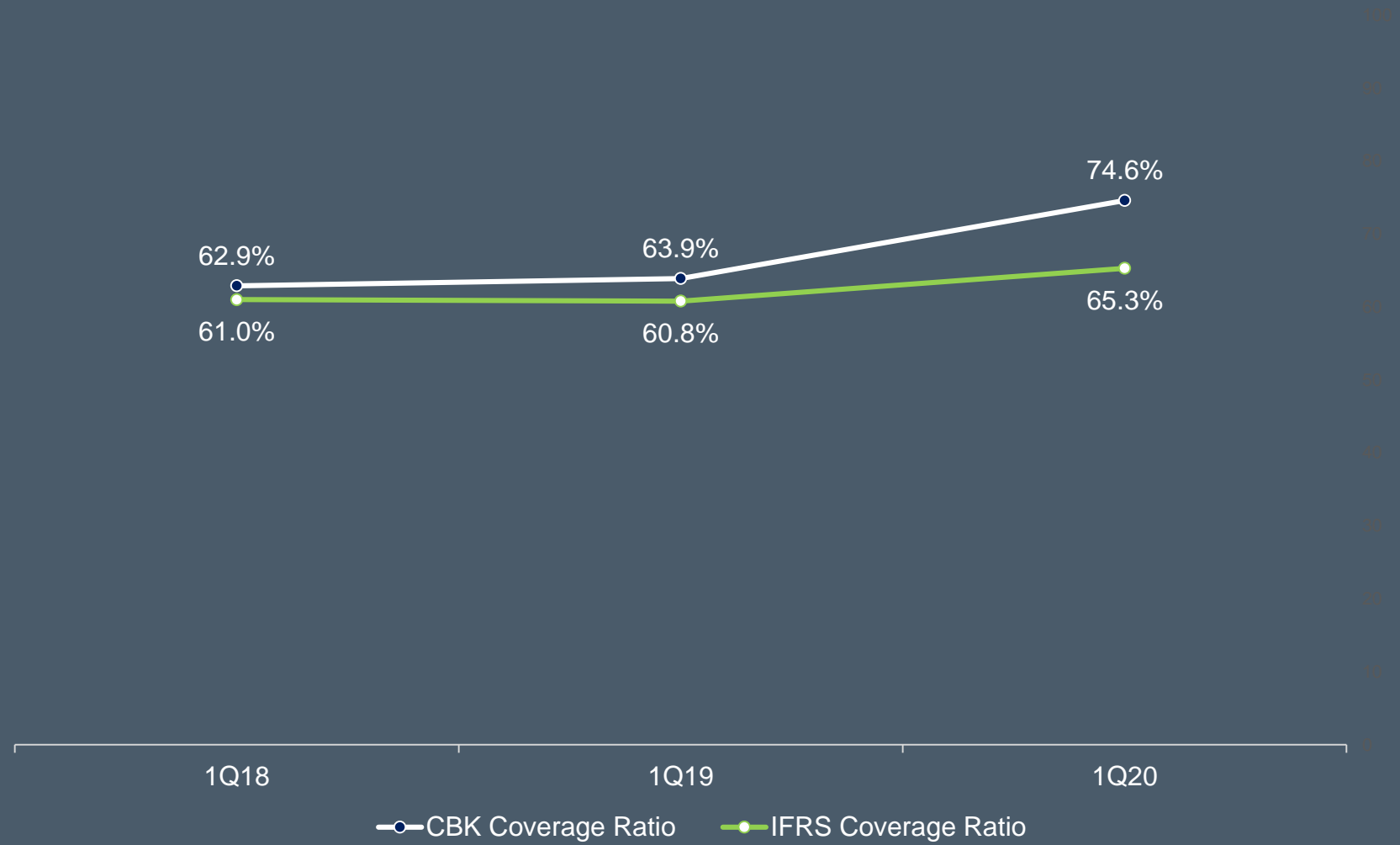


NPL Breakdown

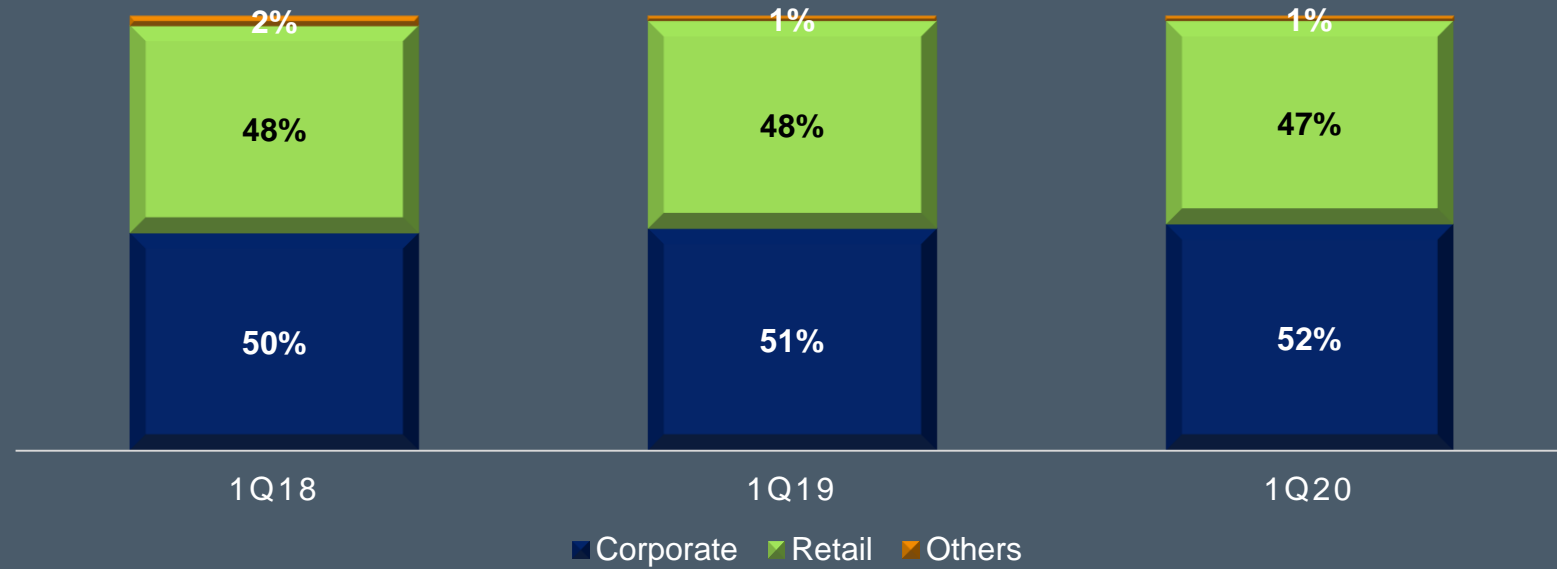


LOAN BOOK PERFORMANCE

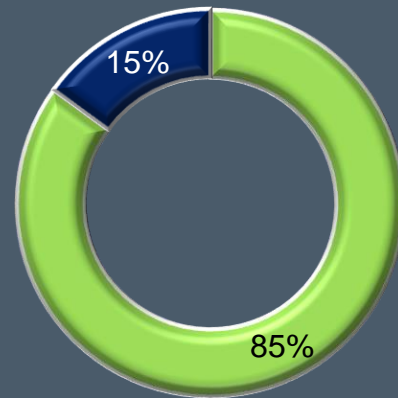
Group Coverage Ratio



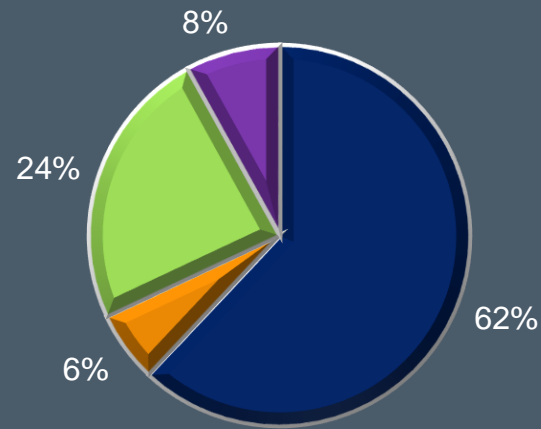
BALANCED DEPOSIT MIX



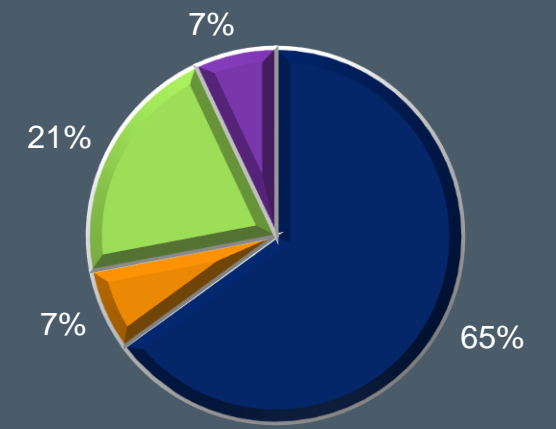
Currency Mix



Deposits by type 1Q19

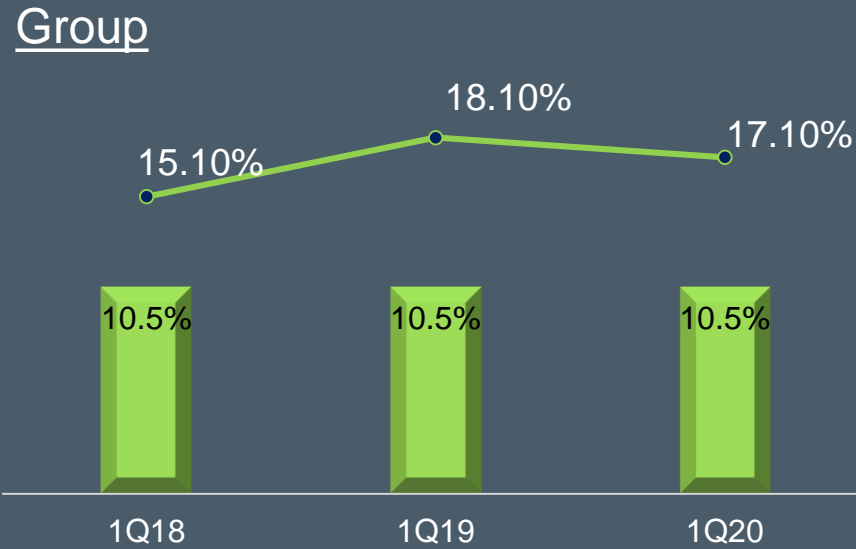


Deposits by type 1Q20

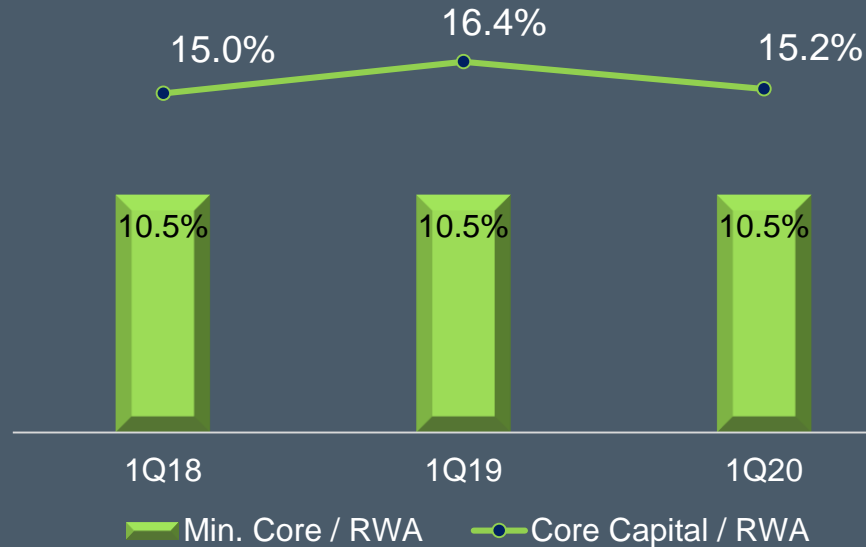


STRONG CAPITAL BUFFERS

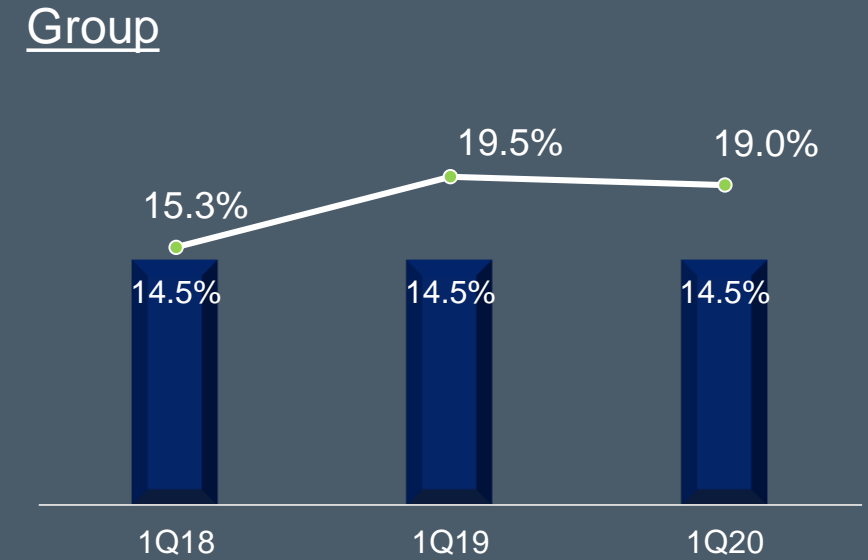
Core Capital to RWA



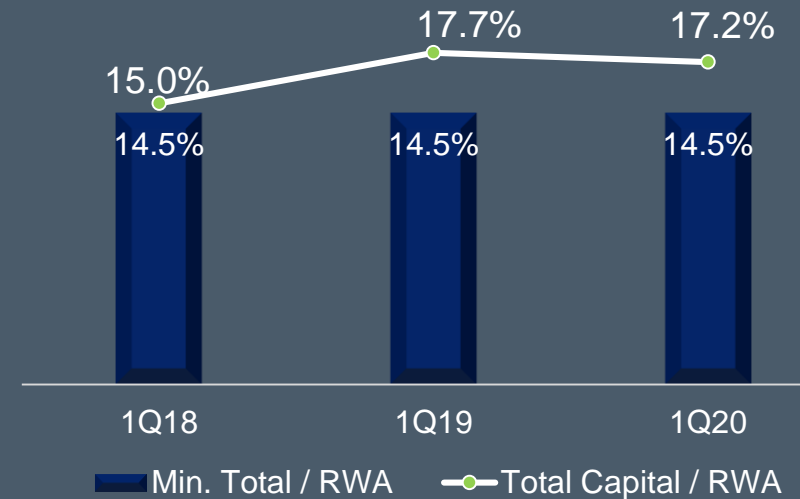
Kenya



Total Capital to RWA



Kenya



P&L HIGHLIGHTS

Profit before tax
Up 5.0%

8.5%
Growth Net Earnings
growth to
KShs 6.3B

Net Interest Income

KShs 12.7B

KShs 15.1B

Total Non Interest Income

KShs 6.0B

KShs 7.9B

Operating Expenses

KShs (9.1B)

KShs (11.1B)

Profit before tax

KShs 8.5B

KShs 8.9B

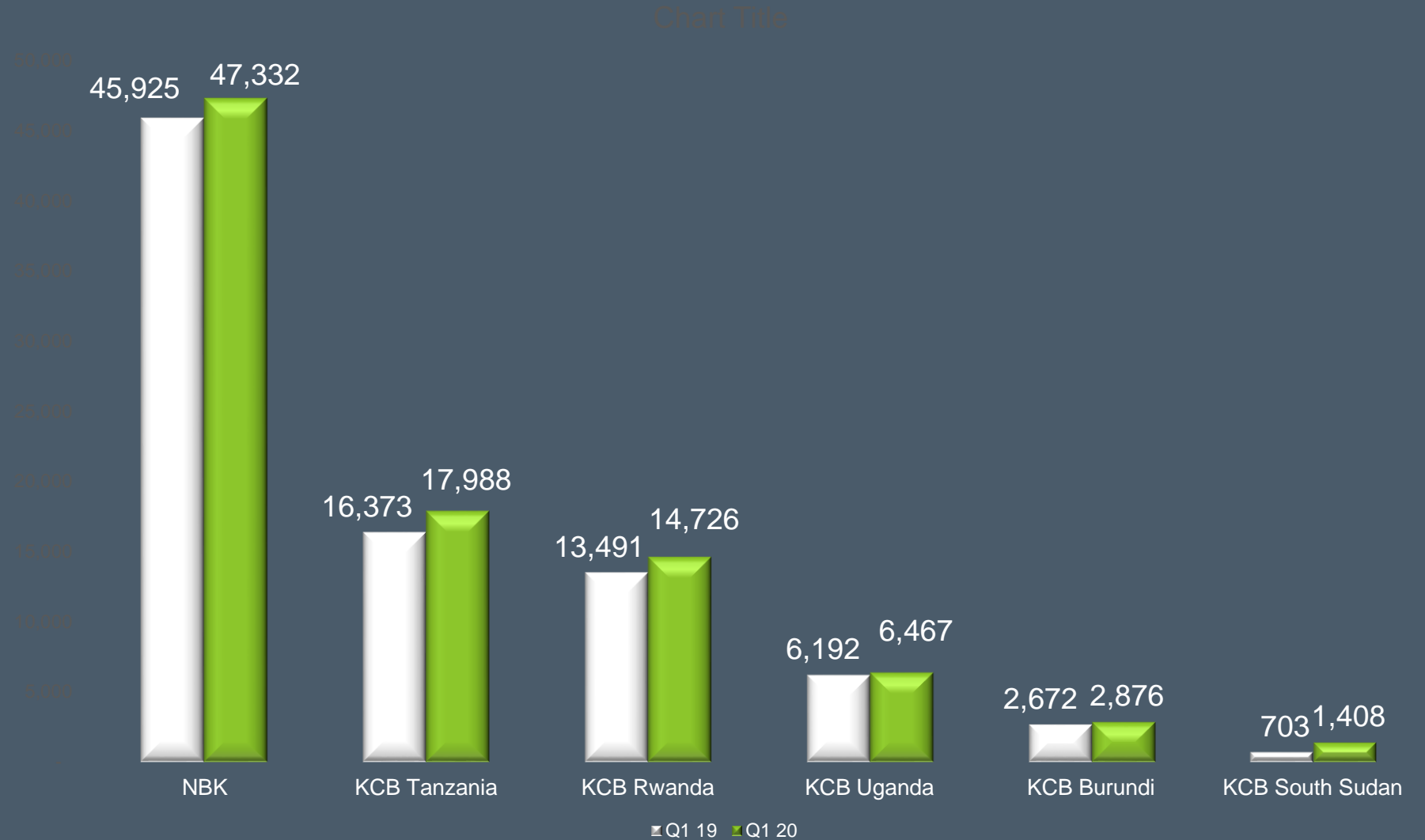
Q1 19

Q1 20

Balance Sheet Highlights

Other banking businesses performance

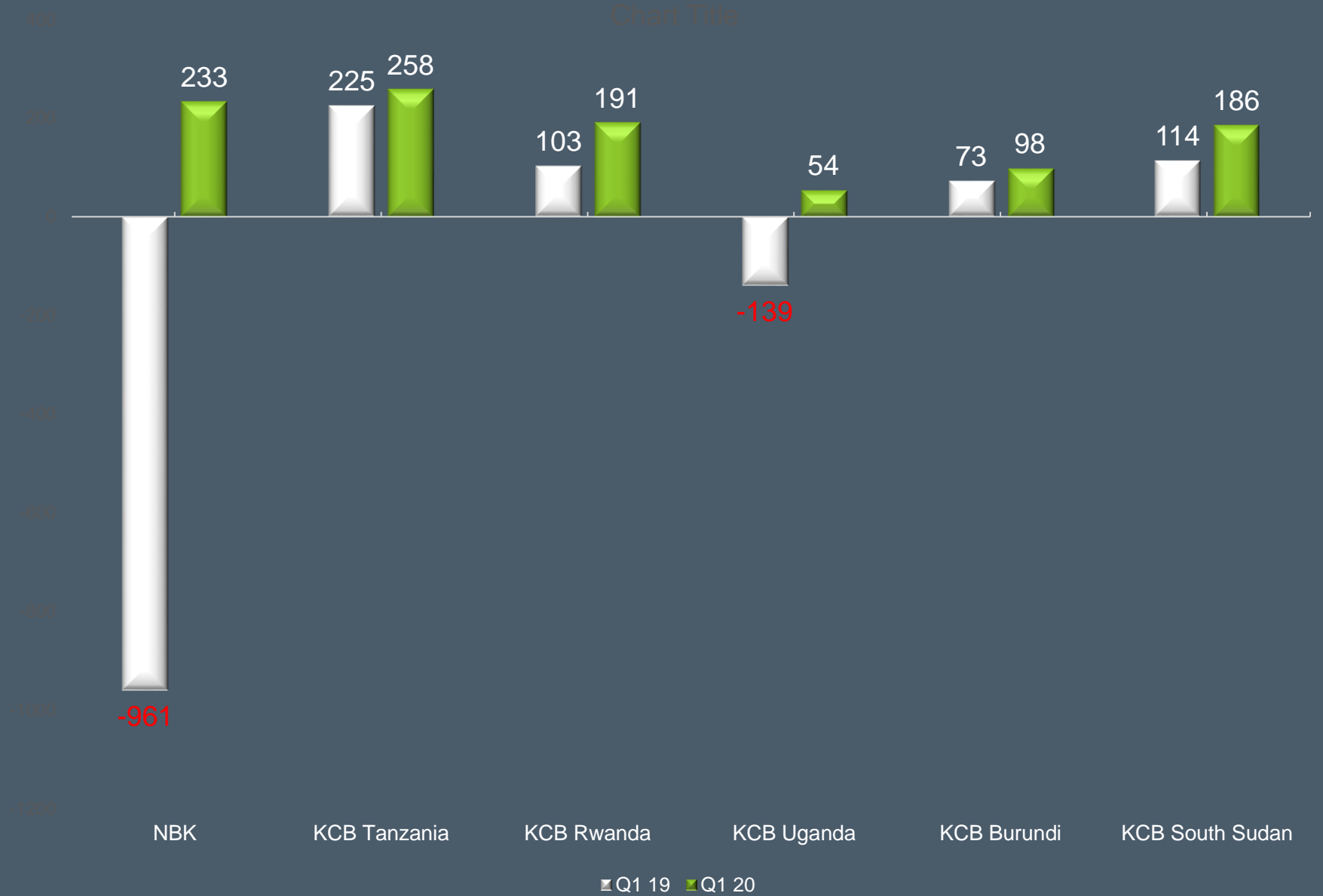
Net loans & Advances (KShs M)



P&L HIGHLIGHTS

Other banking businesses performance

PBT (KShs M)



Strong Balance Sheet

KShs 89.6 billion growth in Net Loans and Advances
(KShs 18.5 B in Q1 2020)

KShs Billion	KCB Group			KCB Bank Kenya		
	Actual 1Q19	Actual 1Q20	Y-O-Y Change	Actual 1Q19	Actual 1Q20	Y-O-Y Change
Cash and balances with central bank	39.5	56.9	44%	35.0	44.6	27%
Balances with other institutions	36.2	50.1	38%	14.4	25.6	78%
Investments in Government & Other securities	133.3	202.6	52%	118.0	144.8	23%
Net loans and advances	464.3	553.9	19%	424.8	463.1	9%
Fixed assets	13.9	27.1	96%	10.0	15.5	55%
Other assets	38.5	56.5	47%	32.3	35.4	9%
Total Assets	725.7	947.1	31%	634.5	728.9	15%
Customer deposits	552.2	740.4	34%	491.0	580.1	18%
Balances due to other banks	9.5	13.3	40%	0.9	3.1	248%
Other liabilities	23.0	35.8	56%	21.3	28.2	33%
Long-term debt	21.5	22.0	2%	18.7	19.2	3%
Total Liabilities	606.2	811.5	34%	531.9	630.7	19%
Shareholders' equity	119.5	135.5	13%	102.6	98.2	(4%)
Total liabilities and equity	725.7	947.1	31%	634.5	728.9	15%

8% GROWTH IN EARNINGS

KShs Billion	KCB Group			KCB Bank Kenya		
	Actual 1Q19	Actual 1Q20	Y-O-Y Change	Actual 1Q19	Actual 1Q20	Y-O-Y Change
Interest income	16.8	20.2	20%	15.0	15.8	5%
Interest expense	(4.1)	(5.2)	27%	(3.4)	(3.9)	12%
Net interest income	12.7	15.1	18%	11.6	11.9	3%
Foreign exchange income	1.0	1.5	51%	0.6	1.0	52%
Net fees and commissions	4.0	5.4	34%	3.5	4.5	30%
Other income	1.0	1.0	(1%)	0.9	0.7	(21%)
Total other operating income	6.0	7.9	31%	5.0	6.2	24%
Total other operating expenses	(9.1)	(11.1)	(18%)	(7.4)	(7.7)	(4%)
Provisions for bad debts	(1.2)	(2.9)	149%	(1.0)	(2.5)	154%
Profit before tax	8.5	8.9	5%	8.2	7.9	(4%)
Tax	(2.7)	(2.7)	(2%)	(2.5)	(2.4)	(6%)
Profit after tax	5.8	6.3	8%	5.6	5.5	(3%)

OVERVIEW OF KEY FINANCIAL RATIOS

FY 18	Q1 19	FY 19		KENYA	GROUP
21.9%	21.9%	20.7%	Return on Average Equity	22.4%	18.9%
48.3%	48.5%	45.9%	Cost to Income	42.8%	48.5%
6.9%	7.7%	10.9%	Gross NPL to Gross Loans	7.6%	11.1%
72.4%	60.8%	72.1%	NPL Coverage	72.4%	65.3%
19.7%	18.0%	16.6%	Debt to Equity	19.6%	16.2%
32.0%	32.2%	33.4%	Non funded income to total income	34.2%	34.4%
3.2%	2.8%	2.8%	Cost of funds	2.7%	2.7%
8.1%	8.5%	8.1%	Net Interest Margin	7.4%	7.6%
0.7%	1.0%	1.8%	Cost of risk	2.1%	2.1%
84.8%	84.1%	84.6%	Loan to Deposit Ratio	79.8%	74.8%
8.0%	11.0%	17.4%	Growth of Net Loans and Advances	9.0%	19.3%
8.0%	11.0%	27.7%	Growth of Customer Deposits	18.2%	34.1%



**THANK
YOU**

Investor Relations
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www.kcbgroup.com