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Press Release

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## **KCB Group Plc Posts KShs. 16.5B in Q1 Profit After Tax.**

*Growth remained steady amid a challenging operating environment as the balance sheet hit KShs.2.03 trillion.*

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KCB Group PLC posted a profit after tax of KShs.16.53 billion in the first quarter of the year ending March 2025, compared to KShs.16.48 billion reported a similar period last year, with notable growth in key financial metrics.

Total revenues rose 2% to KShs.49.4 billion, while the Group's balance sheet closed the period at KShs.2.03 trillion, from KShs.1.99 trillion on the back of a stable loan portfolio.

The profit before tax contribution by the subsidiaries outside KCB Bank Kenya improved to 32%, resulting from the Group's focus on deepening regional scale.

### Commentary: Group Chief Executive Officer, Paul Russo

"The quarter's performance reflects a strong push by teams across the business. It is notable that we were able to match 2024 quarter one performance, which was impressive by all standards. The Group was resilient, supported by new business lines, deepening of digital channels and innovative customer value propositions. Our robust balance sheet means that we are well positioned to support our customers to navigate the general emerging challenges across the region"

"As we steer the remainder of the year, our focus is on leveraging the Group's scale, capabilities, people and partners, to deepen relationships and financial inclusion. We will continue to harness technology to enhance banking services and drive relevant products and services that contribute to economic growth, sustainability, and shareholder value" he added.

### Financial Highlights

- **Operating costs grew by 7.8%**, to KShs.22.7 billion, largely driven by workforce-related expenses and budgeted investment in technology.
- On **asset quality, provisions for expected credit losses declined by 11.3%**, driven by an aggressive Non-Performing Loans (NPL) monitoring strategy, particularly targeting accounts with persistent delinquency and at risk of transitioning to NPL status, strengthened collateral positions and successful rehabilitation of key NPL exposures across the subsidiaries.

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L. M. Njiru; A. R. M. Mohamed; Mrs. A. M. Kirenge; Ms. A. S. Pandit; Mrs. A. G. Lutukai; W. O. Asiko.

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- The Group's stock of **gross NPLs** closed the period at **KShs.233 billion** while the **NPL ratio** stood at **19.3%**, reflecting the challenging economic conditions in different sectors across the markets.
- On the **balance sheet** size, the Group maintained the industry's leadership position. **Customer deposits** stood at **KShs.1.4 trillion** and despite pressure attributable to the appreciation of the Kenyan Shilling against the US dollar, **customer loans and advances** closed the quarter at **KShs.1.02 trillion**.
- The Group continued to deliver value for shareholders, posting a **Return on equity** of **23.3%**. **Total equity attributable to Group shareholders** increasing by **28.4%** from **KShs.231.5 billion** to **KShs.297.1 billion**.
- The Group maintained **strong capital buffers** with all banking subsidiaries except NBK compliant with their respective local regulatory capital requirements. Group core capital as a proportion of total risk-weighted assets stood at **16.7%** against the statutory minimum of 10.5% while the total capital to risk-weighted assets ratio was at **19.7%** against a regulatory minimum of 14.5%.

#### Commentary: Group Chairman Joseph Kinyua

"In the face of a challenging operating environment, KCB has demonstrated remarkable resilience and robust performance, underscoring the strength of our fundamentals, strategic direction, and leadership depth. The environment is expected to be even tougher this year with all the headwinds streaming from global trade tariff wars to shifting geopolitics in the East region. KCB Group remains dedicated to ensuring long-term sustainability and shared value for all stakeholders," said KCB Group Chairman Dr. Joseph Kinyua.

#### Latest Corporate Developments

- KCB Group PLC is at the tail end of completing the sale of National Bank of Kenya Limited (NBK) to Access Bank PLC (Access Bank). In April, the Group received regulatory approval from the Central Bank of Kenya (CBK) to progress the transaction. KCB also received a nod by the Cabinet Secretary for the National Treasury and Economic Planning, 2025, approving the transfer of certain assets and liabilities of NBK to KCB Bank Kenya Limited pursuant to section 9 of the Banking Act.
- In March, KCB Group PLC and Riverbank Solutions Limited signed a binding agreement that will see KCB acquire up to 75 percent shareholding in the financial technology firm, to strengthen KCB Group's distribution network across the region. The successful completion of the transaction is subject to conditions that are customary for transactions of this nature including receipt of regulatory approvals from, amongst others, the Central Bank of Kenya. The deal will boost the Group's digital capabilities, by bringing on board Riverbank's footprint in banking agency, social payments and business solutions. Riverbank has presence in Kenya, Uganda and Rwanda. The acquisition will see KCB tap into Riverbank's capabilities in payment ecosystems and non-banking offerings including capability building, networks and marketplace solutions.
- In February, British International Investment (BII), the UK's development finance institution and impact investor, extended a \$100 million Tier 2 capital facility to KCB Bank Kenya to increase its lending capacity to climate-related projects and women-led SMEs. The funding will strengthen KCB Bank's balance sheet and fund local companies scaling innovative climate technologies, including

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renewable energy, green mobility, and firms creating sustainable value chains in the agriculture sector.

- KCB Group has signed up to the Pan-African Payment and Settlement System (PAPSS), reinforcing its commitment to enhancing cross-border trade and financial integration across the continent. As the first bank in East Africa to integrate PAPSS into its systems, KCB customers will now be able to enjoy faster settlement times, reduced costs associated with currency conversion, and increased access to new markets across Africa. PAPSS is a centralized financial market Infrastructure developed by the African Export Import Bank (Afreximbank) to facilitate cross-border payments and trade transactions, reducing both costs and processing times.
- KCB continues to champion Financial Inclusion for Women in Business. Through the KCB FLME Proposition where we offer both financial and non-financial benefits, we have set aside KShs. 250 billion for 5 years as a way bridge the financial access gap that exists. KCB Bank is set to engage women entrepreneurs in all 47 Counties in Kenya in the year. To date, the Bank has disbursed KShs.150 billion.
- In line with our 2024-2026 Strategic Pillar of “Digital Leadership”, KCB Group will launch a new and enhanced Mobile banking platform in Kenya, Tanzania, South Sudan and Burundi. This Mobile Platform seeks to address our customer pain points and ease access to financial services with a more robust offering and superior user experience.
- KCB as the Official Financial Partner of the 2025 Safari Rally (World Rally Championship WRC) committed KShs. 209 million. This included the sponsorship of local drivers like Karan Patel, Tinashe Gatimu, Nikhil Sachania and Evans Kavisi. KCB launched the “Revvvisha na KCB” campaign, a nationwide initiative to promote financial empowerment and encourage positive savings behavior among Kenyans. The centerpiece of the campaign was the KCB Goal Savings Account, which offers an attractive interest rate of up to 8.5%.
- Still in sports, KCB launched the 2025 EA Golf Tour, committing KShs. 90 million into the third edition. The year-long series will feature a 24-leg amateur tournament across Kenya and additional events in Rwanda, Uganda, Burundi and Tanzania.
- KCB also launched a new multi-currency card now supports 18 currencies, making it a versatile tool for regional and international transactions: KES (Kenyan Shilling); USD (US Dollar); EUR (Euro); GBP (British Pound Sterling); CHF (Swiss Franc); AUD (Australian Dollar); CAD (Canadian Dollar); CNY (Chinese Yuan); INR (Indian Rupee); JPY (Japanese Yen); ZAR (South African Rand); AED (United Arab Emirates Dirham); TZS (Tanzanian Shilling); UGX (Ugandan Shilling); RWF (Rwandan Franc); NOK (Norwegian Krone); DKK (Danish Krone); SEK (Swedish Krona).
- KCB Group continued to forge impactful partnerships to advance our mission. Notably, we secured Green Climate Fund (‘GCF’) approval for Project Preparatory Facility (PPF) funding to boost small business growth in Kenya. Additionally, we signed a 5-year agreement with Mastercard valued at US\$7 million to bolster customer empowerment and economic development initiatives in the region. Collaborations with Invest International and the Bill & Melinda Gates Foundation further enhanced our ability to deliver impactful solutions. We remain true to our Environmental, Social and Governance (ESG) commitments.
- On the technology front, we continued to create a simple, more agile, and digitally led bank, achieving significant milestones such as establishing a Digital Centre of Excellence, upgrading core banking systems at BPR and NBK, and innovative product rollouts like digital term loans for MSMEs and the Worship 360 App for faith-based organizations.
- KCB continued to top global, regional and local charts, receiving several accolades. Among other accolades, KCB Group has been named in the Financial Times - “Africa’s Fastest Growing Companies 2025” in a report published in May. **<Ends>**

**For further information, please contact Peter Mwaura Kimani, Head of Corporate & Stakeholder Relations; email: [pmkimani@kcbgroup.com](mailto:pmkimani@kcbgroup.com);**

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### **About KCB Group PLC**

KCB Group Plc is East Africa's largest commercial Bank and was established in 1896. The Group is headquartered in Kenya, with the country serving as the lead market with two banking subsidiaries namely KCB Bank Kenya and National Bank of Kenya. Over the years, the Bank has grown and spread its wings into Tanzania, South Sudan, Uganda, Rwanda, Burundi, and the Democratic Republic of Congo. Our subsidiaries KCB Bank Kenya and Trust Merchant Bank (TMB) also have representative offices in Ethiopia and Brussels, respectively. Additionally, KCB Group owns KCB Bancassurance Intermediary Limited, KCB Investment Bank, KCB Asset Management, KCB Foundation and Kencom House Limited as non-banking businesses. Today KCB has the largest branch network in the region with 538 branches, 1,319 ATMs and over 1.3 million merchants and agents offering banking services on a 24/7 basis in East Africa. This is complemented by mobile banking and internet banking services with 24-hour contact center services for our customers to get in touch with the Bank. KCB has a vast network of correspondent relationships totaling over 200 banks across the globe, and our customers are assured of a seamless facilitation of their international trade requirements wherever they are.

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