



**HY 2020
RESULTS**

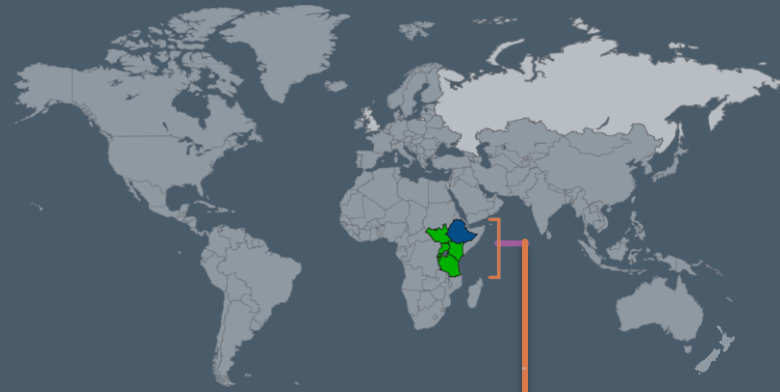
OUR REGIONAL PRESENCE

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

24.6 MILLION



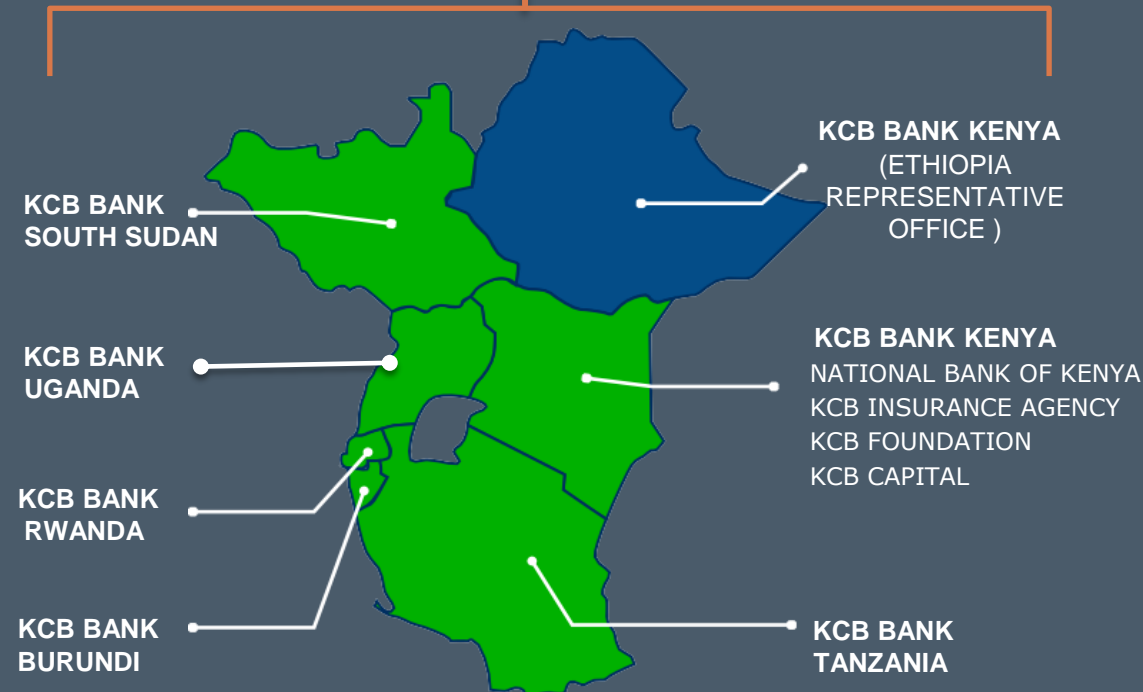
359 BRANCHES

1,082 ATMS,
23,192 AGENTS & MERCHANTS



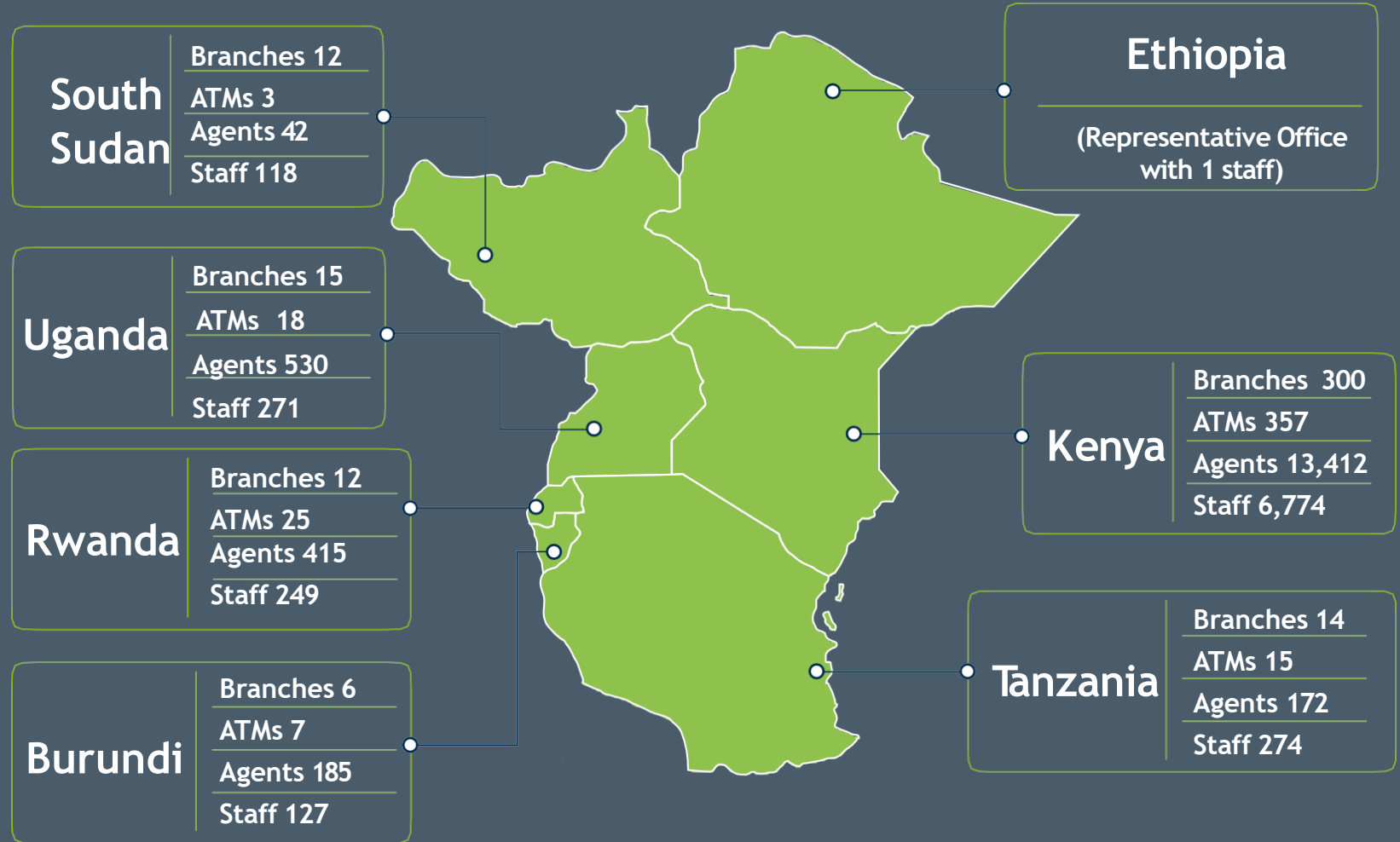
STAFF

7,814



OUR FOOTPRINT

Touch Points:



CREDIT RATINGS

Credit Ratings at
par with the
Sovereign Rating

RATING
AGENCY

MOODY'S
INVESTORS SERVICE

S&P Global
Ratings

SOVEREIGN

KCB BANK KENYA

B2 (Negative)

B2 (Negative)

B+/B
(Negative)

B+/B
(Negative)

KCB 2JIAJIRI PROGRAMME HIGHLIGHTS



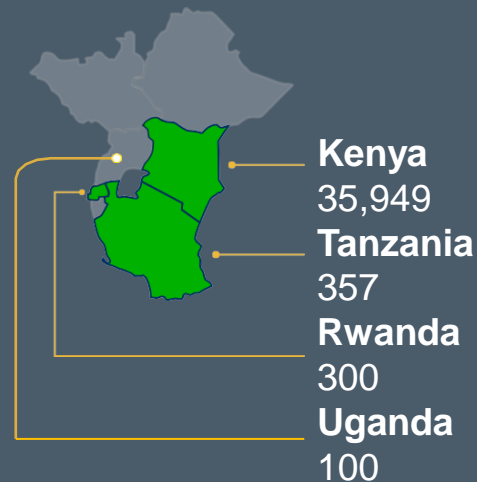
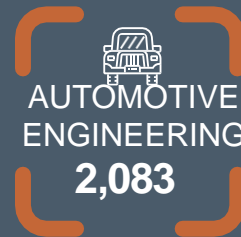
36,706

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

Peter Kanyi, Owner, D-DEKX Autocare, Nairobi



- Studied mechanical and electrical engineering at Eastlands College of Technology under *2jiajiri*.
- Opened a business, D-DEKX Autocare, where he makes an average of KShs. 50,000 monthly.
- Has leveraged on innovation and creativity to combine car repairs and car wash services to maximise profits.
- Has employed one youth in the business.

Serah Njeri, Mason, Young Africa Works, Ngong



- Studied masonry at the Kabete National Polytechnic under *2jiajiri*.
- Transitioned to the *Young Africa Works* project-partnership between *2jiajiri* and Mastercard Foundation.
- Is applying her skills at Arc Skills- the firm constructing *Young Africa Works* project greenhouses at Kibiko, Ngong, from where she earns a living.

SUSTAINABILITY FOCUS

Ongoing alignment with the Principles of Responsible Banking

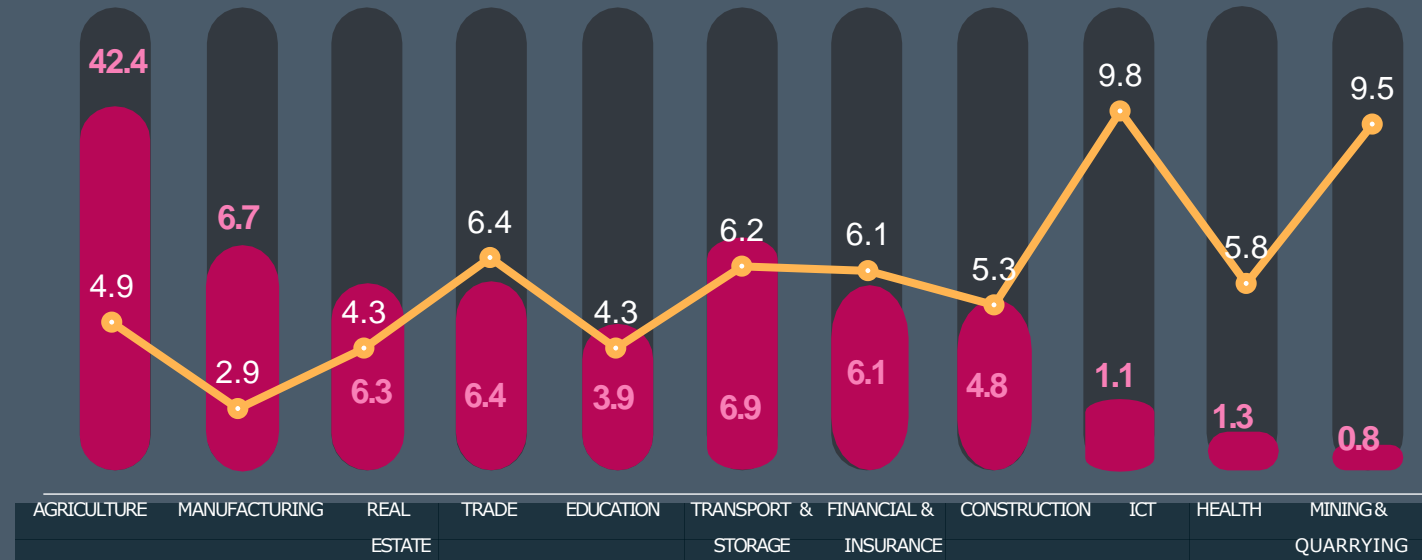
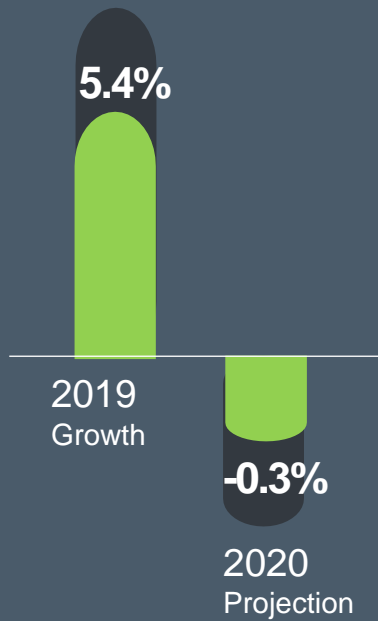


- KCB Bank Kenya has restructured facilities worth over KShs. 100 B to cushion customers against the effects of the COVID-19 pandemic.
- KCB Group adopted 9 SDGs. Implementation, impact measurement and tracking ongoing.
- Environmental and Social Due Diligence screening completed on KShs. 31.6B of the portfolio

Macro-Economic Highlights

MACROECONOMIC HIGHLIGHTS

Kenya



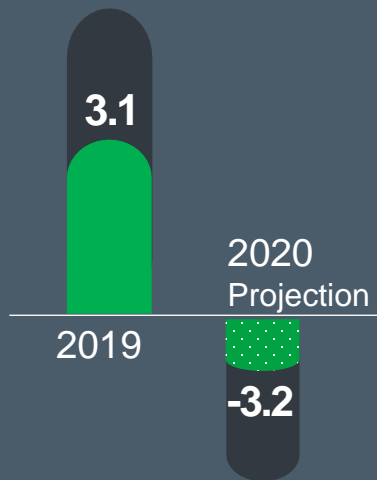
Contribution to GDP Q1 2020 (%)

Q1 2020 Growth (%)

Sources: -Kenya National Bureau of Statistics
-IMF

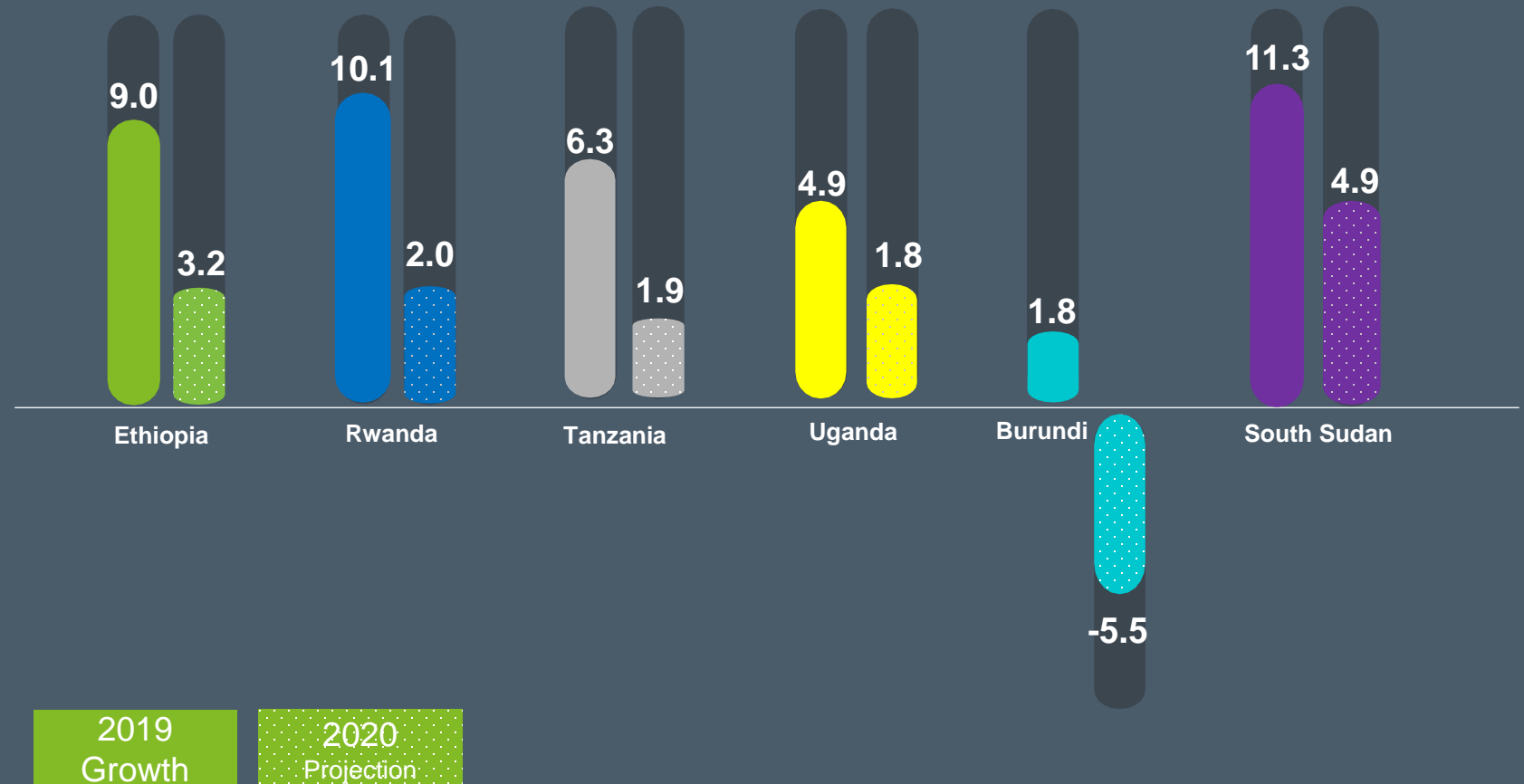
MACROECONOMIC HIGHLIGHTS

Sub-Saharan Africa GDP Growth (%)



Source: IMF

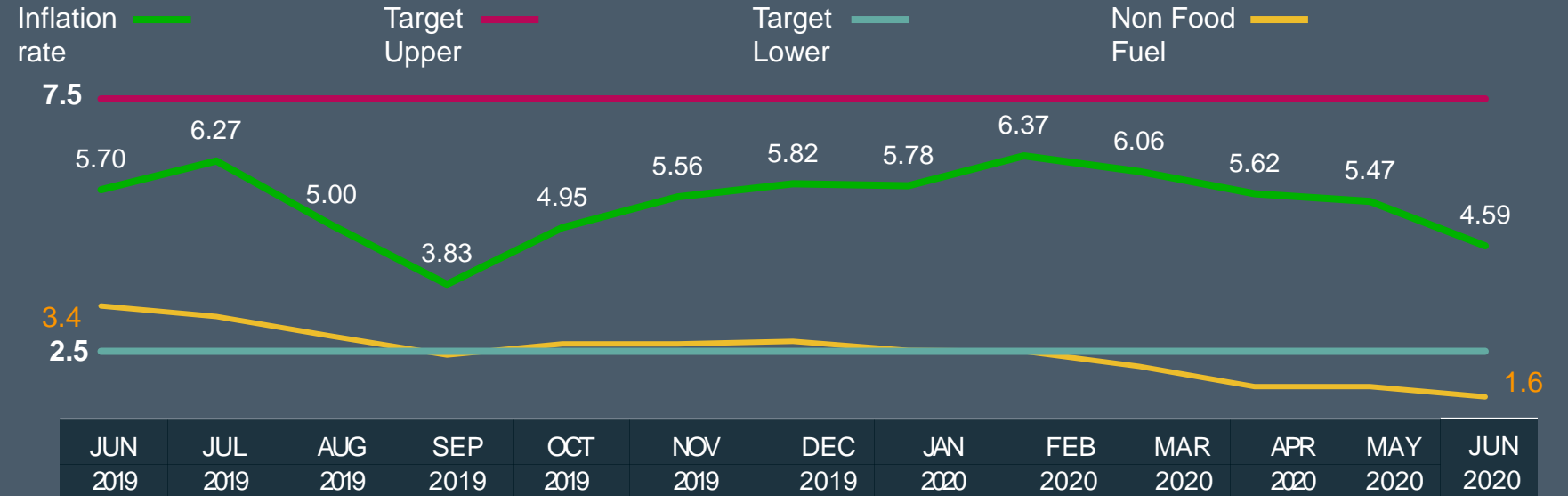
GDP Growth (%)



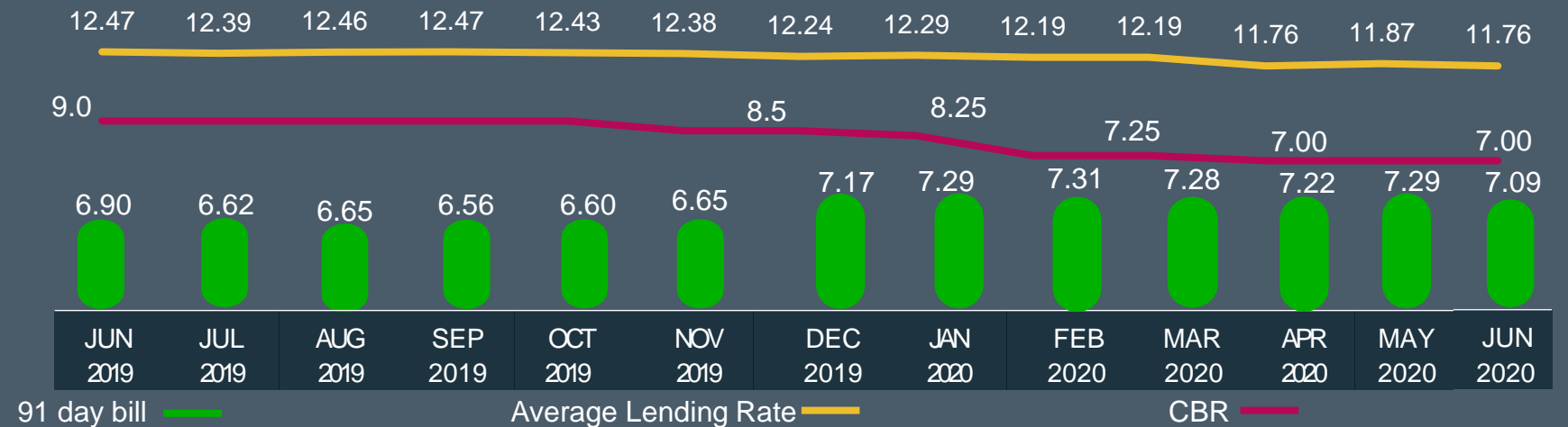
MACROECONOMIC HIGHLIGHTS

Kenya

Inflation Evolution (%)



Interest Rates Evolution (%)



Sources: Central Bank of Kenya
Kenya National Bureau of Statistics

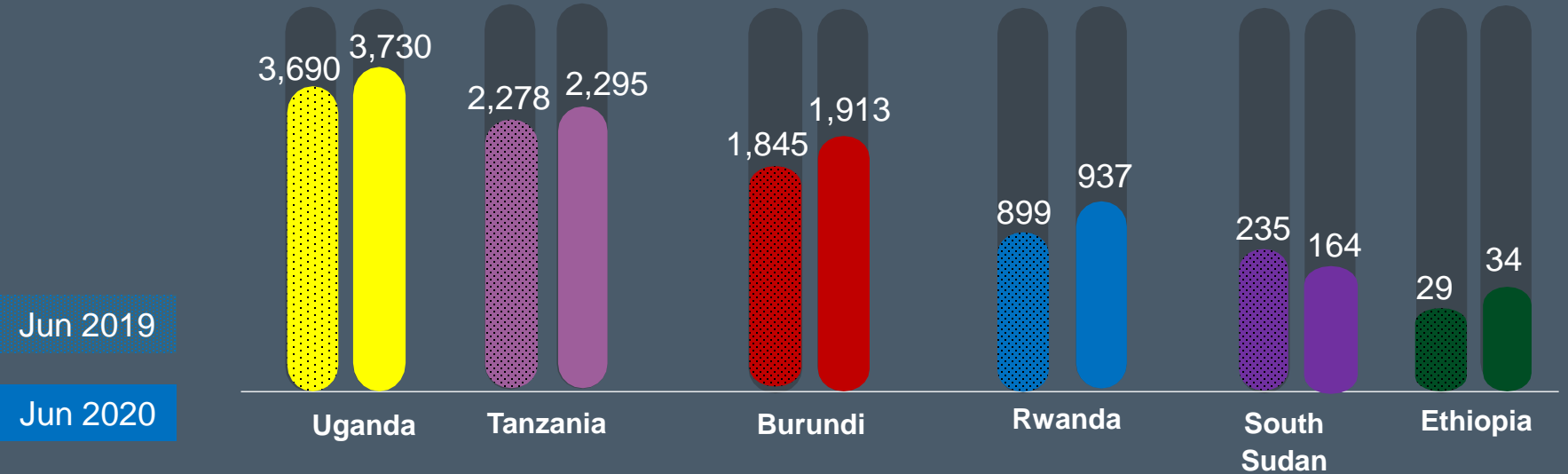
MACROECONOMIC HIGHLIGHTS

Depreciation of regional currencies against the USD as a result of Covid-19 pandemic's will lead to imported inflation.

USD/KShs. Average Monthly Exchange Rate




Exchange Rates, Local Currency to USD

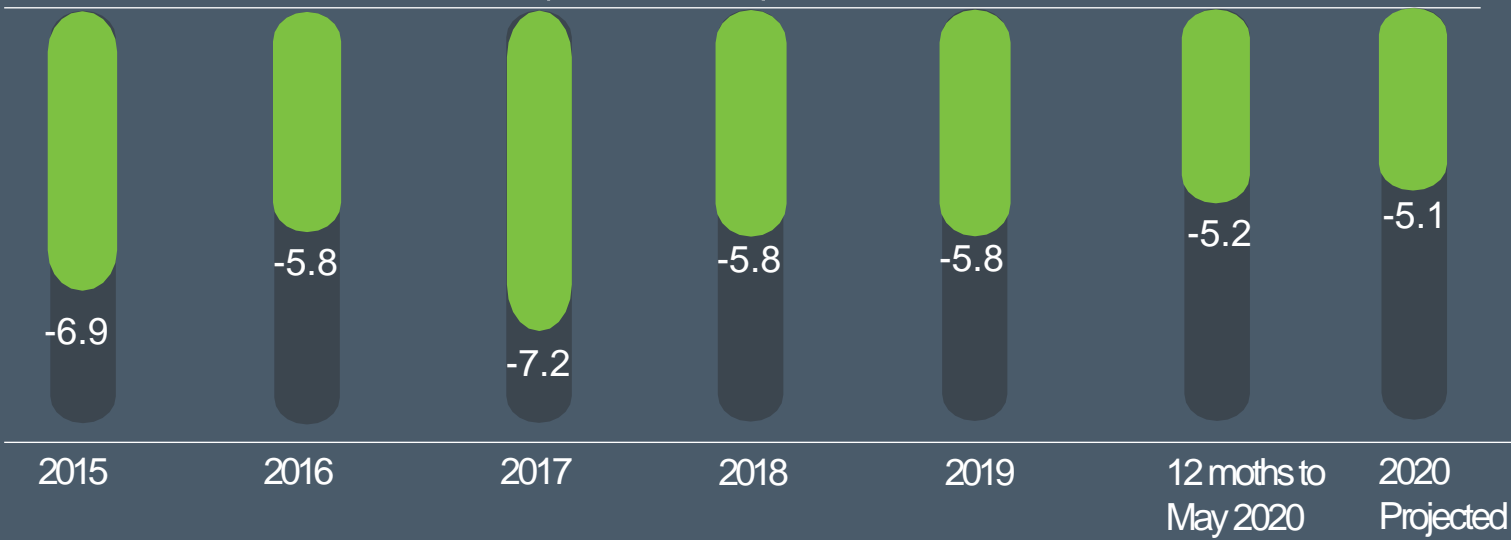


MACROECONOMIC HIGHLIGHTS

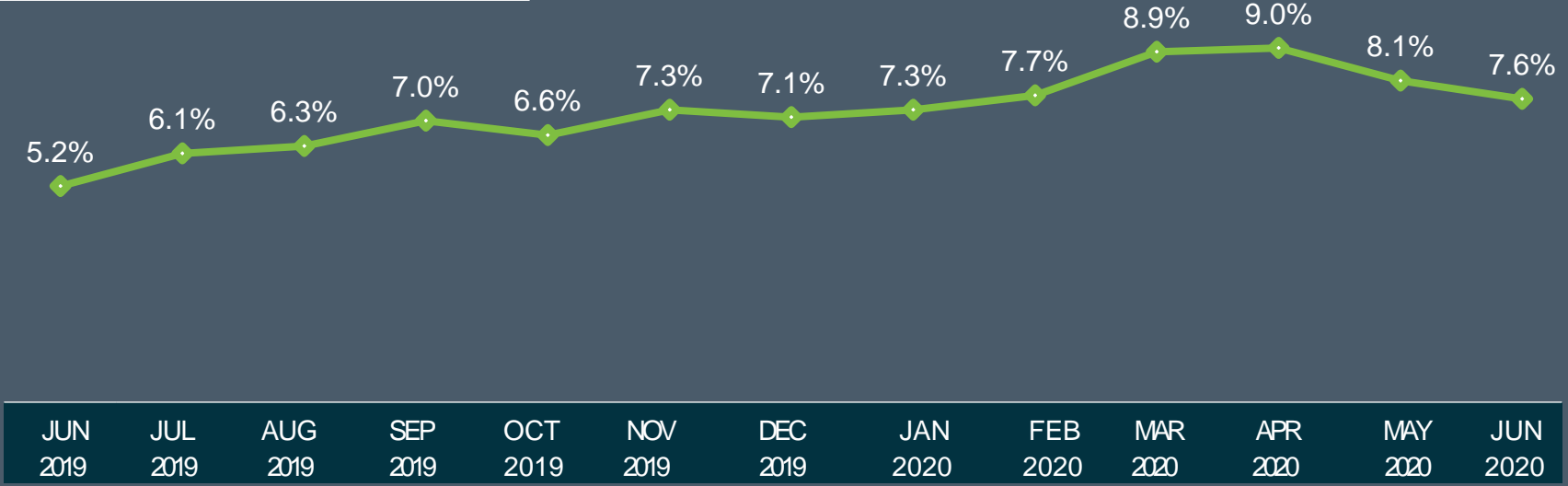
Kenya


 Diaspora remittances
 Q2 2020: \$ 754.9M
 Q2 2019: \$ 783.9M
4%

Current Account Balance (% of GDP)



12 Month Private Sector Growth



Channel Performance

OUR CHANNEL CONTRIBUTION

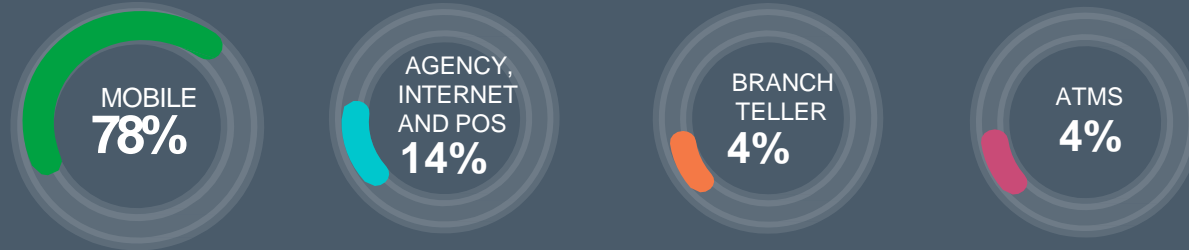


98% of transactions performed outside the branch

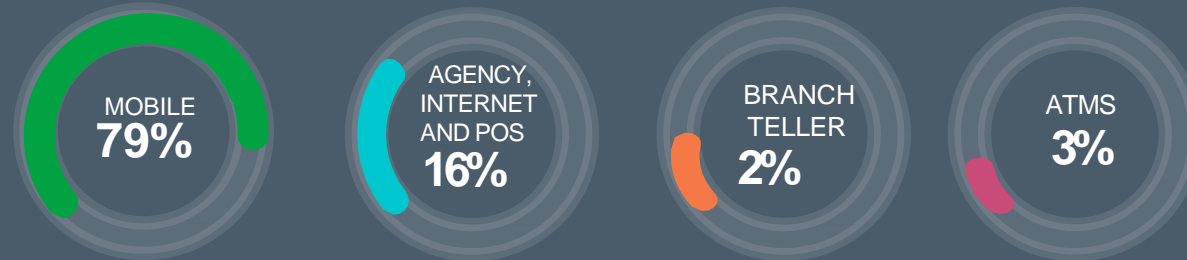


13% growth in non-branch revenue to KShs. **4.9B**

HY 2019



HY 2020



20% decrease in average transactions / teller per day



Avg. Transactions / Teller per day

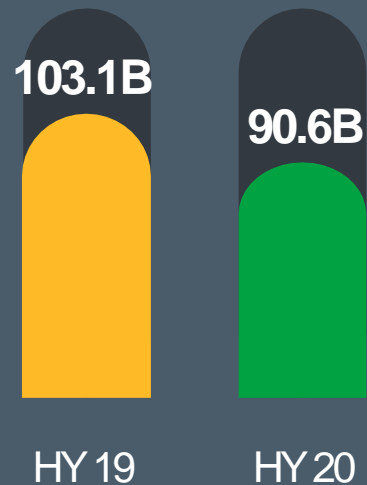
46% decrease in Number of branch transactions.



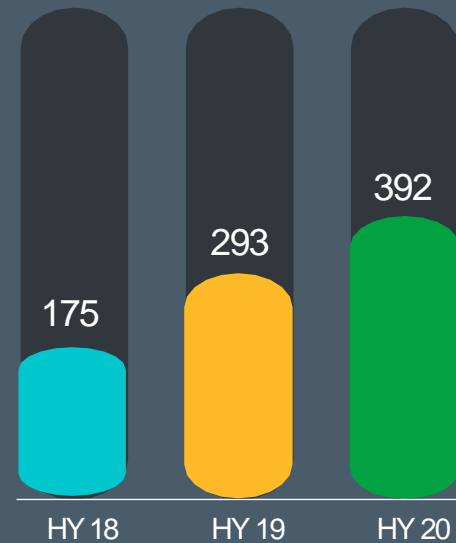
Number of Branch Transactions (M)

OUR CHANNEL CONTRIBUTION

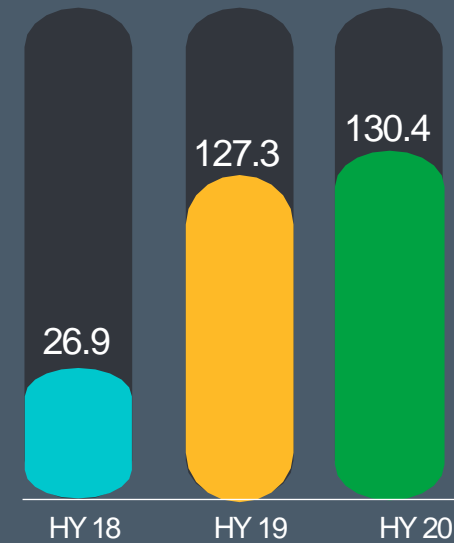
12%
Reduction in
Total Mobile
Loans Advanced



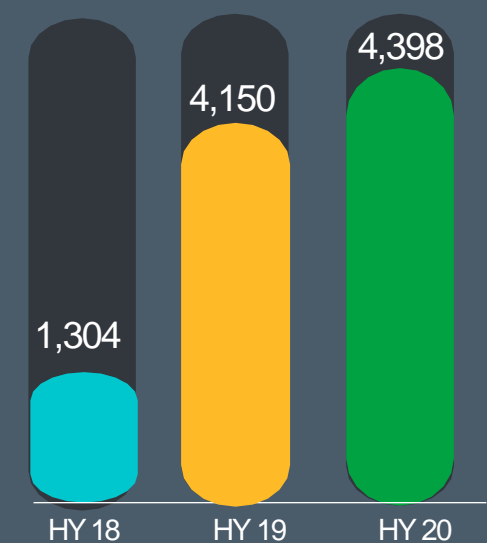
Value of Mobile Transactions:
(KShs. B)



No. of Mobile Transactions
(M)



Mobile Revenue
(KShs. M)

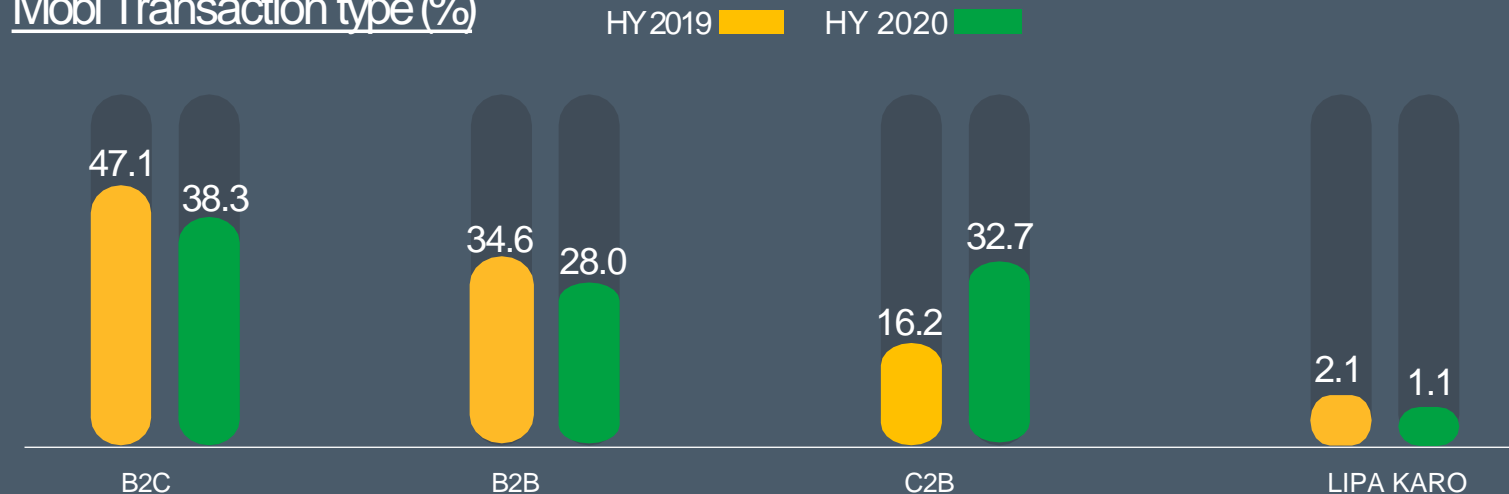


OUR CHANNEL CONTRIBUTION

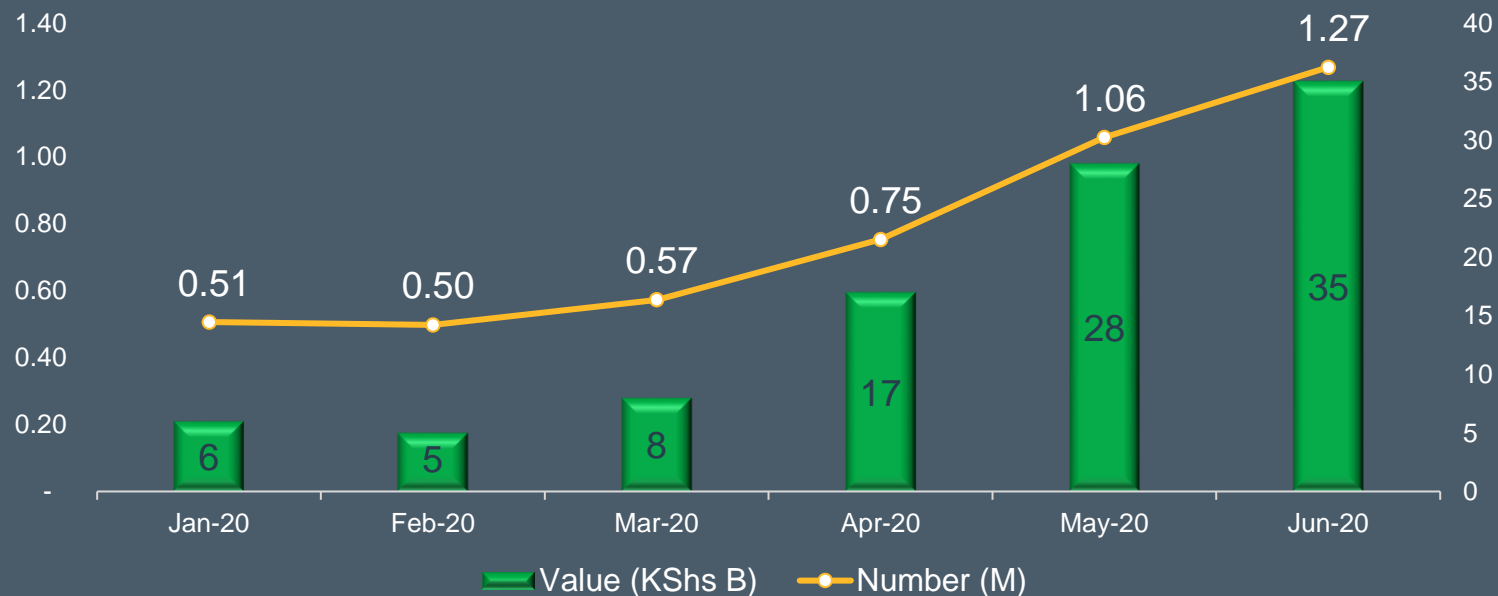
KShs. 98.6B
worth of C2B
deposits in HY20

Exponential Growth in
Number and Value of
C2B Transactions
during Covid-19 Period
driven by the push to
digital transactions and
fee waivers.

Mobi Transaction type (%)



Month on Month Evolution of C2B Transactions



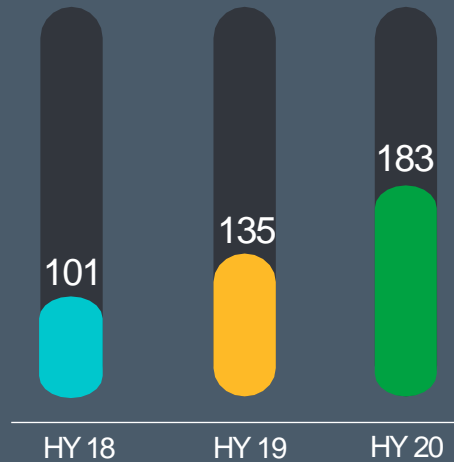
OUR CHANNEL CONTRIBUTION

AGENCY

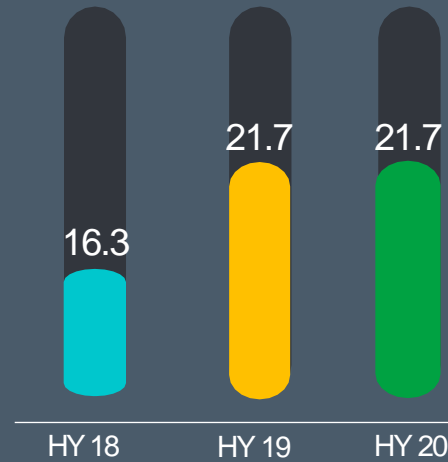
35%

Growth in Agency Banking Volumes

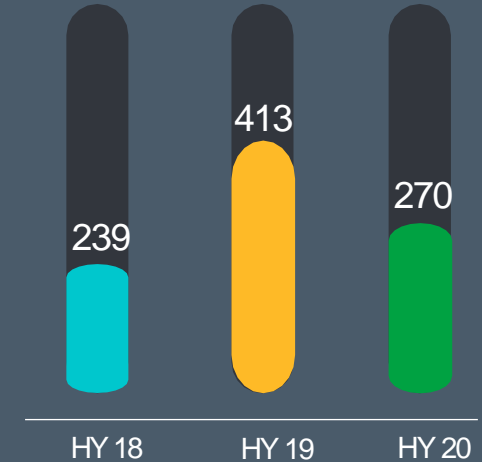
Value of Transactions
(KShs.B)



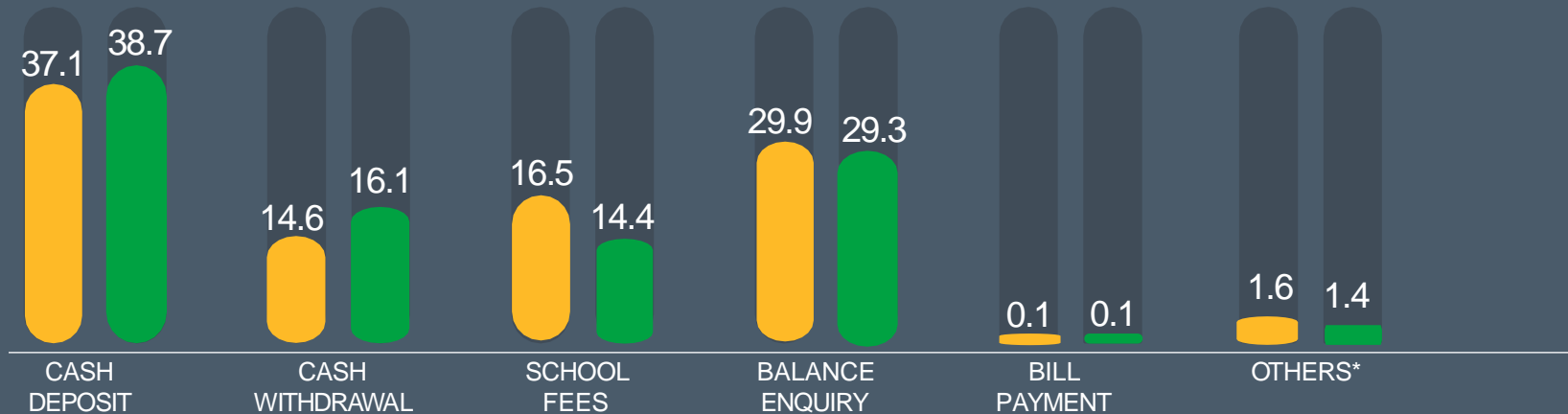
No. of transactions
(M)



Agency Revenue
(KShs.M)



Agency Transaction type (%)



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

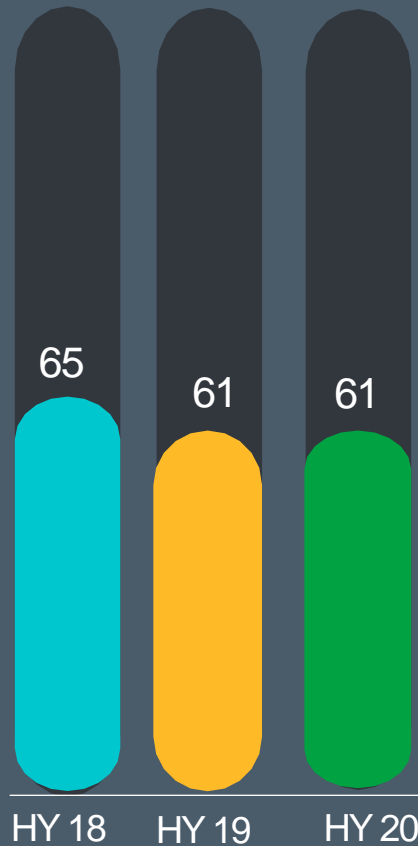
OUR CHANNEL CONTRIBUTION

ATM

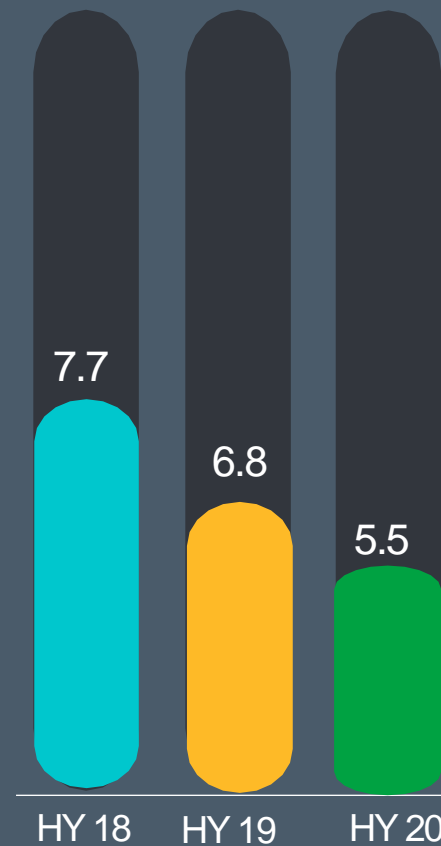
▼ **20%**

Reduction in number of ATM transactions

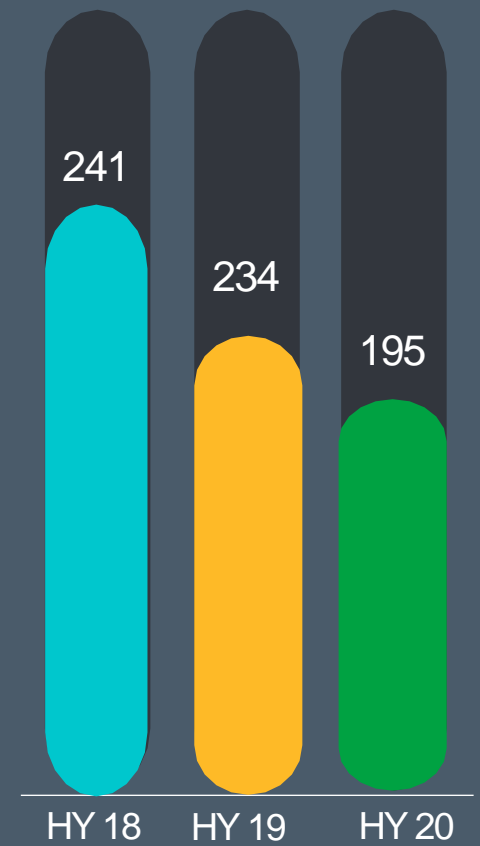
Value of Transactions (KShs. B)



No. of Transactions (M)



ATM Revenue (KShs M)



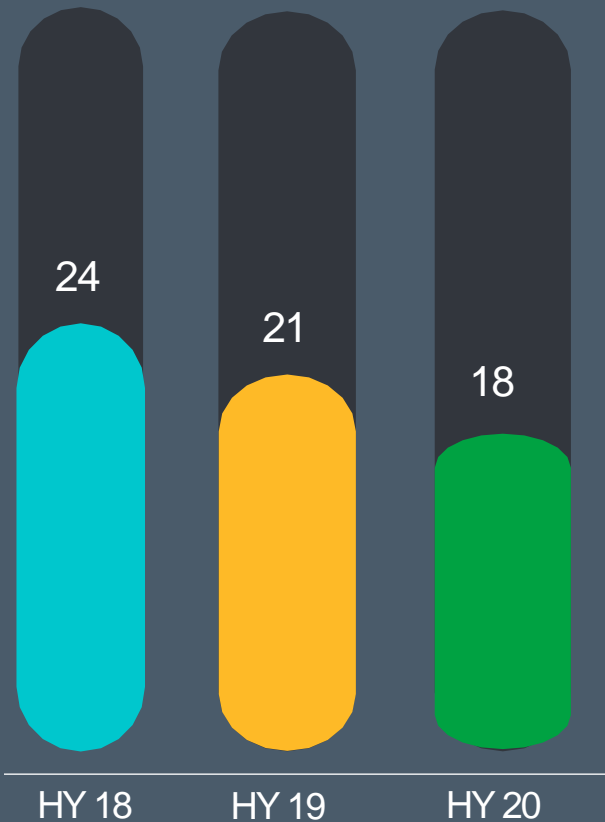
OUR CHANNEL CONTRIBUTION

MERCHANT / POS

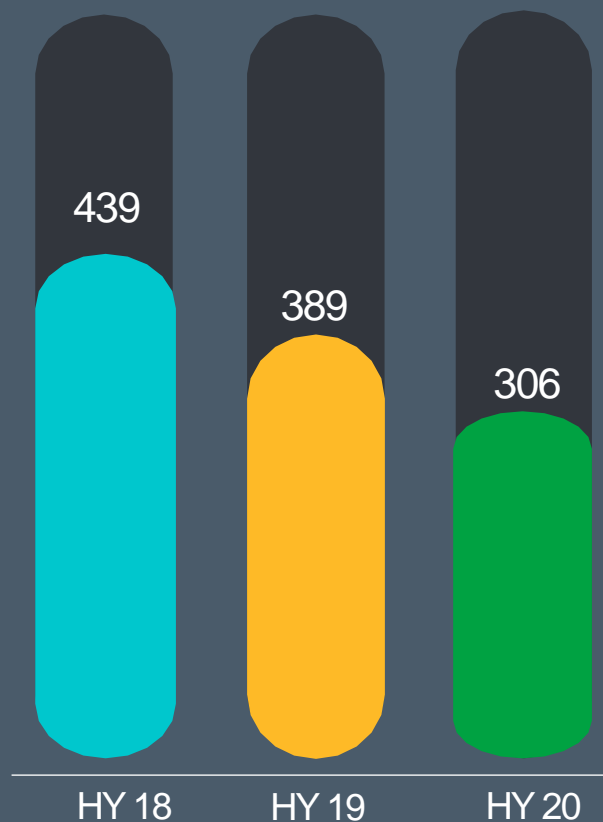
▼ 2%

Decrease in number of POS transactions to 3.2M

Value of Transactions (KShs. B)



POS Revenue (KShs. M)



Financial Performance



BALANCE SHEET HIGHLIGHTS

 **28%**

Total assets growth split between 12% organic and 16% inorganic.

Government Securities

KShs 135.0B

KShs 208.5B

Net Loans & Advances

KShs 478.7B

KShs 559.9B

Customer Deposits

KShs 563.2B

KShs 758.2B

Total Assets

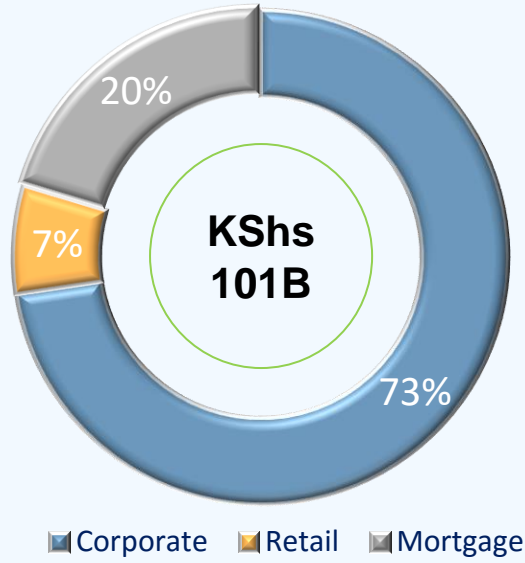
KShs 746.5B

KShs 953.1B

HY 19

HY 20

Distribution of Restructured loans



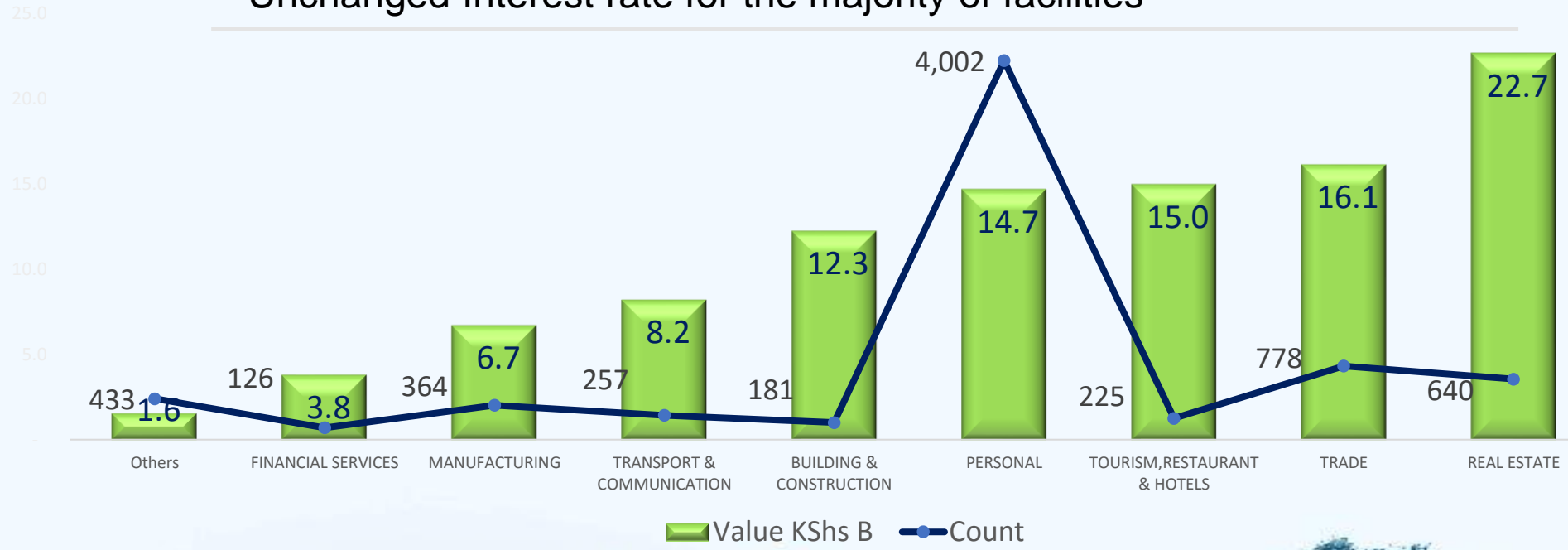
The main features of the restructures:

Capitalization of arrears

Principal and interest moratorium ranging from 3 – 12 months

Revision of the tenor

Unchanged Interest rate for the majority of facilities

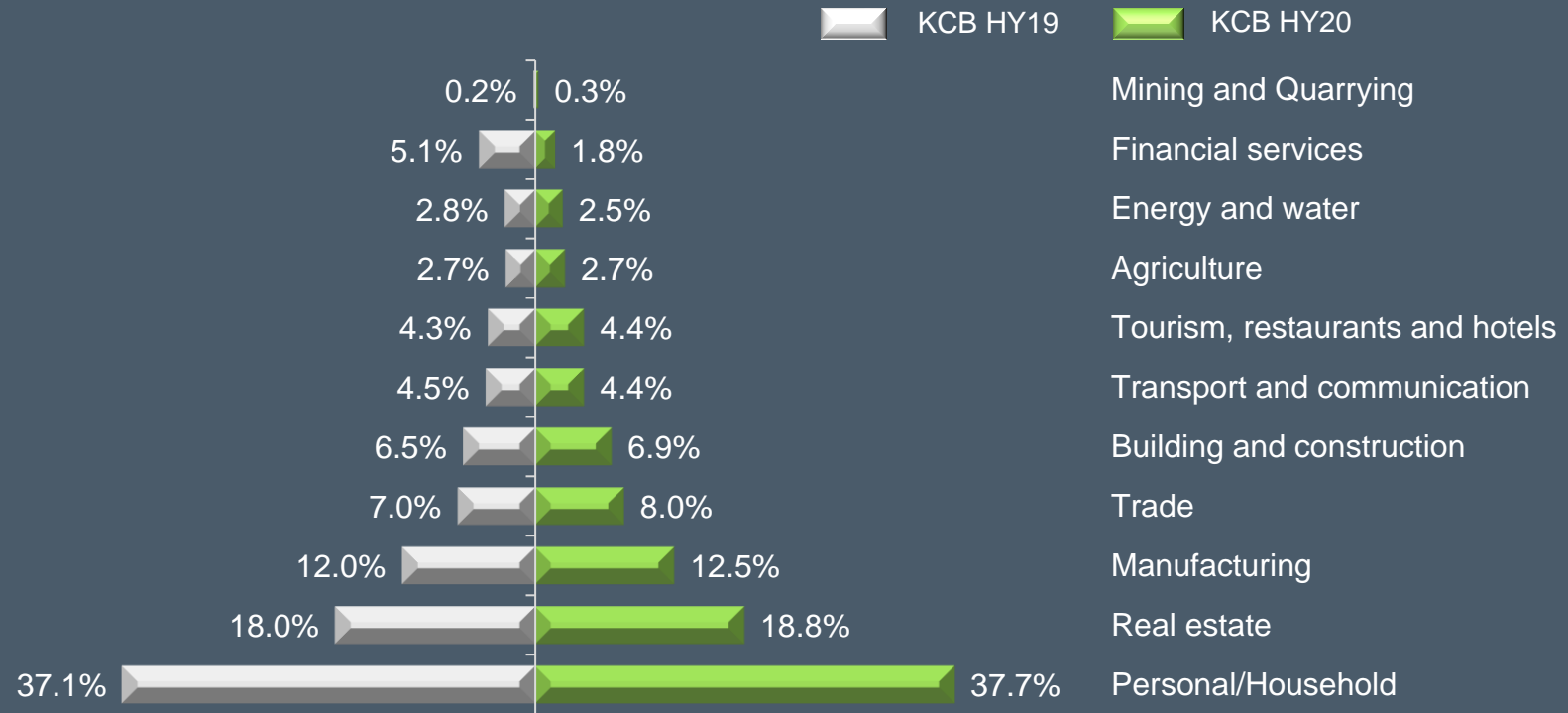


LOAN BOOK PERFORMANCE

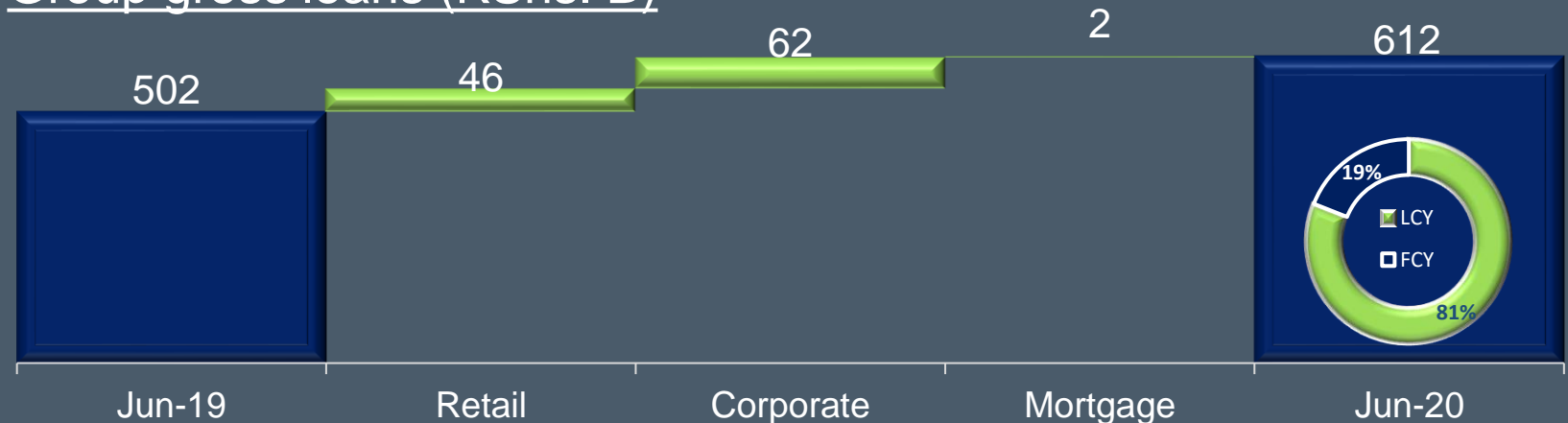
Stable loan book distribution over the period

Growth driven by the Corporate banking business

Sectoral Loans Comparison



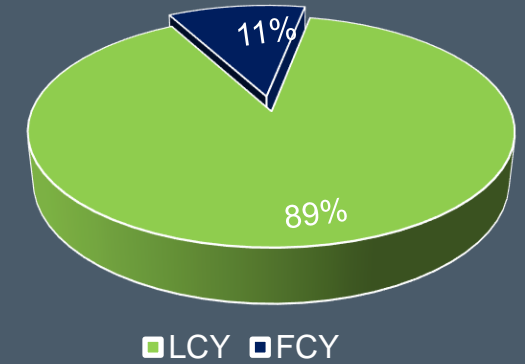
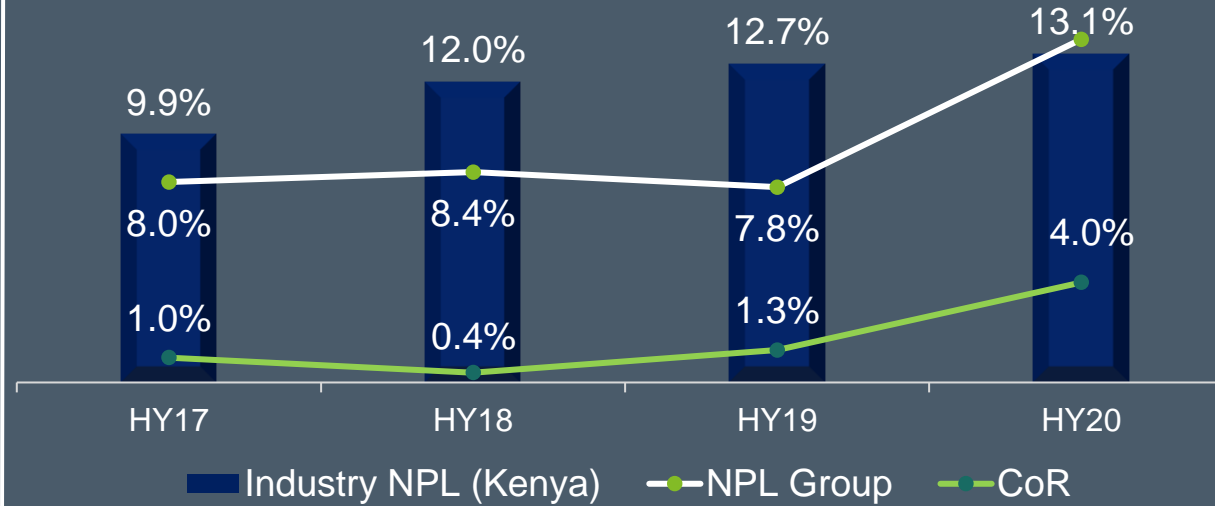
Group gross loans (KShs. B)



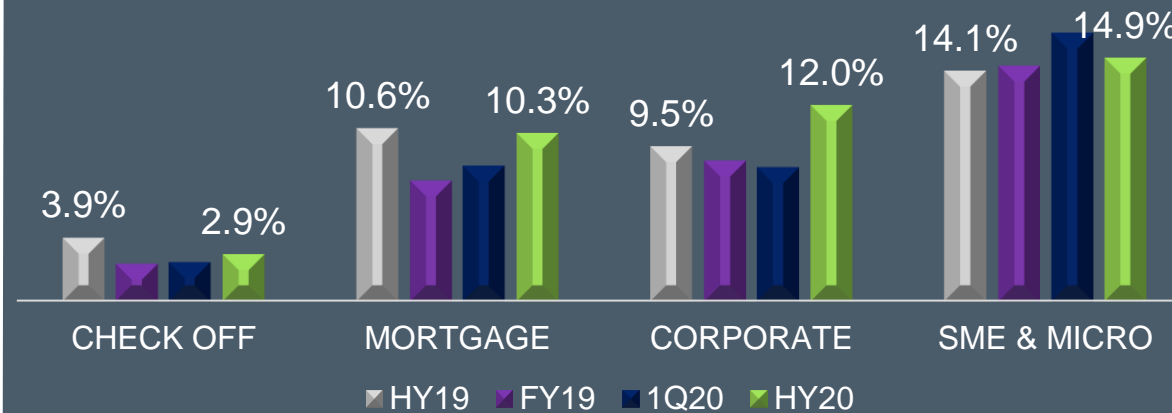
LOAN BOOK PERFORMANCE

Increase in the provision expense for potential loan losses arising from the pandemic

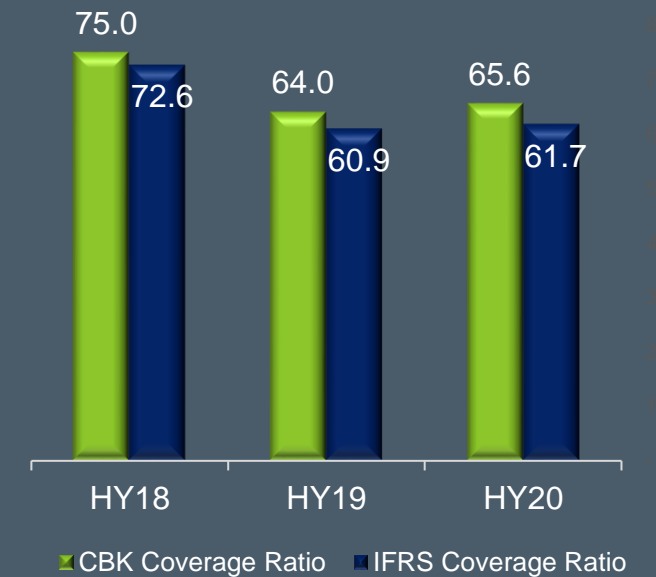
Asset Quality Review



NPL Breakdown

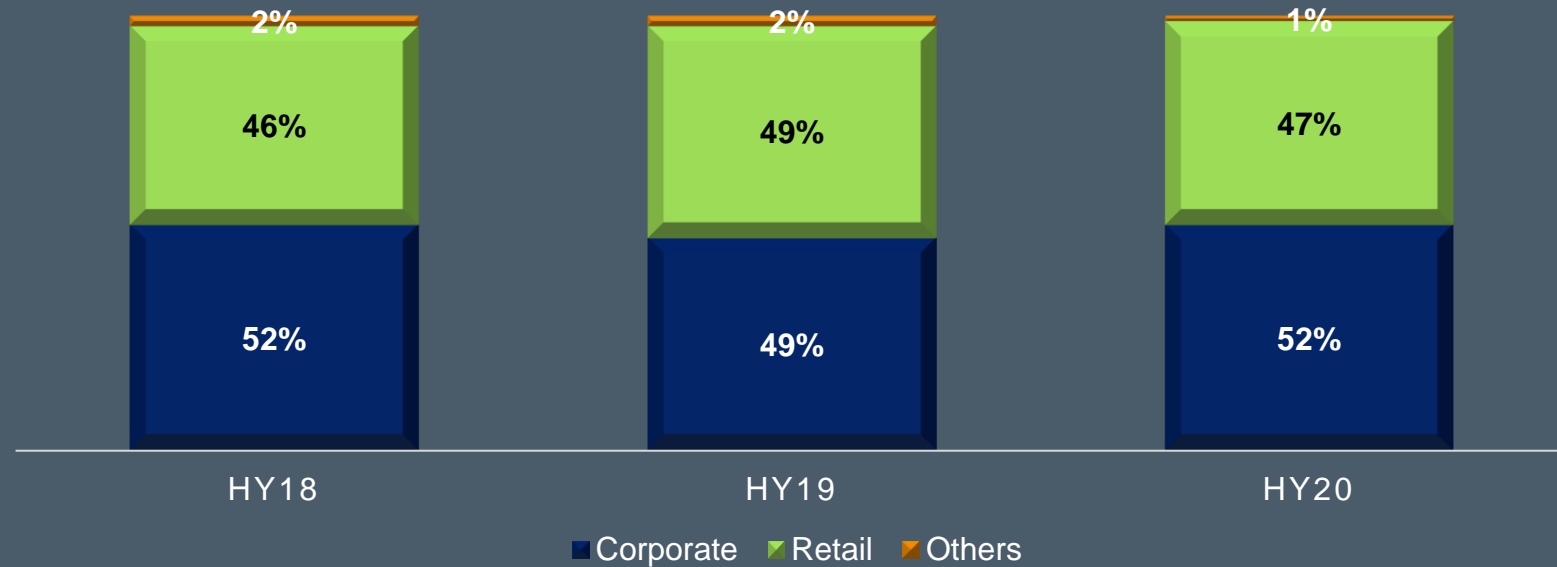


NPL Coverage %

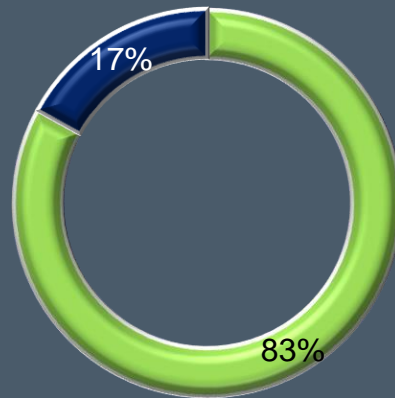


BALANCED DEPOSIT MIX

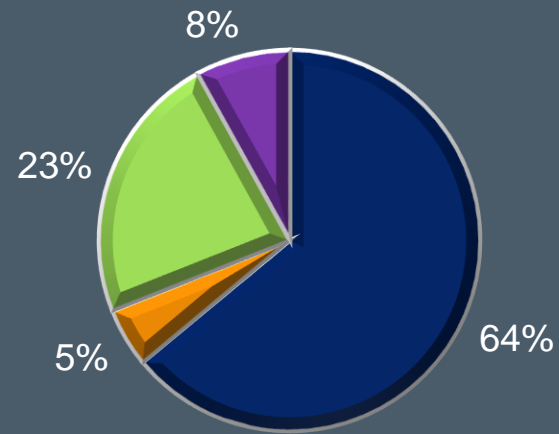
Low cost and stable funding mix driven by growth in demand deposits



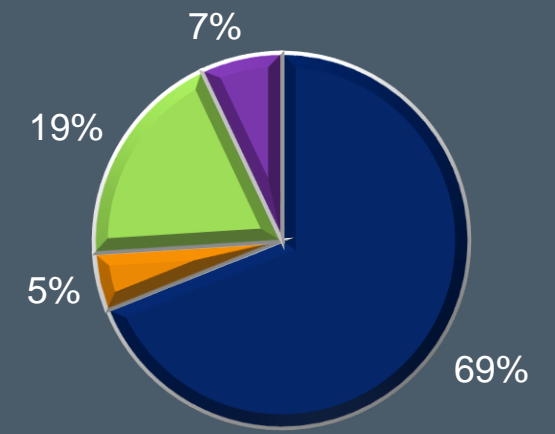
Currency Mix



Deposits by type HY19



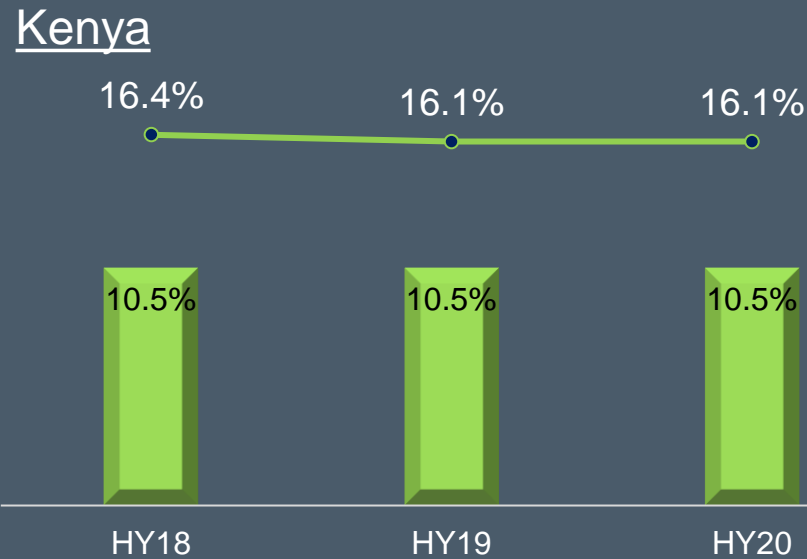
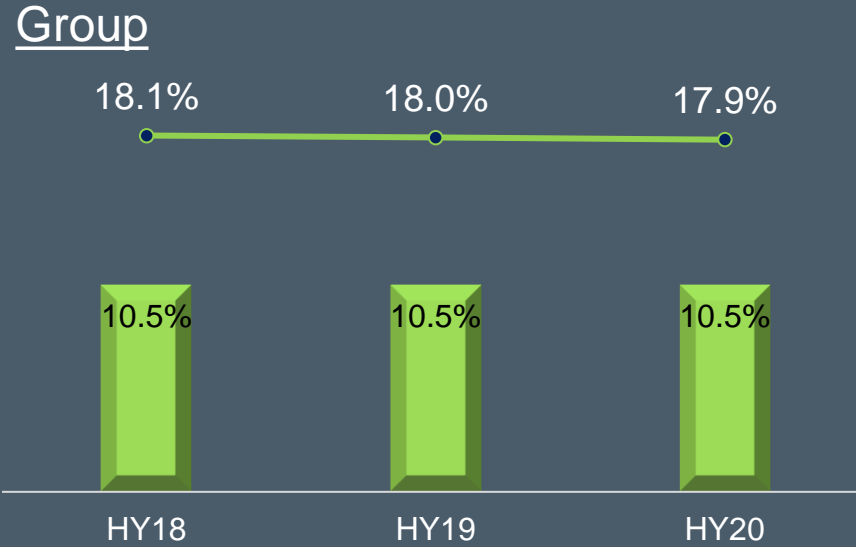
Deposits by type HY20



STRONG CAPITAL BUFFERS

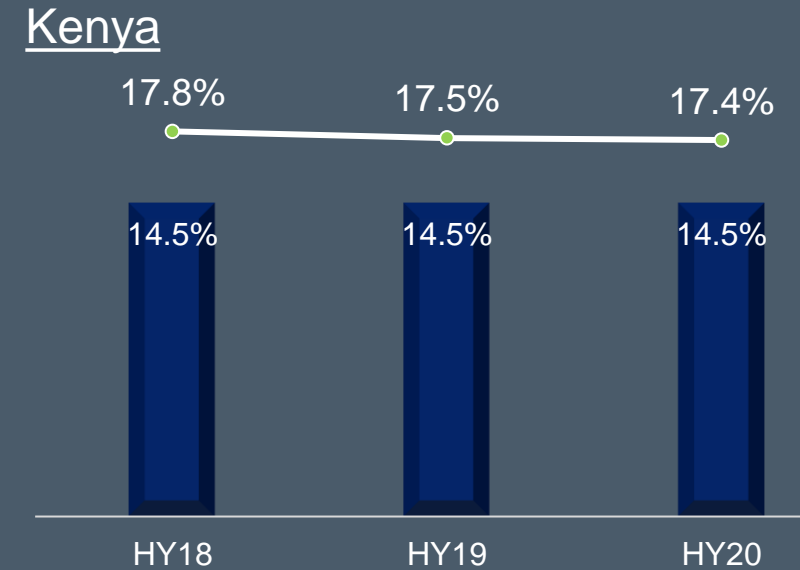
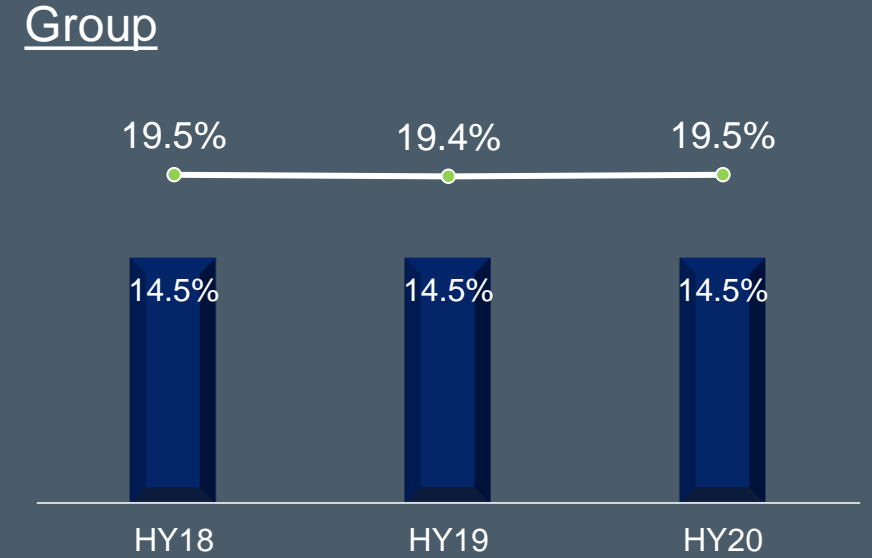
Ample headroom on the key capital ratios

Core Capital to RWA



Min. Core / RWA Core Capital / RWA

Total Capital to RWA



Min. Total / RWA Total Capital / RWA

P&L HIGHLIGHTS

✓ Profit before tax down 28%

✓ 40% reduction Net Earnings growth to Kshs 7.6B

Net Interest Income

KShs 25.4B

KShs 31.1B

Total Non Interest Income

KShs 13.2B

KShs 13.9B

Operating Expenses

KShs (17.6B)

KShs (21.2B)

Profit before tax

KShs 17.9B

KShs 12.8B

HY 19

HY 20

P&L HIGHLIGHTS

Other banking businesses performance

Aggregate PBT up 22% to KShs 1.5B



Strong Balance Sheet

KShs 81 B growth in Net Loans and Advances

KShs Billion	KCB Group			KCB Bank Kenya		
	Actual HY19	Actual HY20	Y-O-Y Change	Actual HY19	Actual HY20	Y-O-Y Change
Cash and balances with central bank	47.4	60.8	28%	42.8	45.2	5%
Balances with other institutions	35.7	53.3	50%	14.4	25.0	74%
Investments in Government & Other securities	135.0	208.5	54%	120.0	149.7	25%
Net loans and advances	478.7	559.9	17%	435.7	464.0	6%
Fixed assets	16.2	27.7	71%	11.5	15.3	33%
Other assets	33.6	42.9	28%	28.6	31.1	9%
Total Assets	746.5	953.1	28%	653.1	730.3	12%
Customer deposits	563.2	758.2	35%	502.8	587.0	17%
Balances due to other banks	18.8	13.4	(29%)	8.7	7.8	(10%)
Other liabilities	24.5	23.0	(6%)	21.9	15.7	(28%)
Long-term debt	22.4	21.4	(5%)	19.0	18.7	(2%)
Total Liabilities	629.0	816.0	30%	552.4	629.2	14%
Shareholders' equity	117.5	132.1	12%	100.7	101.1	0%
Total liabilities and equity	746.5	948.2	27%	653.1	730.3	12%

(40%) GROWTH IN EARNINGS

Decline in earnings driven by the increased provisions in the wake of increased credit risks due to COVID-19

KShs Billion	KCB Group			KCB Bank Kenya		
	Actual HY19	Actual HY20	Y-O-Y Change	Actual HY19	Actual HY20	Y-O-Y Change
Interest income	33.6	41.4	23%	29.9	32.7	9%
Interest expense	8.2	10.3	26%	6.9	7.7	11%
Net interest income	25.4	31.1	22%	23.0	25.0	9%
Foreign exchange income	2.1	2.4	18%	1.3	1.5	17%
Net fees and commissions	8.9	9.4	6%	7.8	7.8	0%
Other income	2.2	2.1	(3%)	1.9	1.6	(14%)
Total other operating income	38.6	45.0	17%	34.0	36.0	6%
Total other operating expenses	17.6	21.2	20%	14.5	14.3	(2%)
Provisions for bad debts	3.0	11.0	264%	2.7	10.3	283%
Profit before tax	17.9	12.8	(28%)	16.8	11.4	(32%)
Tax	(5.2)	(5.2)	1%	(5.0)	(4.3)	(13%)
Profit after tax	12.7	7.6	(40%)	11.8	7.0	(40%)

OVERVIEW OF KEY FINANCIAL RATIOS

FY 18	HY 19	FY 19		HY 20	
				KENYA	GROUP
21.9%	23.5%	20.7%	Return on Average Equity	14.2%	11.6%
48.3%	45.7%	45.9%	Cost to Income	39.7%	47.0%
6.9%	7.8%	10.9%	Gross NPL to Gross Loans	10.1%	13.7%
72.4%	60.8%	72.1%	NPL Coverage	85.1%	61.7%
19.7%	19.1%	16.6%	Debt to Equity	18.5%	16.2%
32.0%	34.1%	33.4%	Non funded income to total income	30.5%	31.0%
3.2%	2.8%	2.8%	Cost of funds	2.6%	2.7%
8.1%	8.3%	8.1%	Net Interest Margin	7.6%	7.8%
0.7%	1.3%	1.8%	Cost of risk	4.3%	4.0%
84.8%	89.2%	84.6%	Loan to Deposit Ratio	85.4%	80.7%
8.0%	14.0%	17.4%	Growth of Net Loans and Advances	6.5%	17.0%
8.0%	7.0%	27.7%	Growth of Customer Deposits	16.8%	34.6%



**THANK
YOU**

Investor Relations
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