

Q3 2021

INVESTOR PRESENTATION



KCB

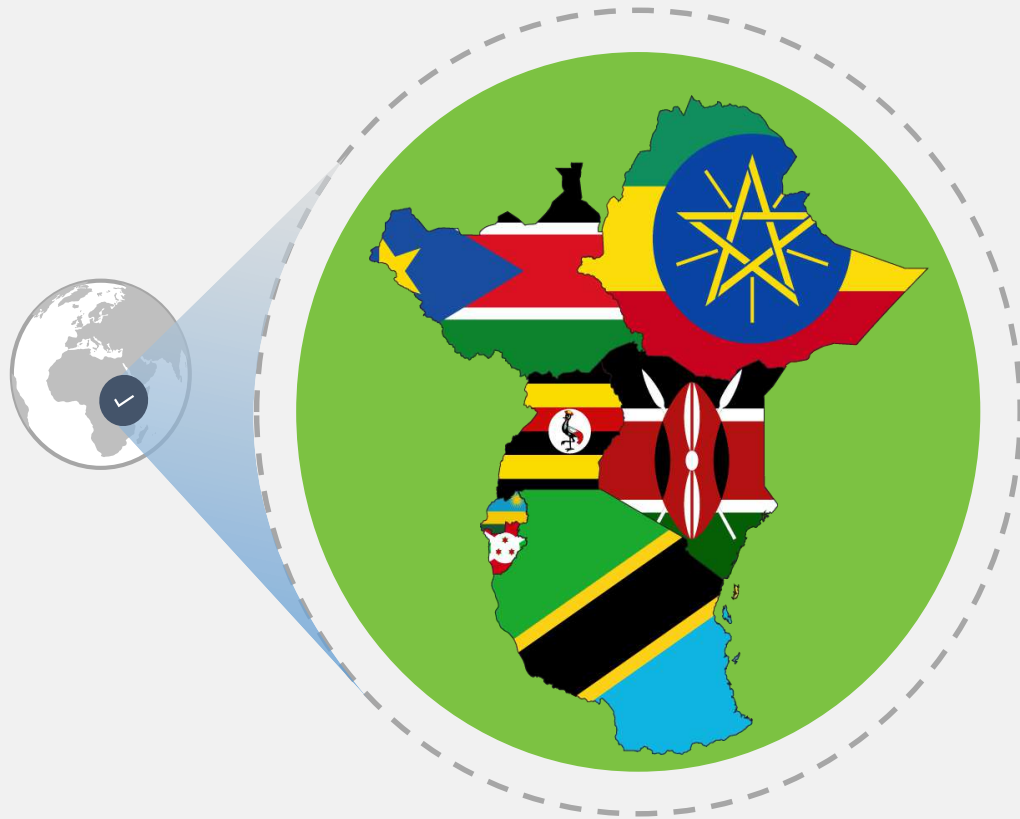
17 NOVEMBER 2021



GROUP OVERVIEW



LARGEST FOOTPRINT IN THE REGION



25.9 M

Customers

8,373 Staff



491

Branches

1,154 ATMs

27,371 Agents & POS / Merchants

Kenya

Branches **295**
ATMs **502**
Agents **16,899**
Staff **6,530**

Tanzania

Branches **14**
ATMs **15**
Agents **249**
Staff **291**

South Sudan

Branches **13**
ATMs **4**
Agents **45**
Staff **132**

Rwanda

Branches **150**
ATMs **77**
Agents **842**
Staff **1,114**

Uganda

Branches **13**
ATMs **15**
Agents **420**
Staff **269**

Burundi

Branches **6**
ATMs **8**
Agents **200**
Staff **134**

**Ethiopia Rep
Office**

**KCB
Bancassurance
Intermediary
Limited**

**KCB
Capital**

**KCB
Foundation**

HIGH LEVEL ORGANISATION STRUCTURE



THE EXECUTIVE COMMITTEE



Joshua Oigara

Group Chief Executive Officer and Managing Director



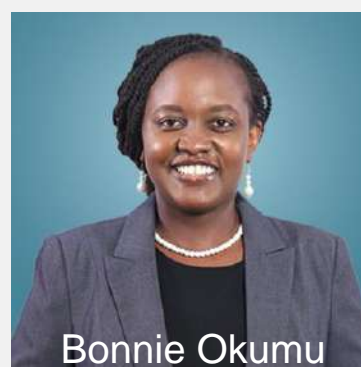
Lawrence Kimathi

Group Chief Finance Officer



Samuel Makome

Chief Commercial Officer



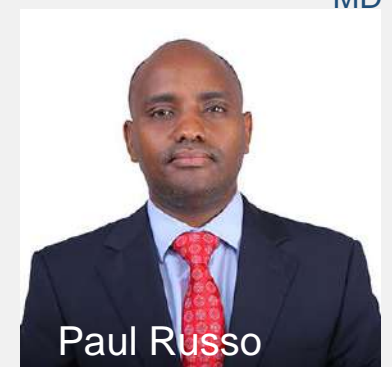
Bonnie Okumu

Group General Counsel



Japheth Achola

Group HR Director



Paul Russo

Group Regional Business Director*

*MD NBK



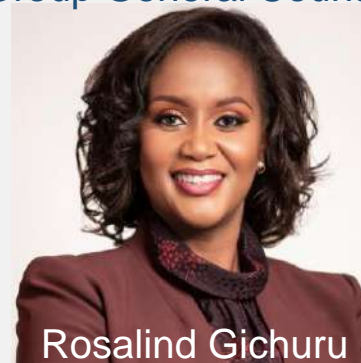
Dr. Leonard Mwithiga

Group Shared Services Director



Joachim Steuerwald

Group Chief Technology Officer



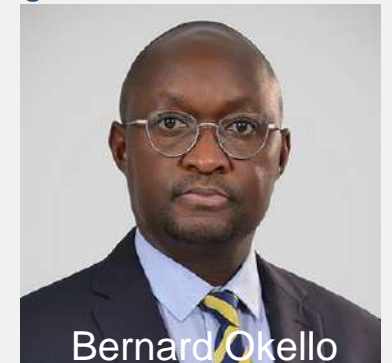
Rosalind Gichuru

Group Director Marketing, Corporate Affairs and Citizenship



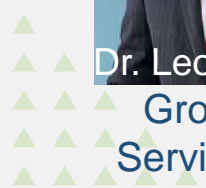
John Mukulu

Group Chief Risk Officer



Bernard Okello

Group Director Credit



3 Year Strategy Vision

The very best in customer experience, driving a digital future

Our Aspirations

CES <15%
NPS 45%+
Total assets 1.2 Tr
CIR 40-43%
NFI 40%
PBT from subsidiaries 20%

Our Strategic Thrusts

Customer first, with leading value propositions

Step change in efficiency & productivity

Digital leader & digital to the core

Scale to achieve regional relevance

CUSTOMER FIRST

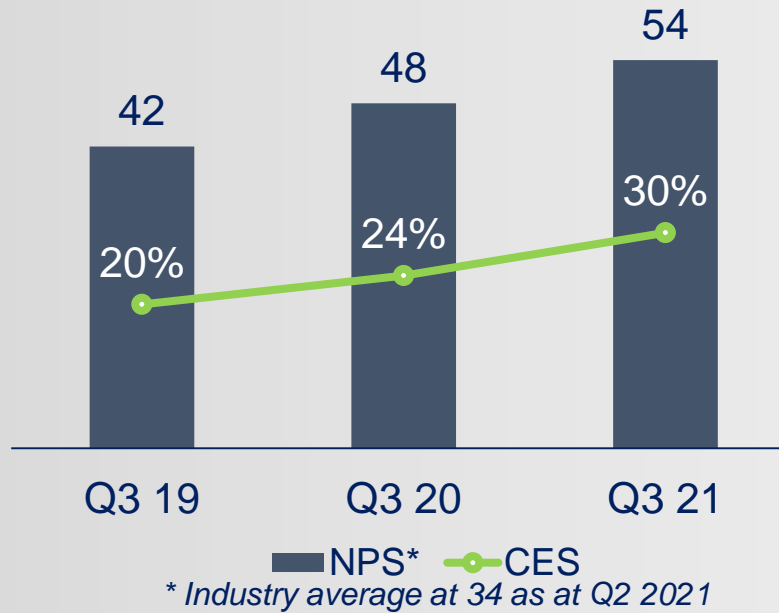


Steady improvement in customer satisfaction driven by investment in self serve channels

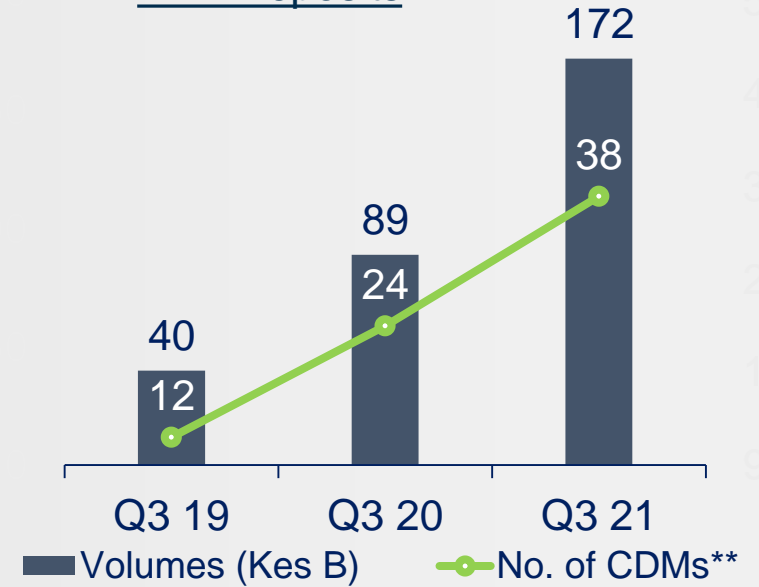
93%

Growth in value of ATM deposits to Kes 172B with Kes 86B deposits collected

Customer Excellence Scores



ATM Deposits



46%

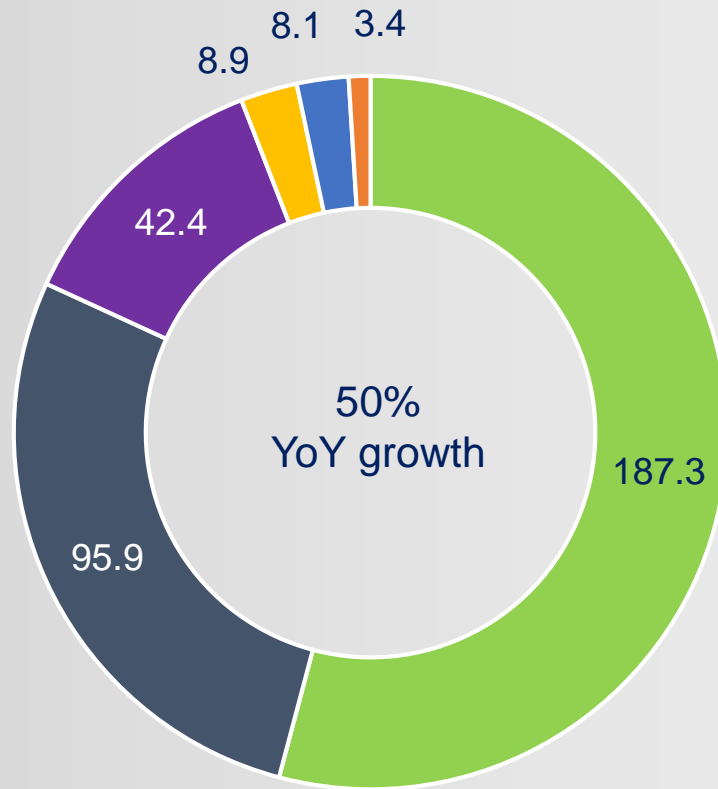
of contact center calls resolved through interactive voice response (IVR)

Customers' average wait times dropped from 14 minutes in December 2020 to 6 minutes in September 2021

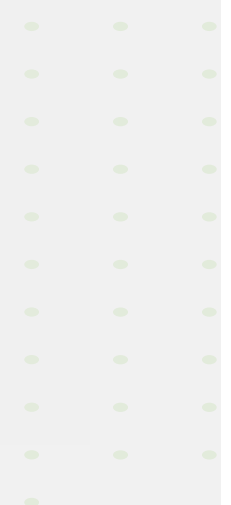
**Cash deposit machines

98%
of transactions conducted through non-branch channels

Number of non-branch channel transactions in Q3 2021 (M)



	YoY growth
Mobile Lending	61%
Mobi Service	47%
Agency	25%
Merchant POS	68%
ATMs	(8%)
Internet Banking	79%



SUPPORTING MSMEs THROUGH THE PANDEMIC



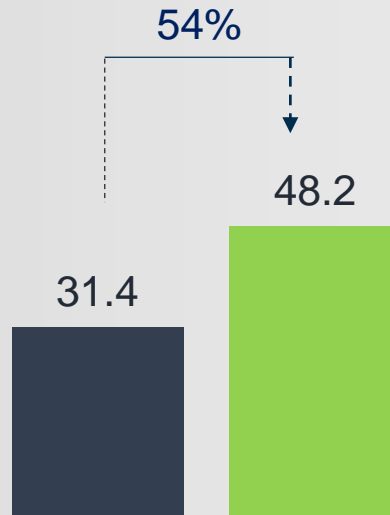
SME NPL ratio improved by 440bps to 8.7% due to prudent credit management

Revised lending criteria through extended loan tenures and enhanced limits, fueling a Kes 16.8B growth

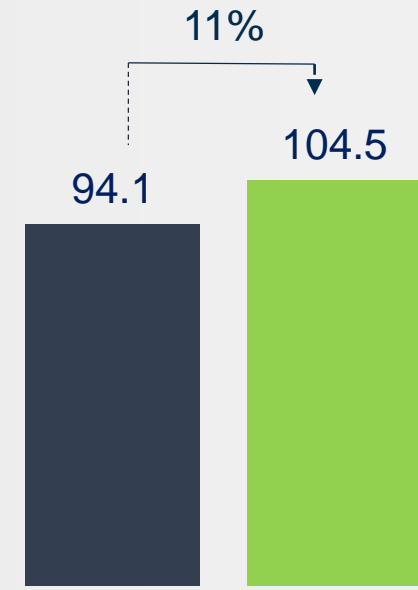
Participation in risk sharing guarantees to de-risk the portfolio

Actively upgrading customers to the corporate segment upon outgrowing the retail SME proposition

Loan book



Deposits

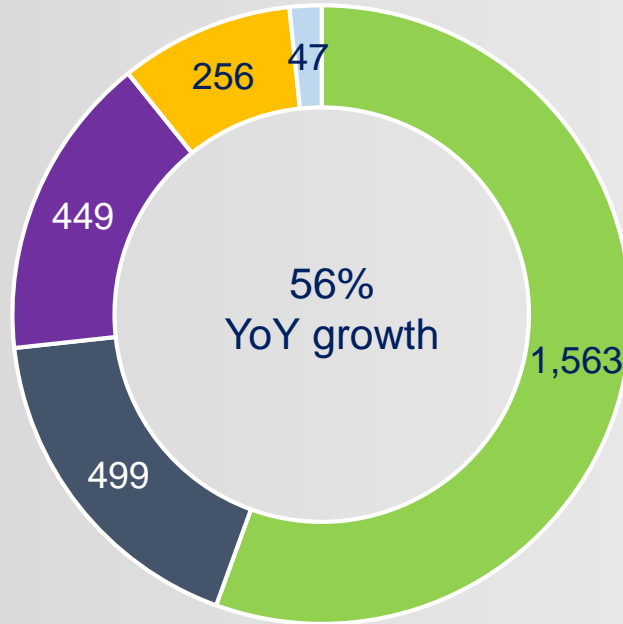


■ Q3 20 ■ Q3 21

Amounts in Kes B

Improvement in efficiency ratios in 2021 supported by deepening of digital channels

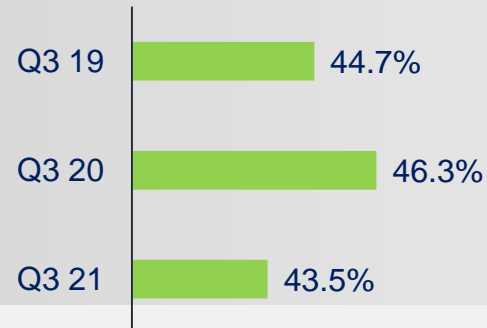
Value transacted through digital channels (Kes B)



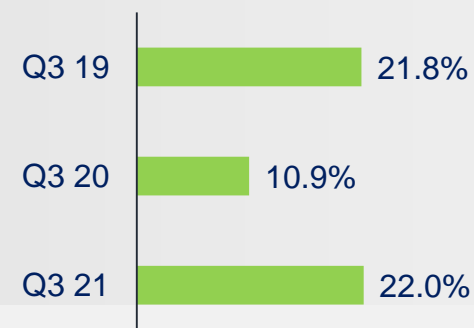
YoY growth

Mobi Service	70%
Internet banking	36%
Agency	46%
ATMs	43%
Merchants POS	66%

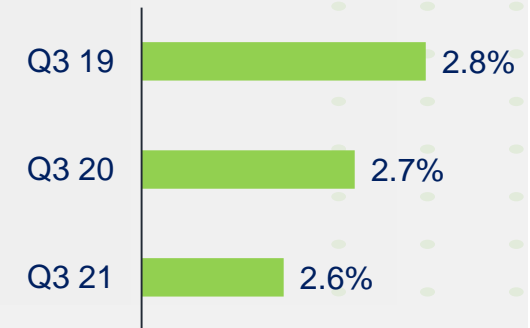
Cost to income ratio



Return on equity

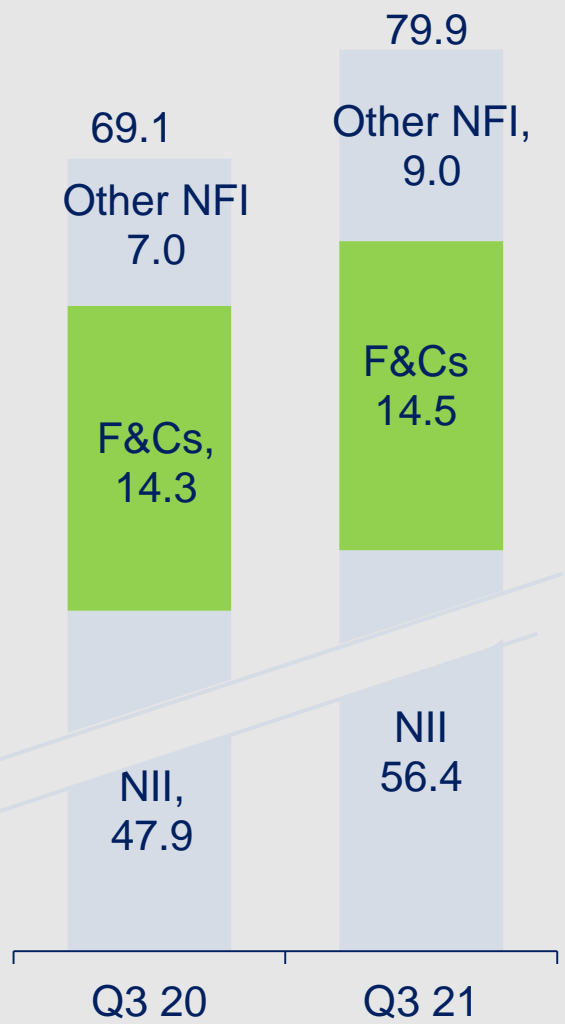


Cost of funds



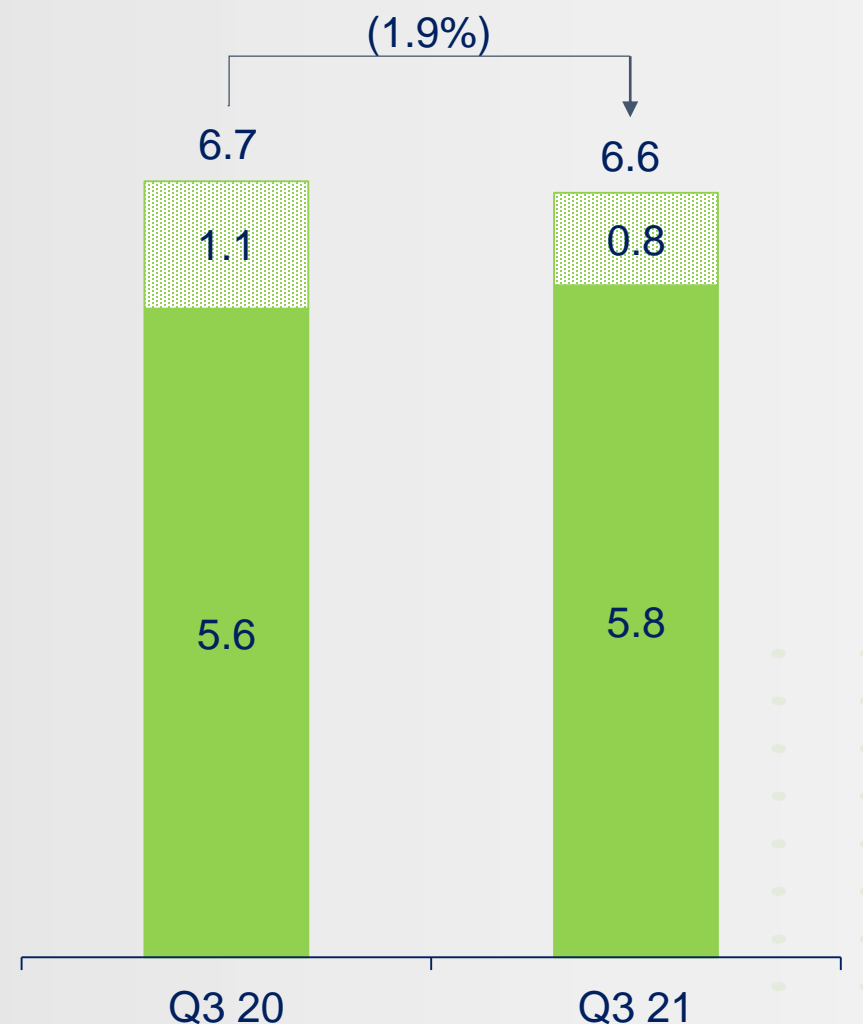
Kes 6.6B
 Total revenue from digital channels.
 88% being NFI, equivalent to half of KCB Bank Kenya's total fees and commissions

Group Q3 21 Revenue



F&Cs – Fees and commissions

Digital Channels Revenue



■ NFI ■ Mobile interest

Amounts in Kes B



PAYMENTS



Increase in recruitment of customer & partner base to grow utilization of payment services.

Ready to build something amazing?

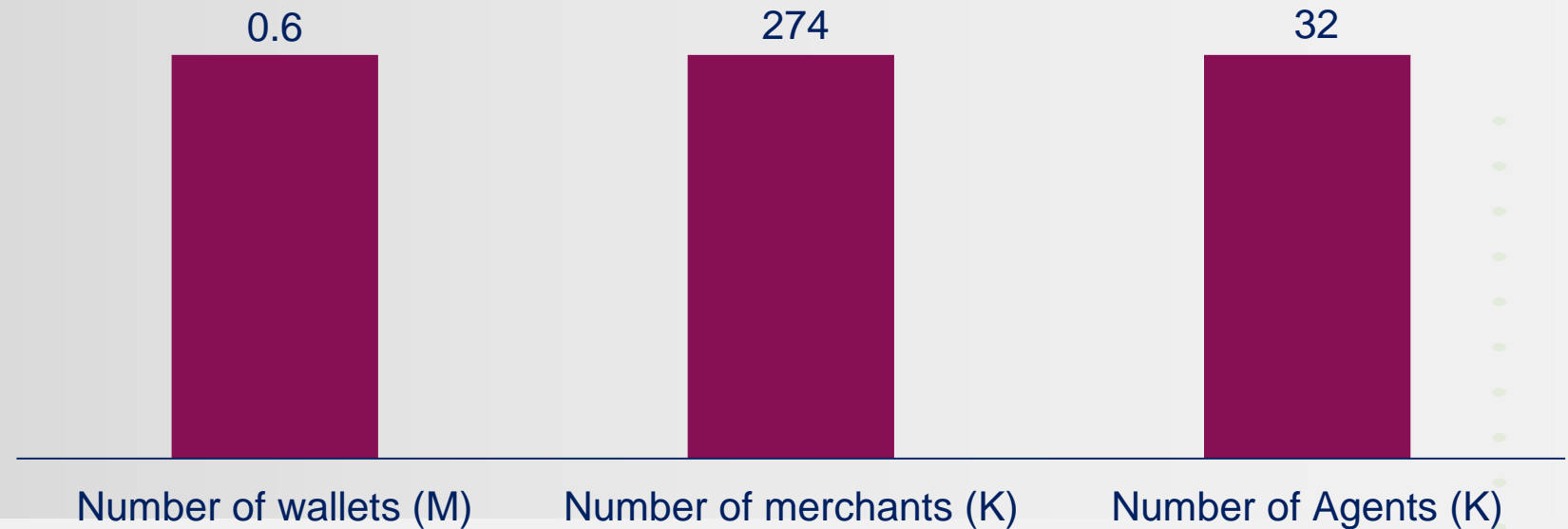
Discover APIs <https://buni.kcbgroup.com/>



➔ Developer sandbox online with 20 partners live

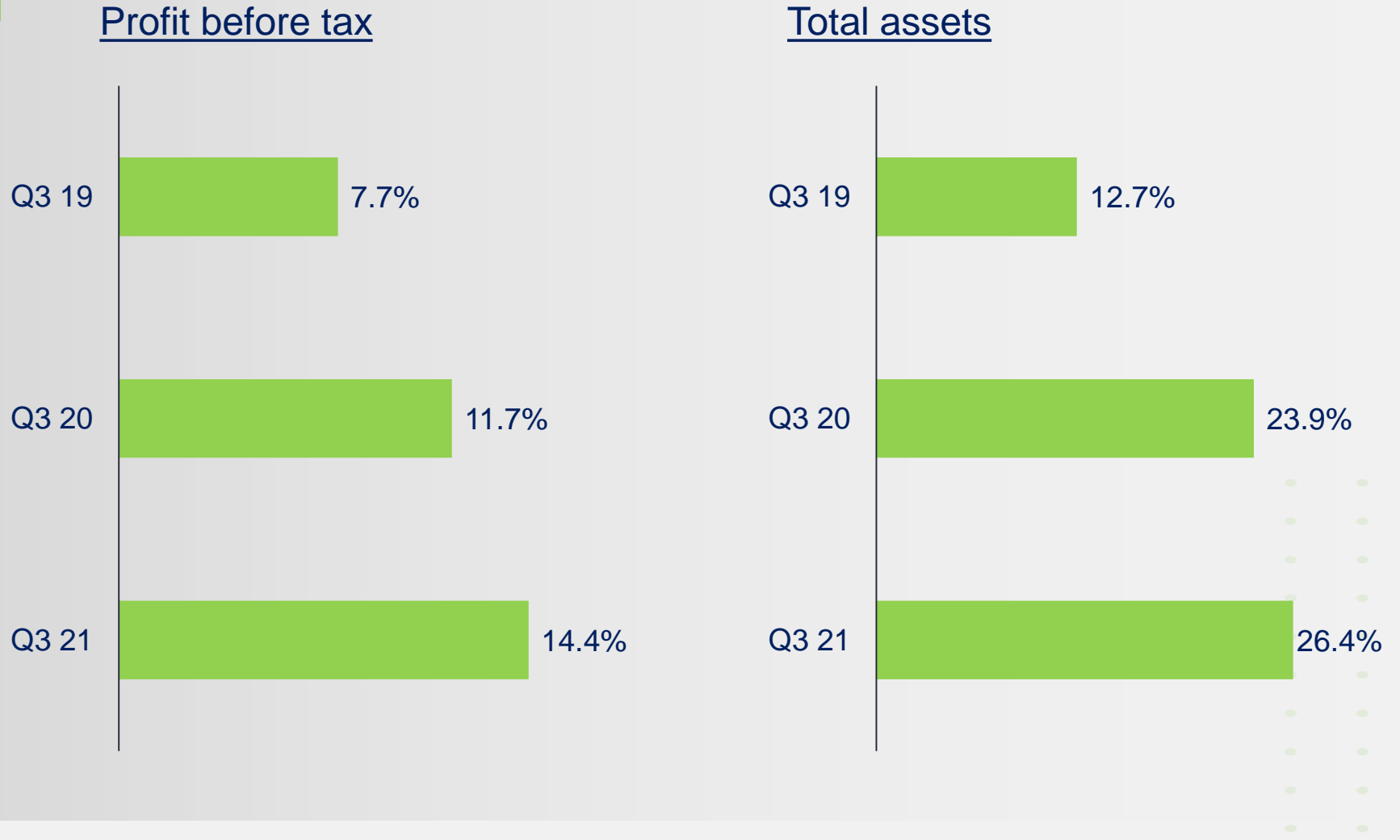
Available APIs on Buni

- ✓ To pay – to Vooma wallet, till to till & notifications
- ✓ Queries – query and validate utility bill by account, merchant till or agent name & number
- ✓ Deposit & withdraw at any Vooma agent to any partner bank account or wallet



^80%
Organic growth of PBT from subsidiaries outside KCB Bank Kenya to Kes 5.1B in Q3 2021

Contribution of subsidiaries outside KCB Bank Kenya





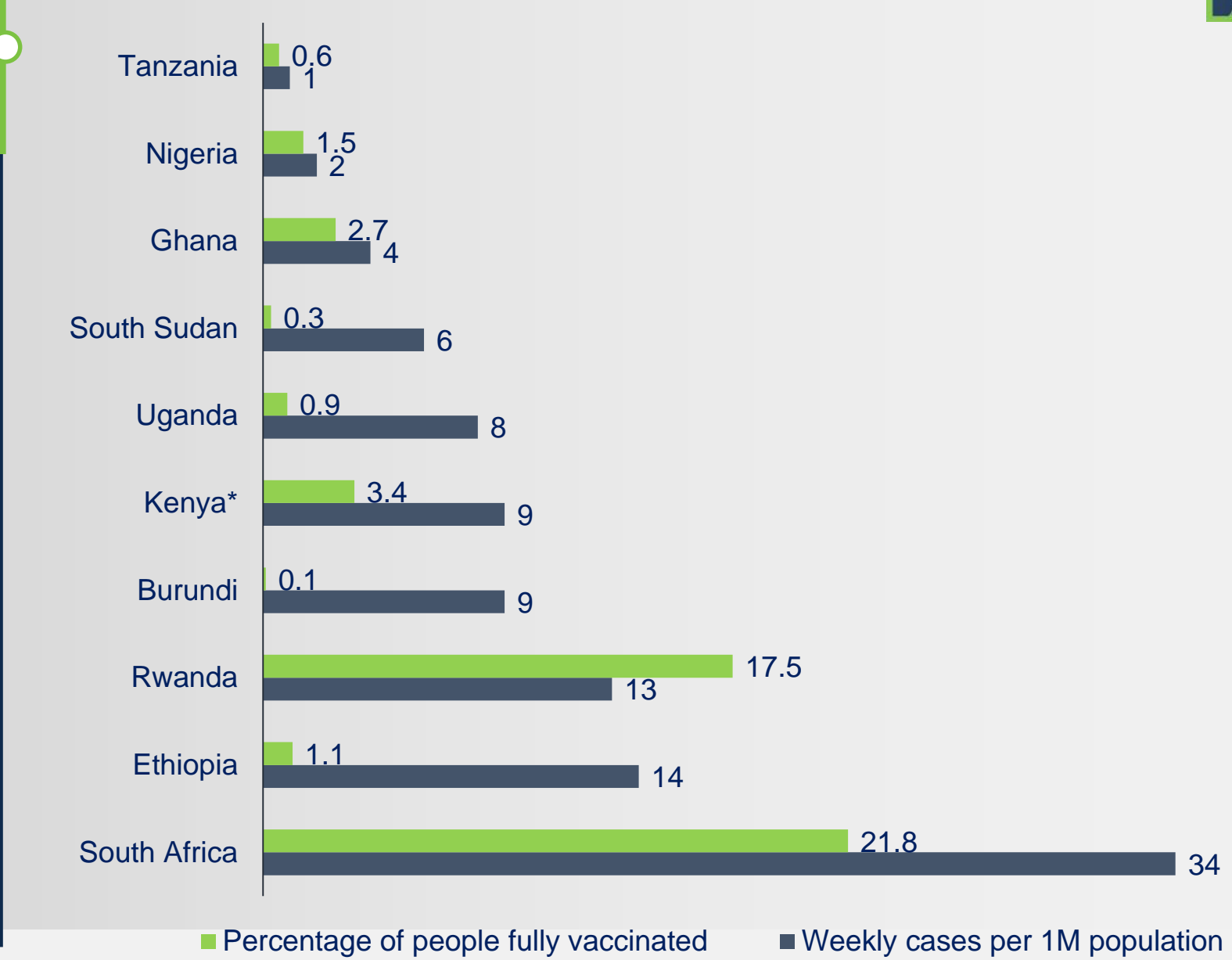
OPERATING ENVIRONMENT HIGHLIGHTS



COVID-19 POSITIVITY RATES DECLINING ACROSS THE REGION



99% of KCB staff in Kenya and 89% across the region have been vaccinated with at least one dose, enabling resumption of up to 80% of our staff to their primary working sites

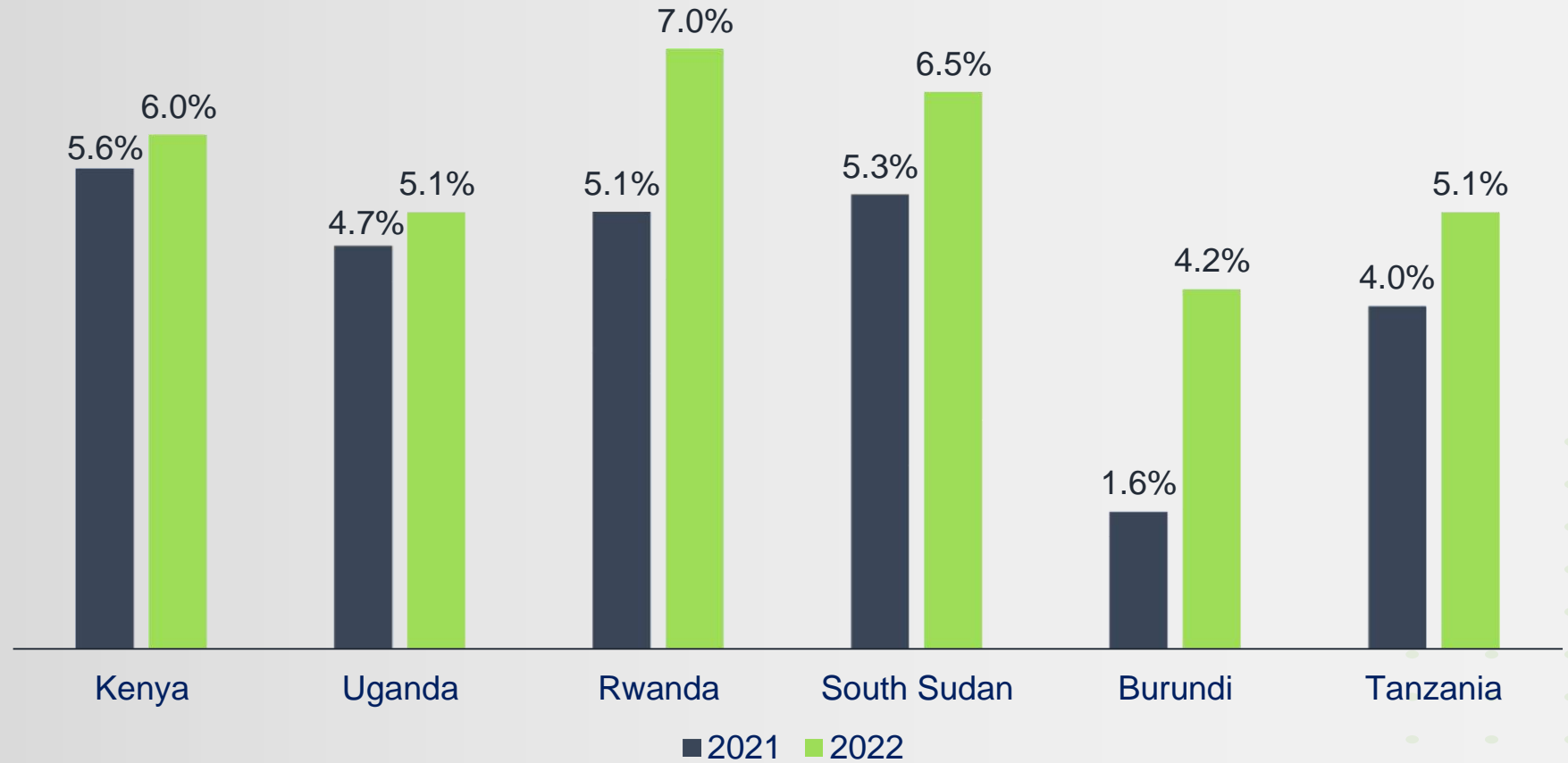


Source: Africa CDC data

*Fully vaccinated persons as a percentage of the adult population in Kenya stand at 8.0%

Kenya's GDP expanded by Kes 515B, to Kes 10.2T, after it was rebased to capture new sectors whose output had grown in recent years.

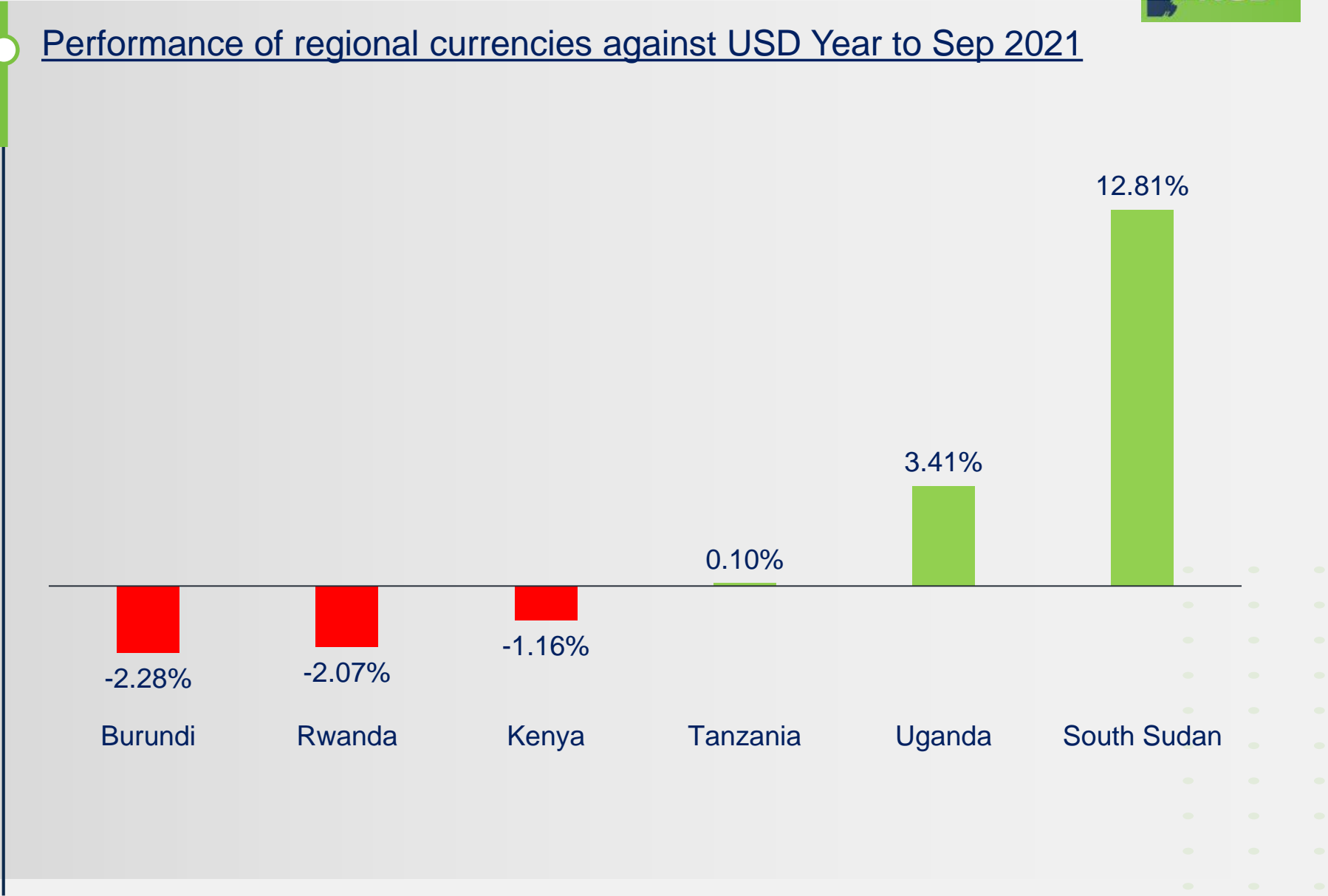
Projected GDP Growth Rates



KENYA
↑ Diaspora remittances up 20% to USD 2.7B in nine months of 2021

UGANDA
↑ Shilling driven by inflows and coffee exports

SOUTH SUDAN
→ Devalued its currency in Q1 21



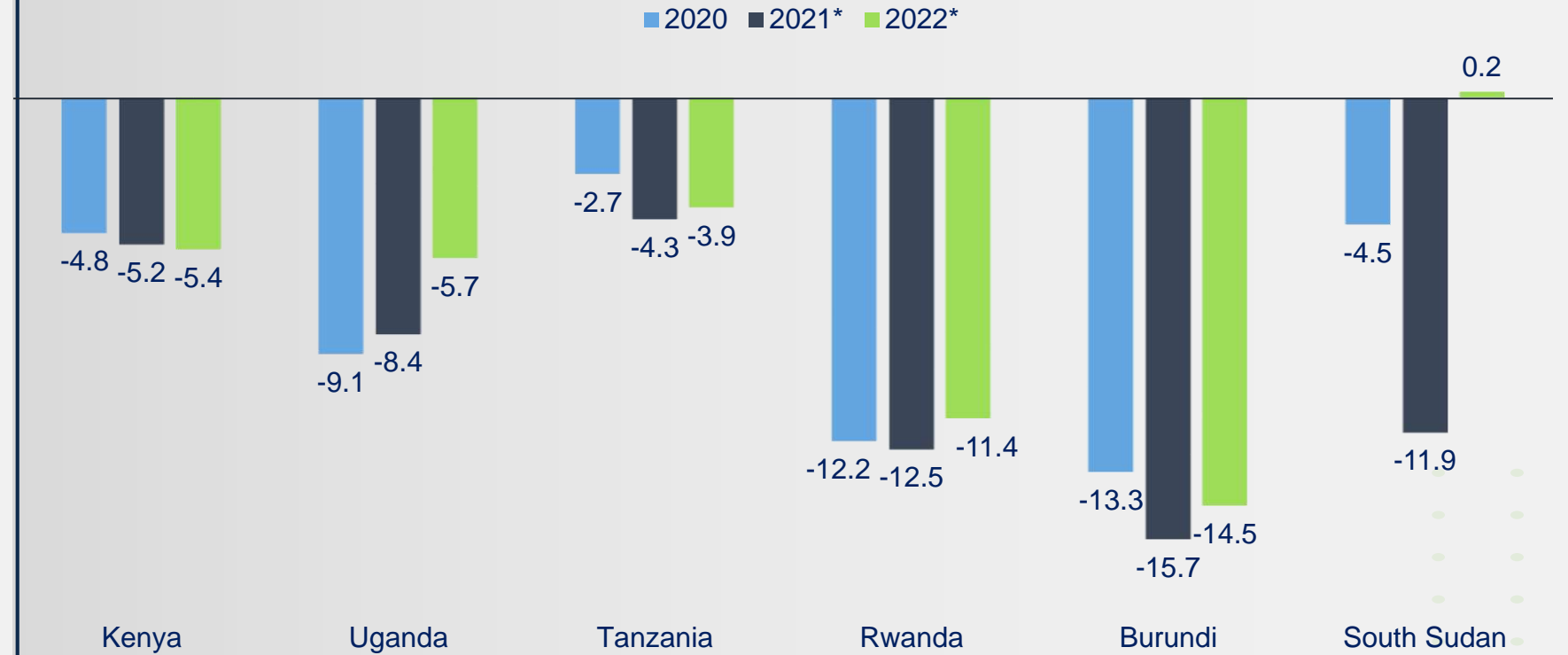
REGIONAL CURRENT ACCOUNTS TREND



KENYA

- ↑ Import cover 5.77 months at the end of Sep 2021
- ↑ Exports up 11.5% in year to Aug 2021
- ↑ Imports up 22.9% in year to Aug 2021

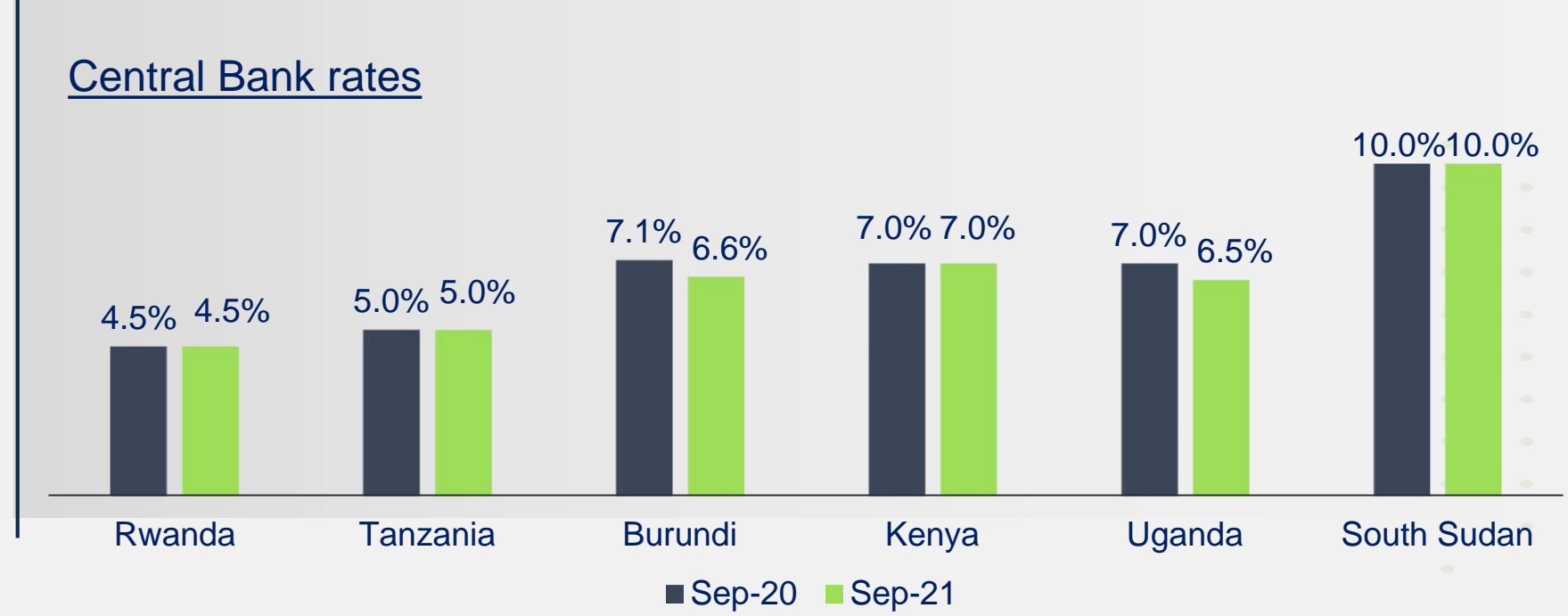
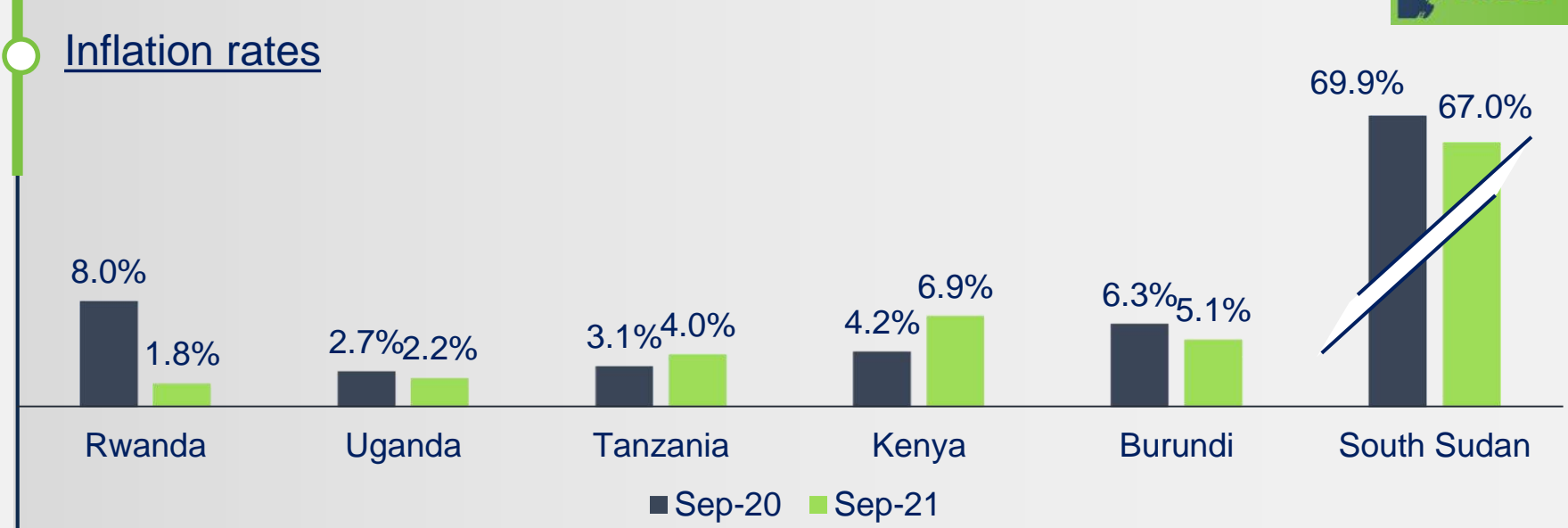
Current account deficit as a percentage of GDP



INFLATION AND LENDING RATE MOVEMENT



Inflation remained moderate in most countries in the region on account of reduced prices of locally produced food items



OUR APPROACH TO SUSTAINABILITY IS GUIDED BY THE FOLLOWING SDGs

<p>Climate Action</p>	<p>Responsible Consumption and Production</p>	<p>Peace and Justice Strong Institutions</p>	<p>Partnerships to achieve the Goal</p>
------------------------------	--	---	--

<p>No Poverty</p>	<p>Decent Work and Economic Growth</p>	<p>Industry, Innovation and Infrastructure</p>	<p>Reduced Inequality</p>	<p>Sustainable Cities and Communities</p>
--------------------------	---	---	----------------------------------	--

KCB Group is committed to creating long term value for shared prosperity through alignment of our strategy to sustainable practices. As we deepen our presence across the region, we seek to address the environmental, social and governance (ESG) risks and effects of our operations in a manner consistent with our values.

KEY DEVELOPMENTS IN 2021

Reduced our carbon footprint by 23%. Targeting to be carbon neutral by 2050

Minimized the E&S impact from our lending through screening of loans worth **Kes 85B**

Trained over **6,633 staff** on sustainability to help demystify and ensure mitigation of climate risks

Supporting our Communities through shared value



Kes 11.1B distributed to the elderly, orphans and vulnerable under the Inua Jamii programme.



KCB Scholarship programme expanded to include university students



4,241 young persons trained under the 2Jiajiri programme leading to creation of **5,592 jobs**

Partnerships



Embracing diversity at the workplace



45% of all employees and 40% of managers are women



41% composition of women on the Group and subsidiaries' Boards



250 women trained under the Women in Leadership Network

Decent Work and Economic Growth



No Poverty



Reduced Inequality



Partnerships to achieve the Goal



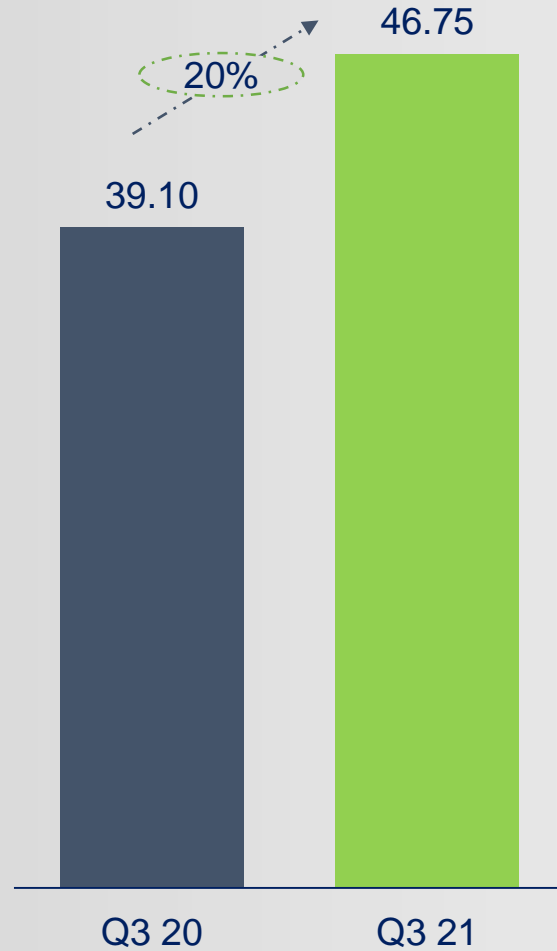


Kes 150B
Market capitalization

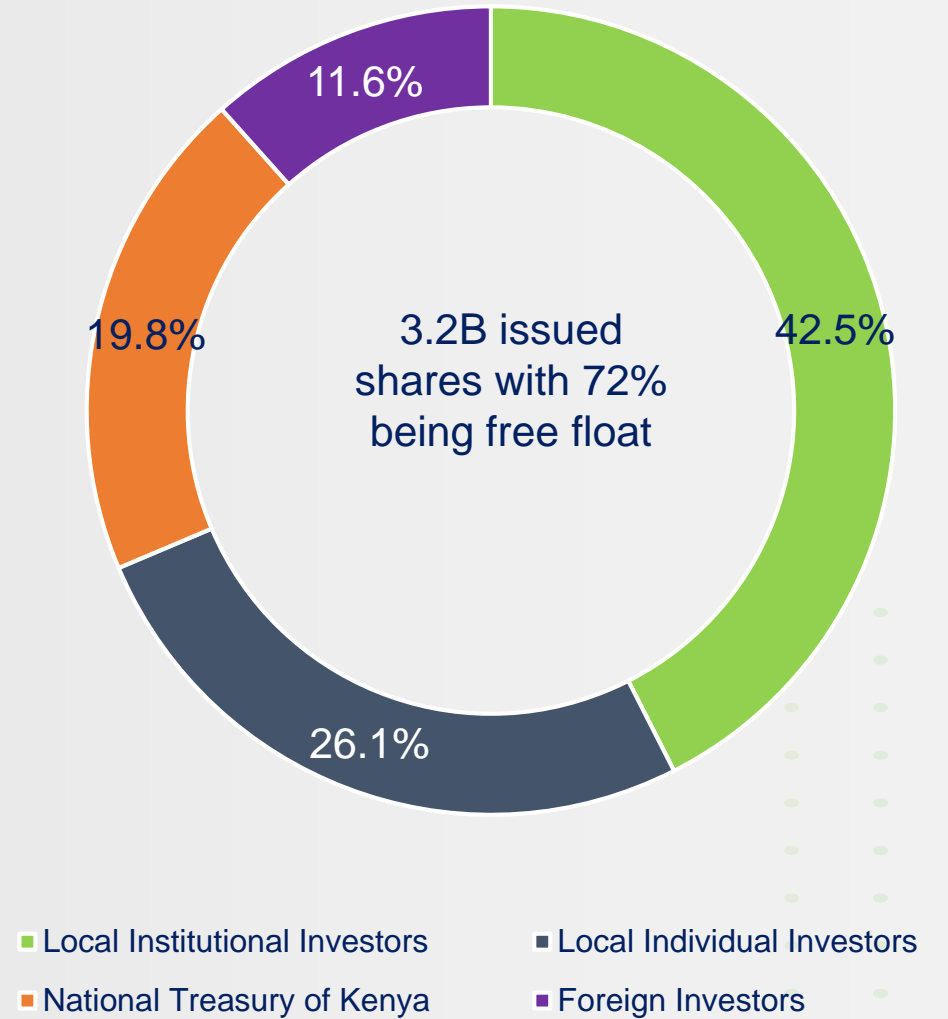
Share price appreciated by 23% in 2021 outperforming NSE20 index by 14%

KCB's shares are listed on the NSE, DSE, USE and RSE with shares worth USD 91M being traded in 2021

Share price (Kes)



Shareholder profile



Kes 9.92
 Annualized earnings per share in Q3 2021, up 92%

The Board of Directors approved payment of an interim dividend of Kes 1.00 per share.
 The dividend will be paid on or about **14 JANUARY 2022**, to shareholders registered at the close of business on **9 DECEMBER 2021**

Dividend per share (Kes)





KCB BANK KENYA

Credit ratings at par with the sovereign rating and affirmed in October 2021

	2019	2020	2021
Rating	B2	B2	B2
Outlook	Stable	Negative	Negative

Credit rating affirmed KCB's:

- Solid profitability metrics
- Stable deposit-based funding structure, and;
- Strong capital buffers



THE BANKER

**TOP
1000
BANKS**

KCB ranked

685th Globally

20th in Africa

1st in Eastern Africa



Best Bank in Kenya by:

- Global Finance World’s Best Bank Awards.
- Global Business Outlook Awards.
- World Economic Magazine Awards.



- **Best Bank in Kenya** and **Africa’s Best Responsibility Bank** by Euromoney Global Awards.
- **Safest Bank in Africa** by Global Finance.
- **Best Sustainable Bank** by International Business Magazine.
- **Most Socially Responsible Bank** in Kenya by Finance Derivative Awards.
- **Best ESG solution** by Middle East & Africa Innovations Awards.
- **Fortune Change the World** ranked KCB Group 8th Globally for community support and service to society
- **Best Bank in Kenya** for Customer Experience, Digital and Innovation by Global Brands Magazine Awards.
- **Best in Digital Banking, Product Marketing and Mortgage Finance** by Think Business Awards.
- **Best Corporate and Best Retail Bank** by Global Banking and Finance Awards.



KCB

FINANCIAL PERFORMANCE



SUBSTANTIAL BALANCE SHEET GROWTH

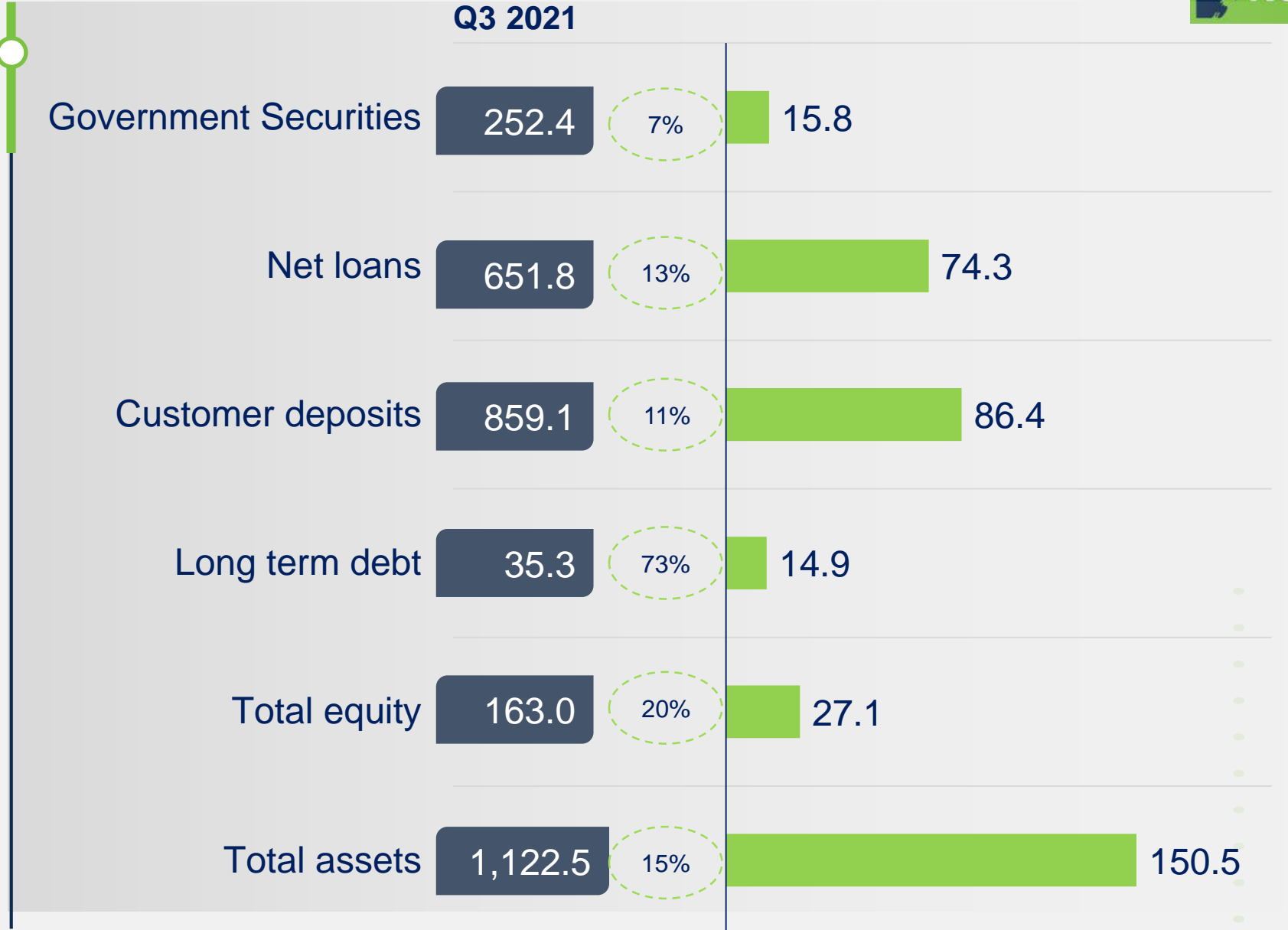


15%

Growth in balance sheet size to Kes 1.1 trillion

13%

Loan book growth driven by improved lending in Kenya, Uganda and Rwanda and BPR acquisition

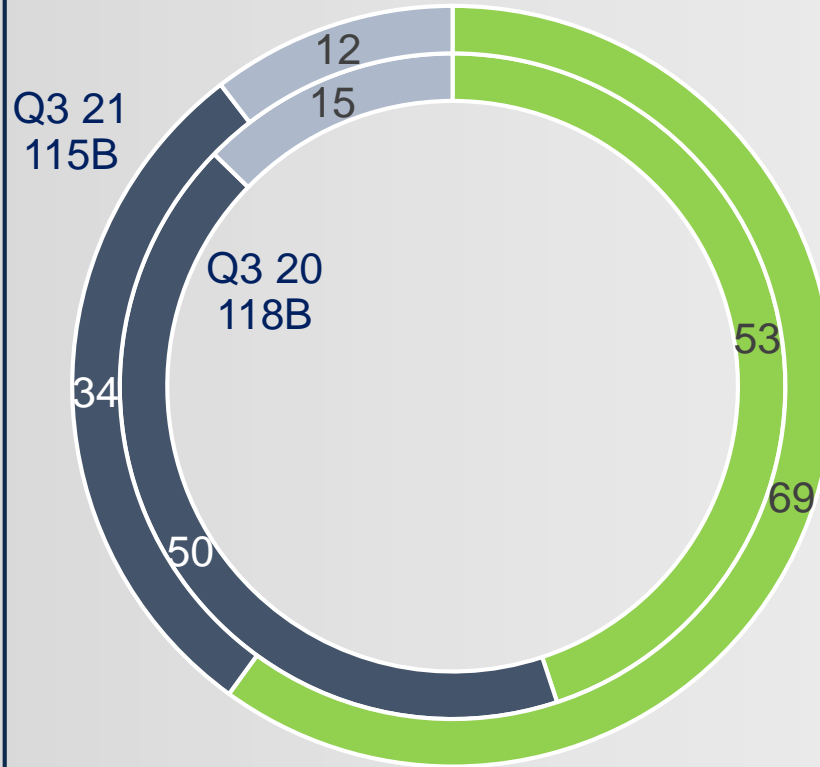


Amounts in Kes B

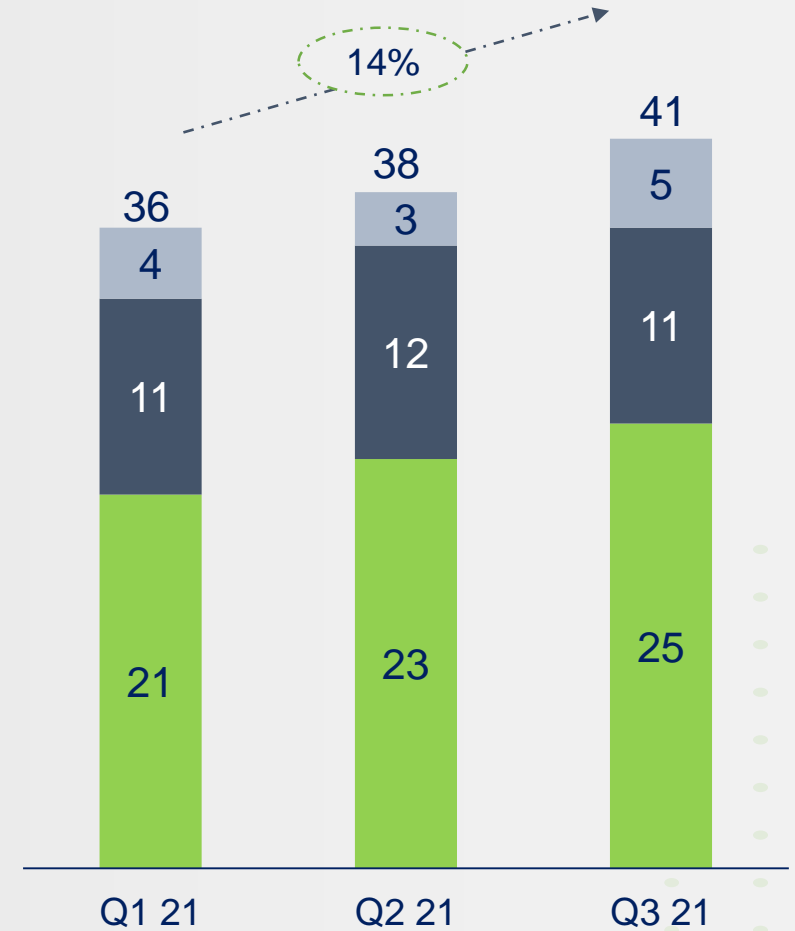
■ Q3 21 vs Q3 20 ○ YoY growth

Kes 115B
 Value of mobile loans advanced.
 Significant improvement in the year driven by limit enhancements for qualifying customers

Mobile loan product split



Recovery in mobile lending in 2021



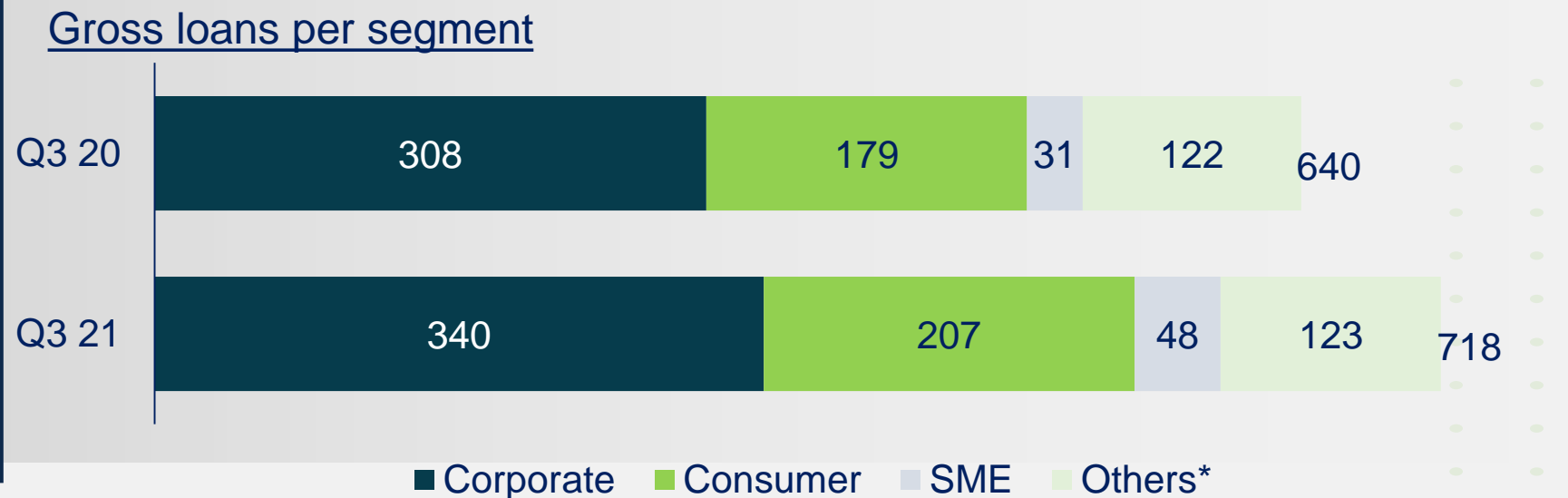
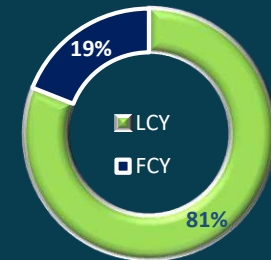
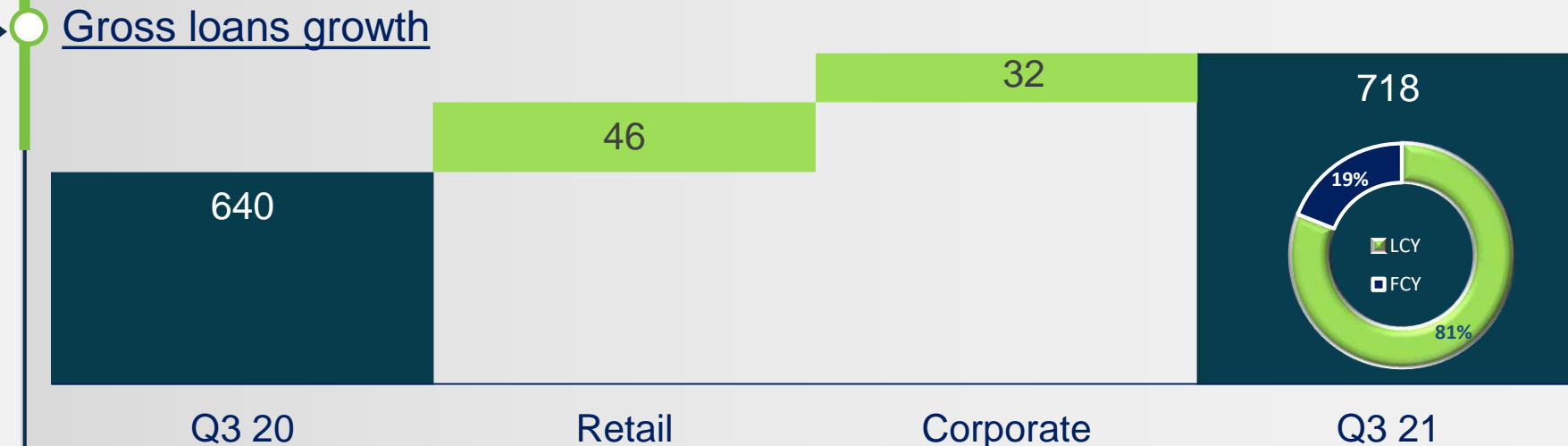
■ Fuliza ■ KCB MPESA ■ Vooma loan

Amounts in Kes B

DOUBLE DIGIT LOAN BOOK GROWTH



↑ 12%
 Growth in Gross Loans driven by personal and manufacturing sectors.

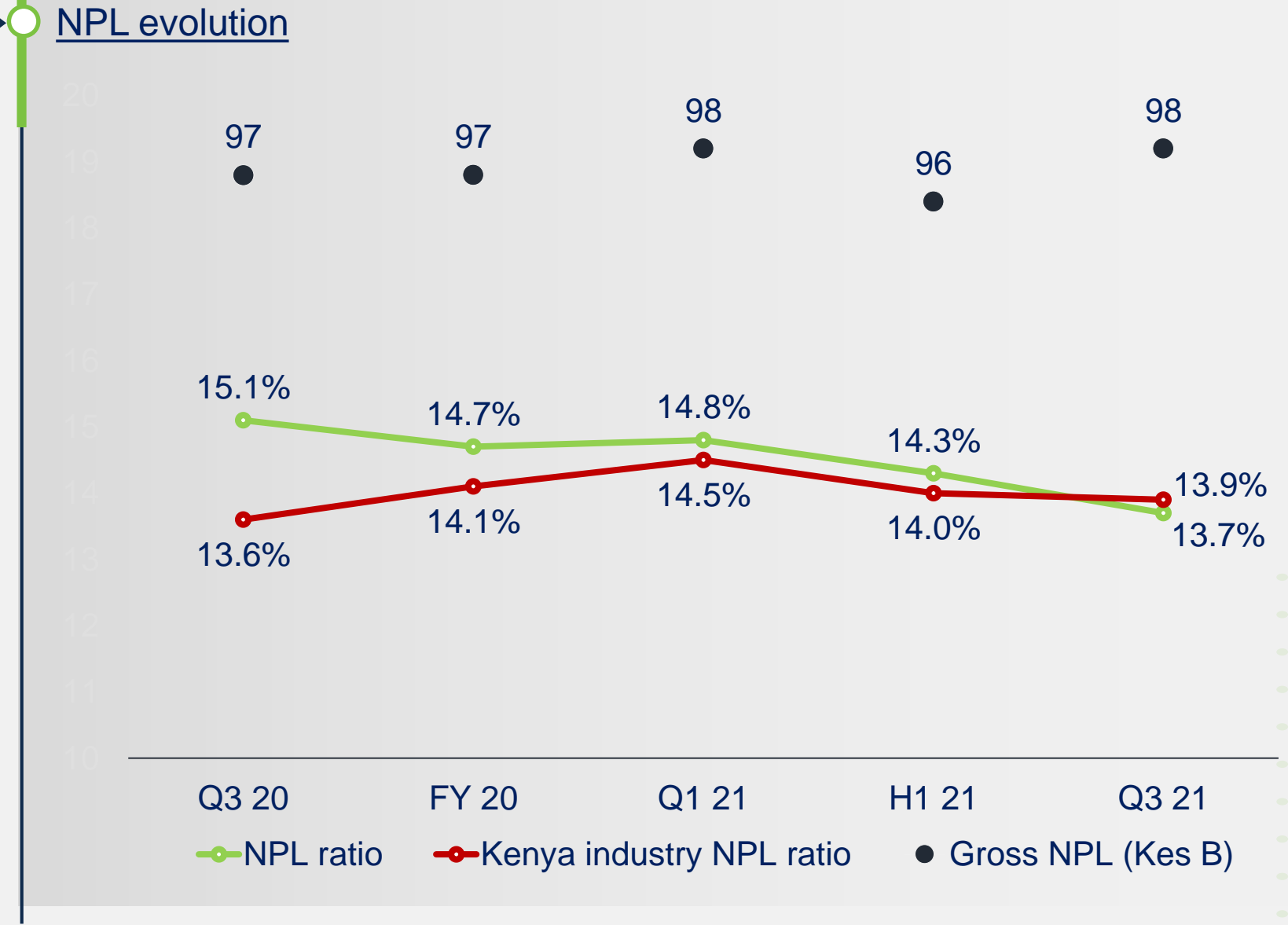


Amounts in Kes B

■ Corporate ■ Consumer ■ SME ■ Others*

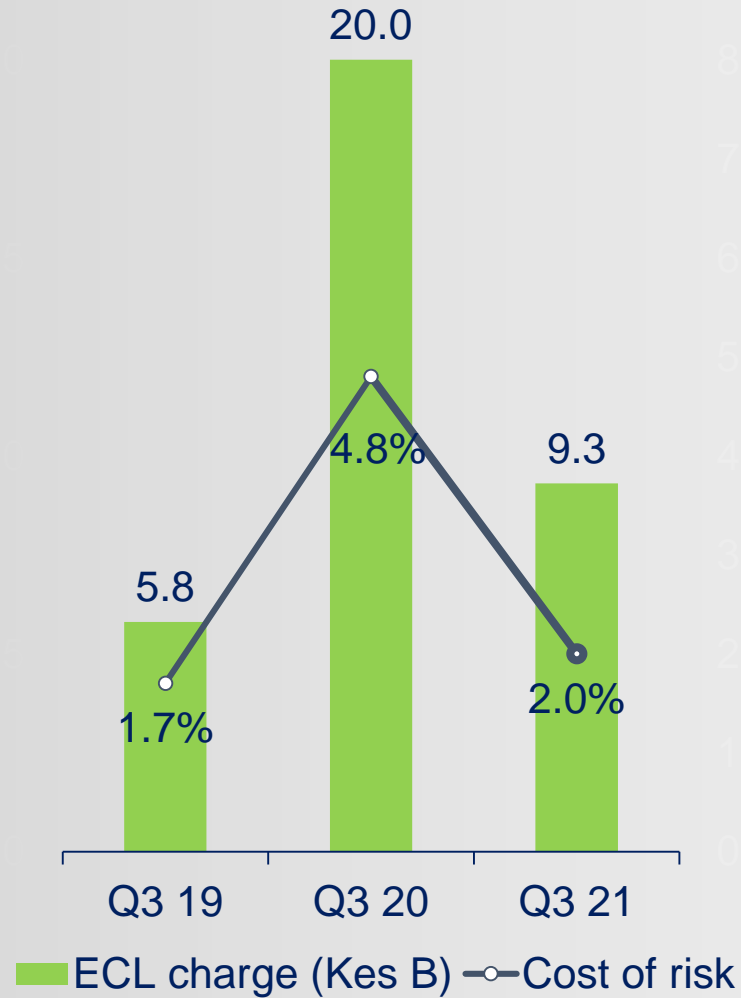
*Others include micro, premium, retail mortgages, staff, diaspora and digital loans

13.7%
 Group NPL ratio down
 140 bps year on year

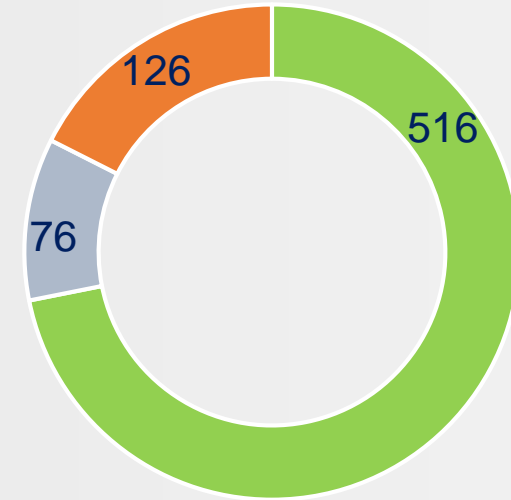


Cost of Risk improvement driven by reduced provisions in corporate and digital loans

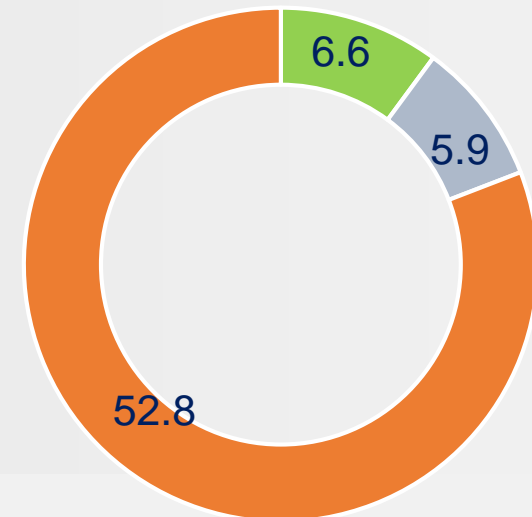
Cost of risk vs ECL charge



Gross loans staging



IFRS provisions staging



- Stage 1
- Stage 2
- Stage 3

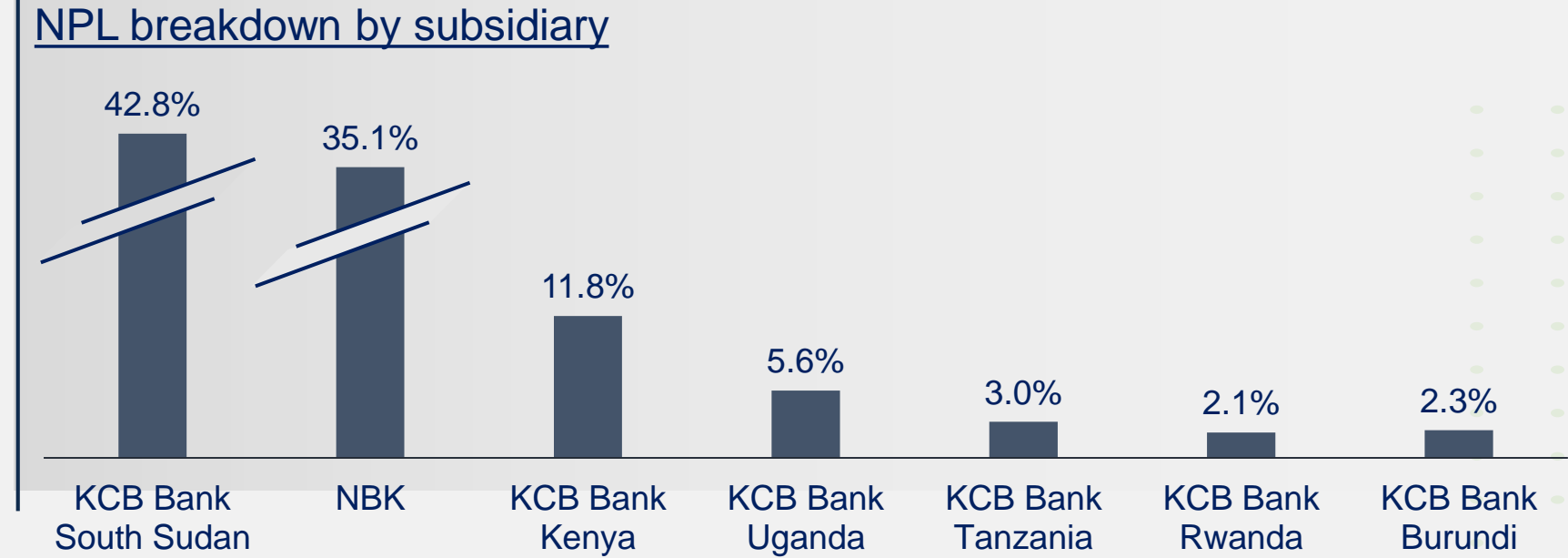
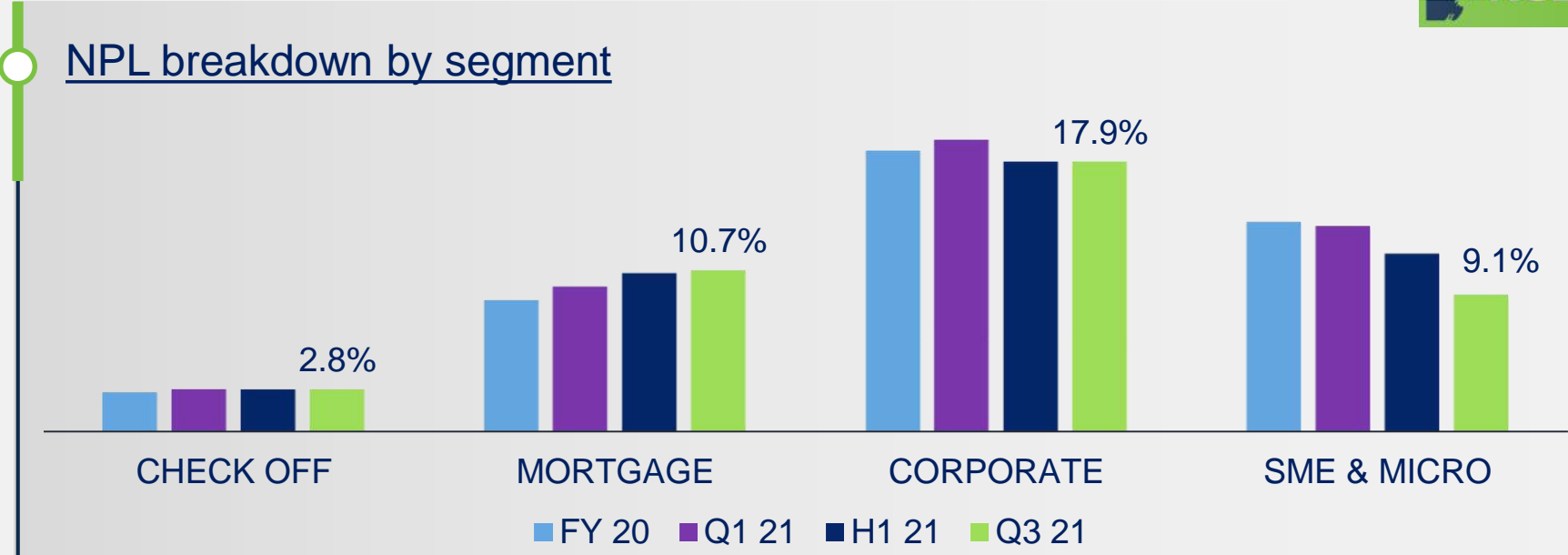
Amounts in Kes B

DISTRIBUTION OF THE NON PERFORMING BOOK



11.8%
 KCB Bank Kenya NPL ratio in September 2021 down from 12.8% in December 2020

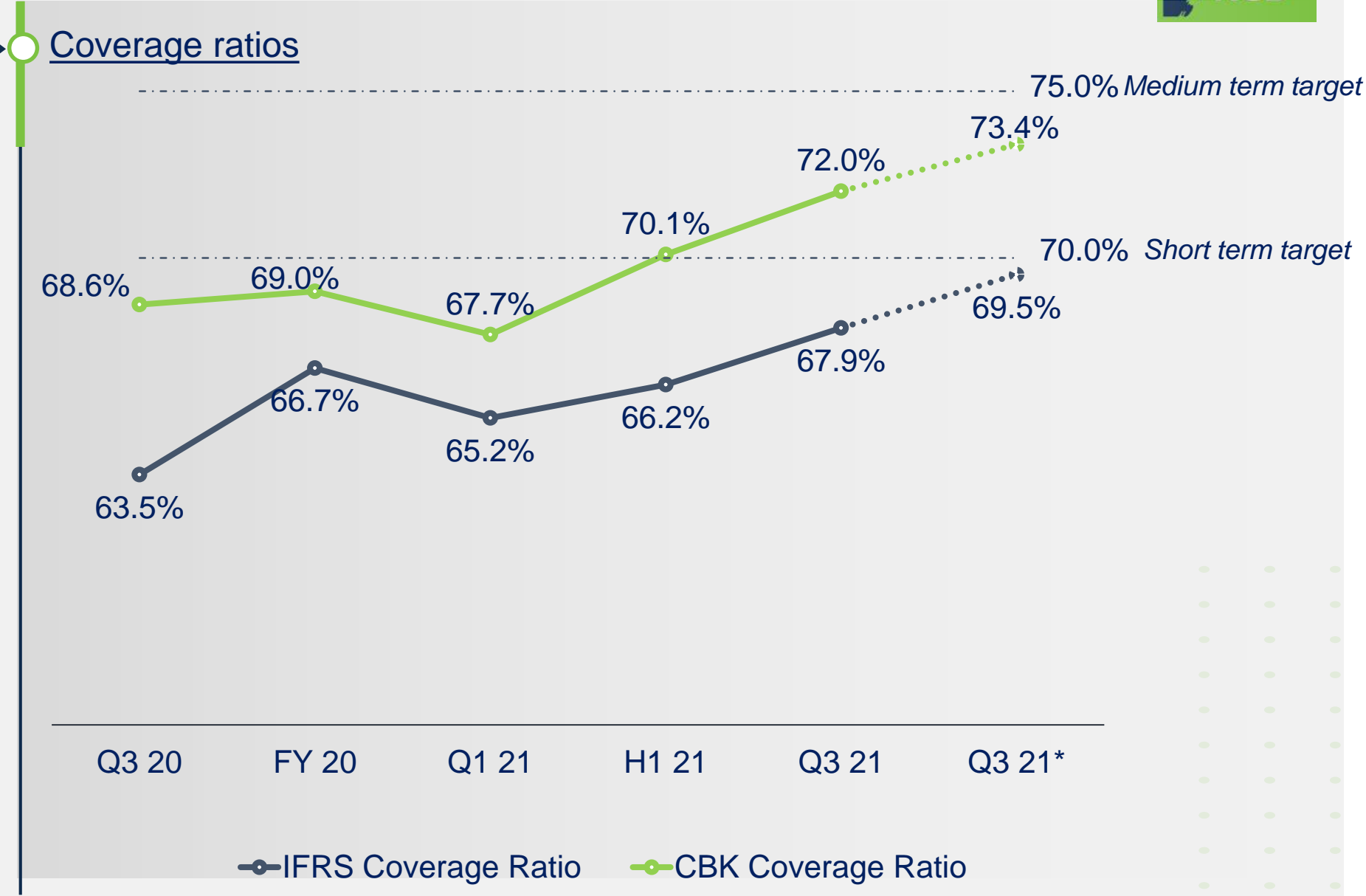
13.9%
 Kenya industry NPL ratio as at August 2021 down from 14.0% in June



CONSISTENT IMPROVEMENT IN COVERAGE RATIOS



72%
Regulatory coverage ratio 200bps above our short term target



Q3 21* ratios inclusive of additional coverage provided by risk guarantee schemes

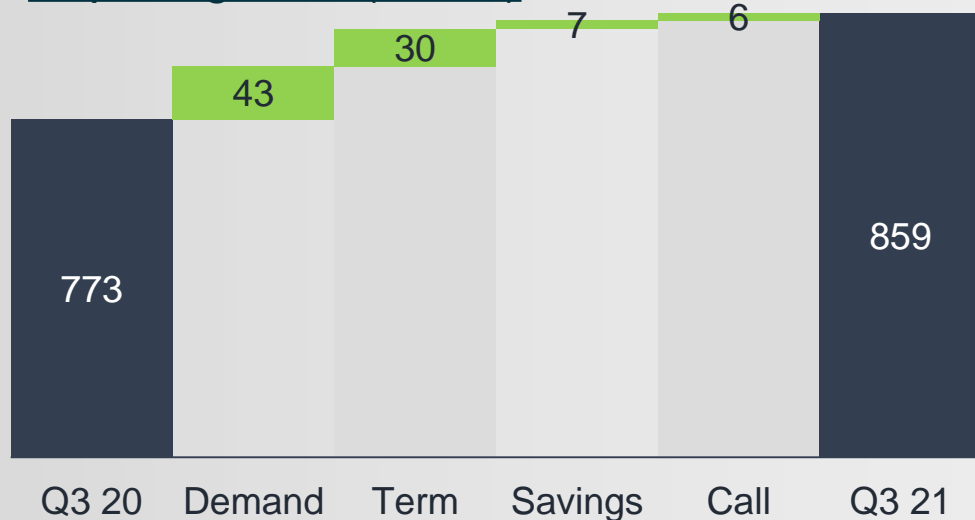
DIVERSIFIED DEPOSIT PORTFOLIO



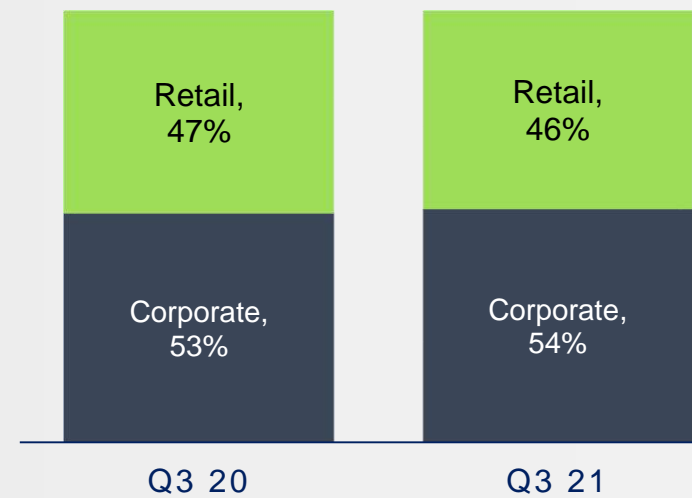
41%
Liquidity ratio, up 320bps supported by low cost and stable funding mix driven by growth in demand and term deposits

11%
Growth in customer deposits due to organic growth of Kes 60B and inorganic growth of Kes 26B

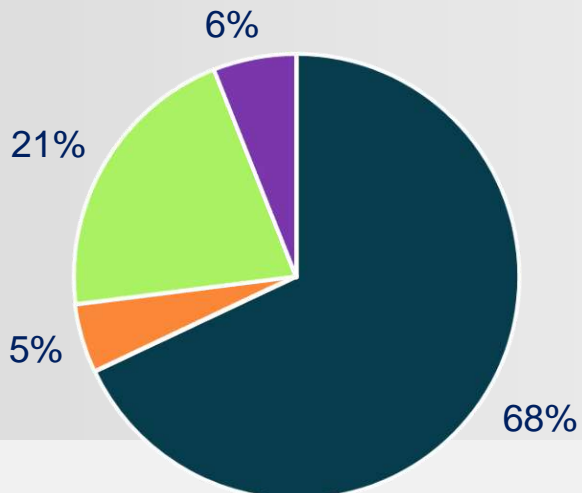
Deposit growth (Kes B)



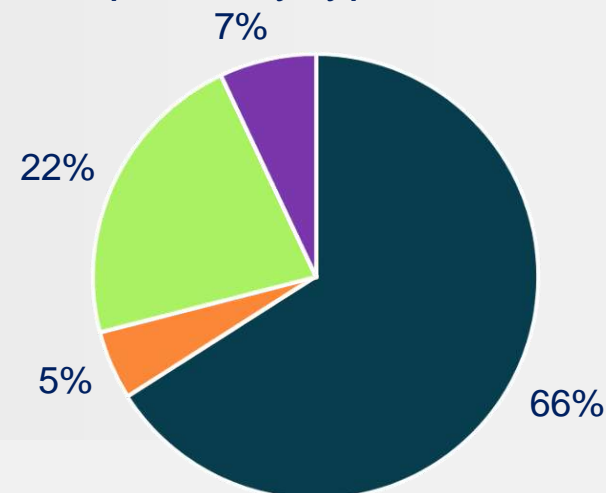
Deposit mix



Deposits by type Q3 20



Deposits by type Q3 21



Currency Mix



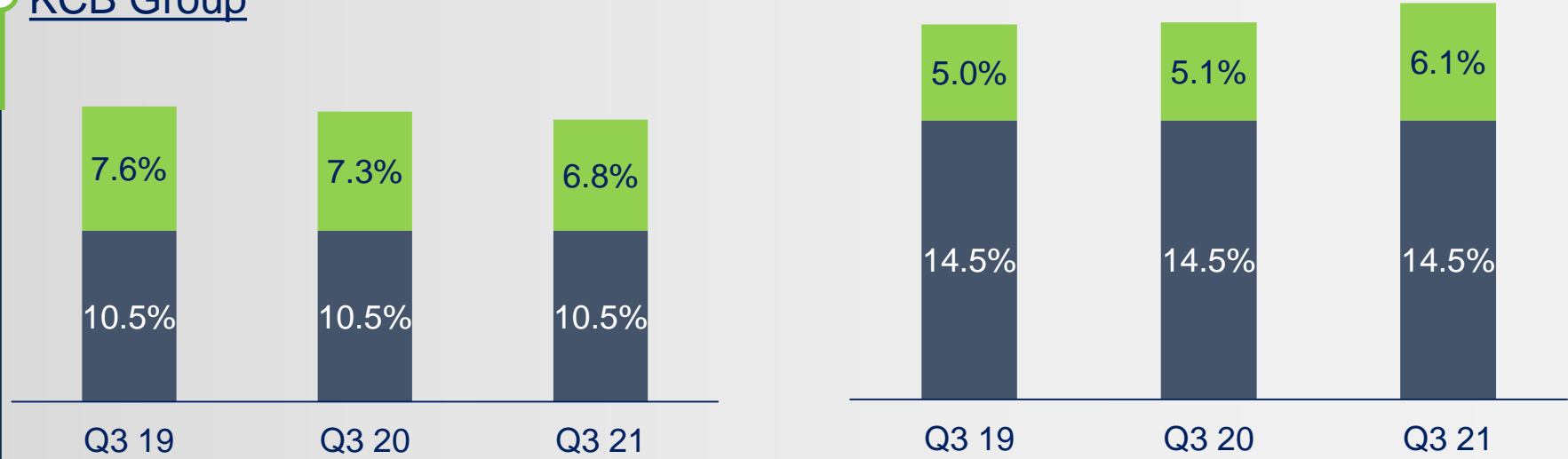
Demand ■ Savings ■ Term ■ Call

SIGNIFICANT CAPITAL HEADROOM

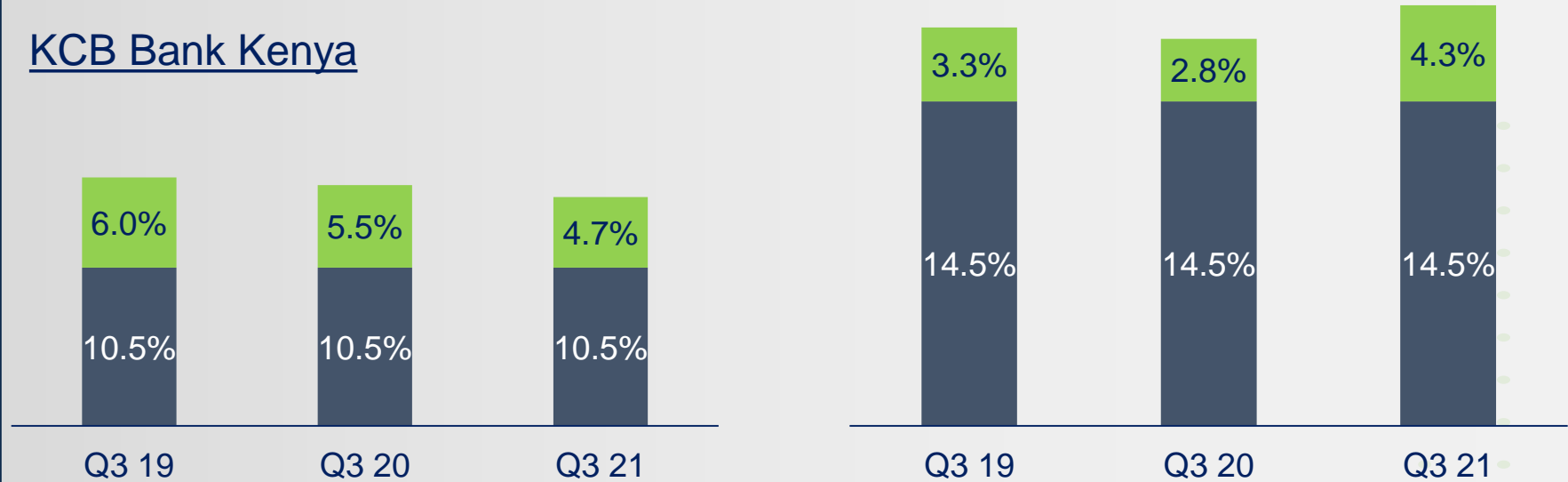


All Group subsidiaries except NBK above minimum capital ratios. Loan recoveries and retained earnings to bridge NBK's capital shortfall

KCB Group



KCB Bank Kenya



■ Core capital to RWA Headroom
■ Minimum Core capital to RWA

■ Total capital to RWA Headroom
■ Minimum Total capital to RWA

DOUBLING UP OF GROUP PROFITABILITY



↑ 109%

Growth in PBT driven by increased interest income from loans and government securities, FX trading income and a decline in the provisions charge



Amounts in Kes B

■ Q3 20 vs Q3 21 ○ YoY movement

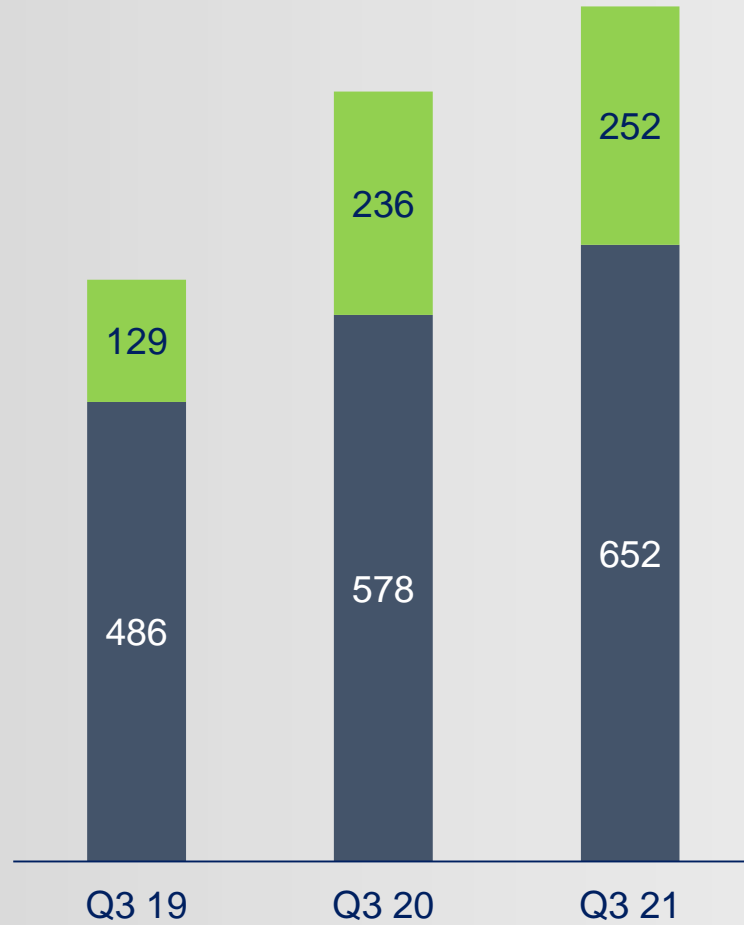
STEADY GROWTH IN INTEREST EARNING ASSETS



Net interest income up 18% to Kes 56.4B driven by increase in earning assets and interest write-backs.

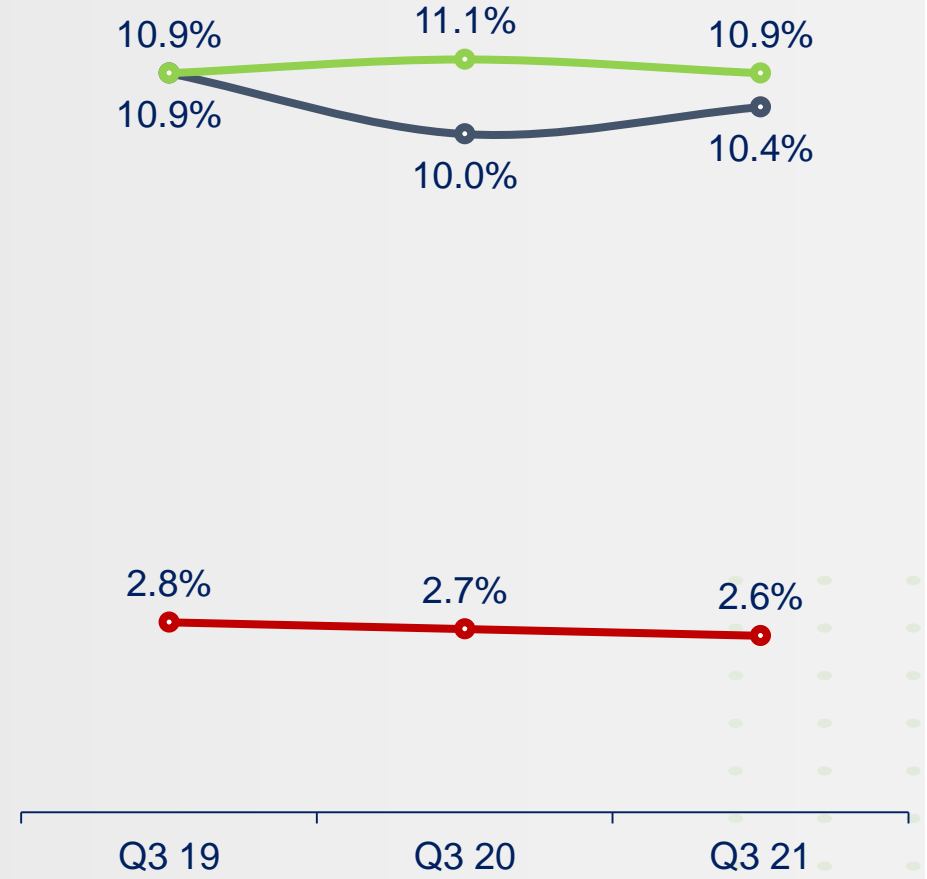
Cost of funds dropped by 10bps on account of lower cost of customer deposits

Loans and Govt. securities (Kes B)



■ Government securities ■ Loans and advances

Yields vs Cost of funds



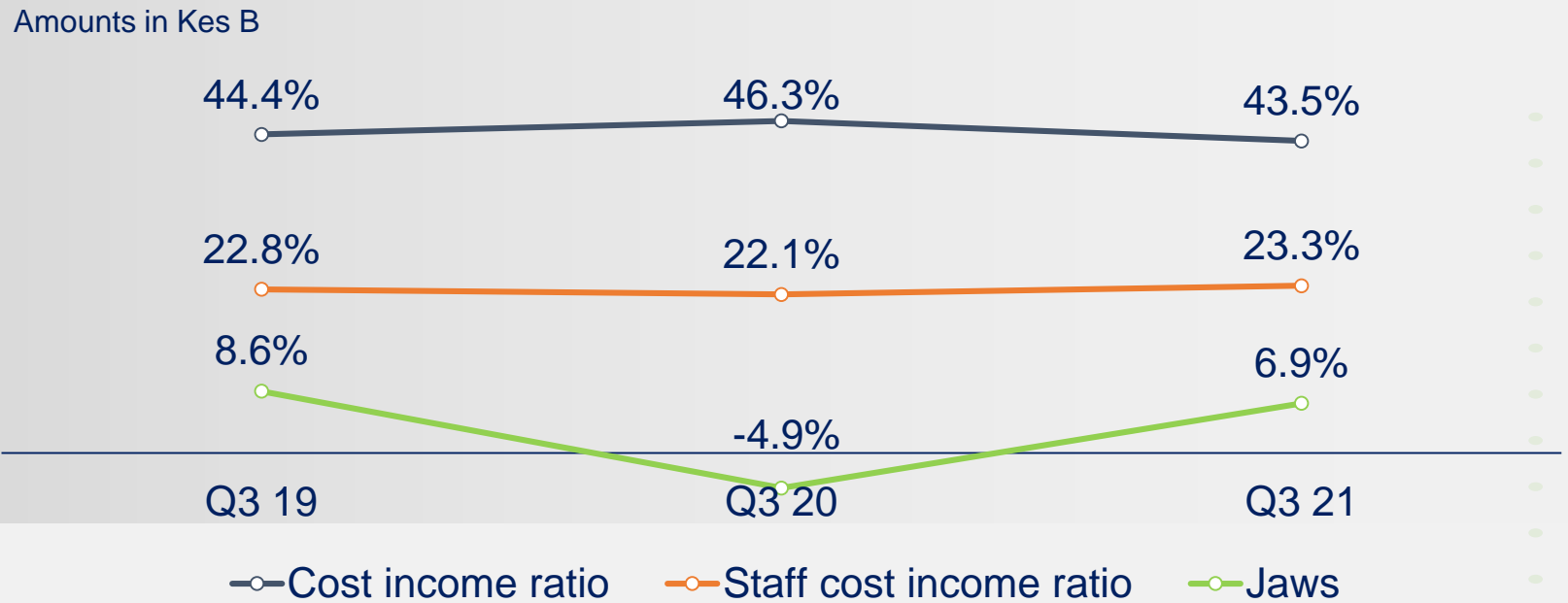
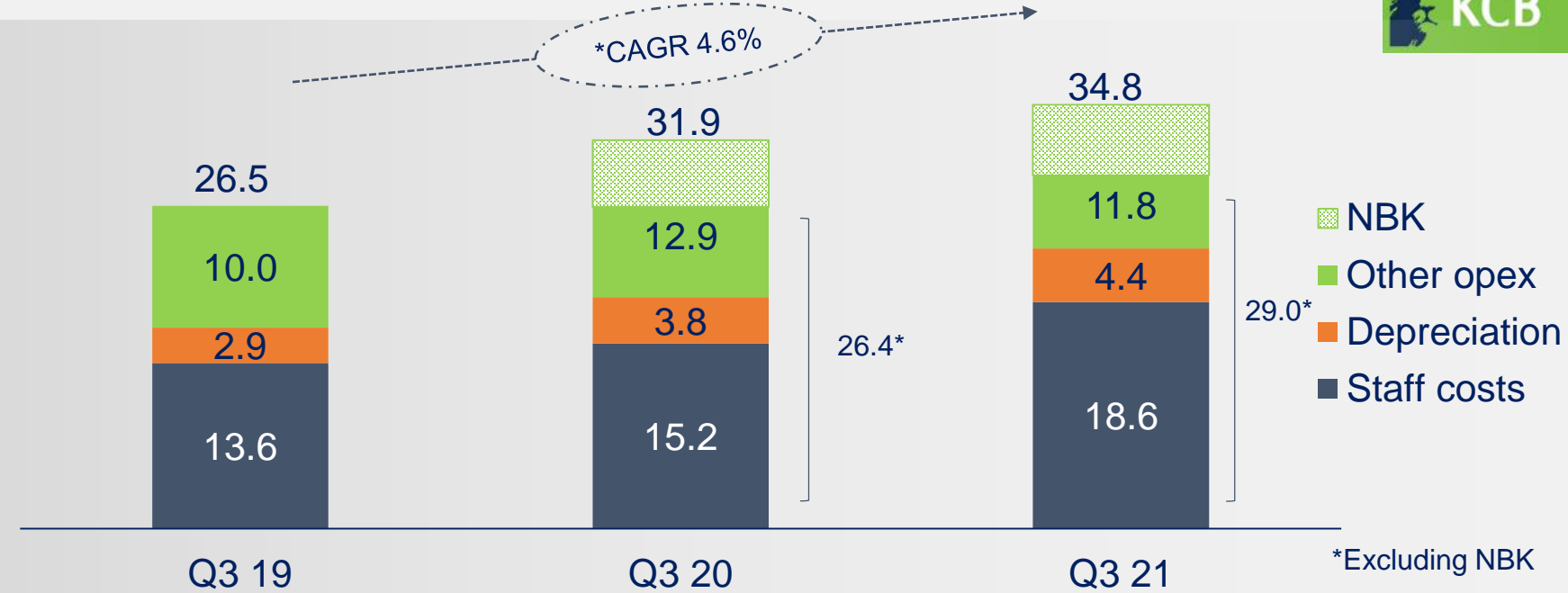
● Yield on Loans ● Yield on govt securities ● CoF

OPERATING COSTS OUTLAY



*Cost growth consistently below inflation and other operating expenses down by 9.0% yoy on account of cost savings initiatives

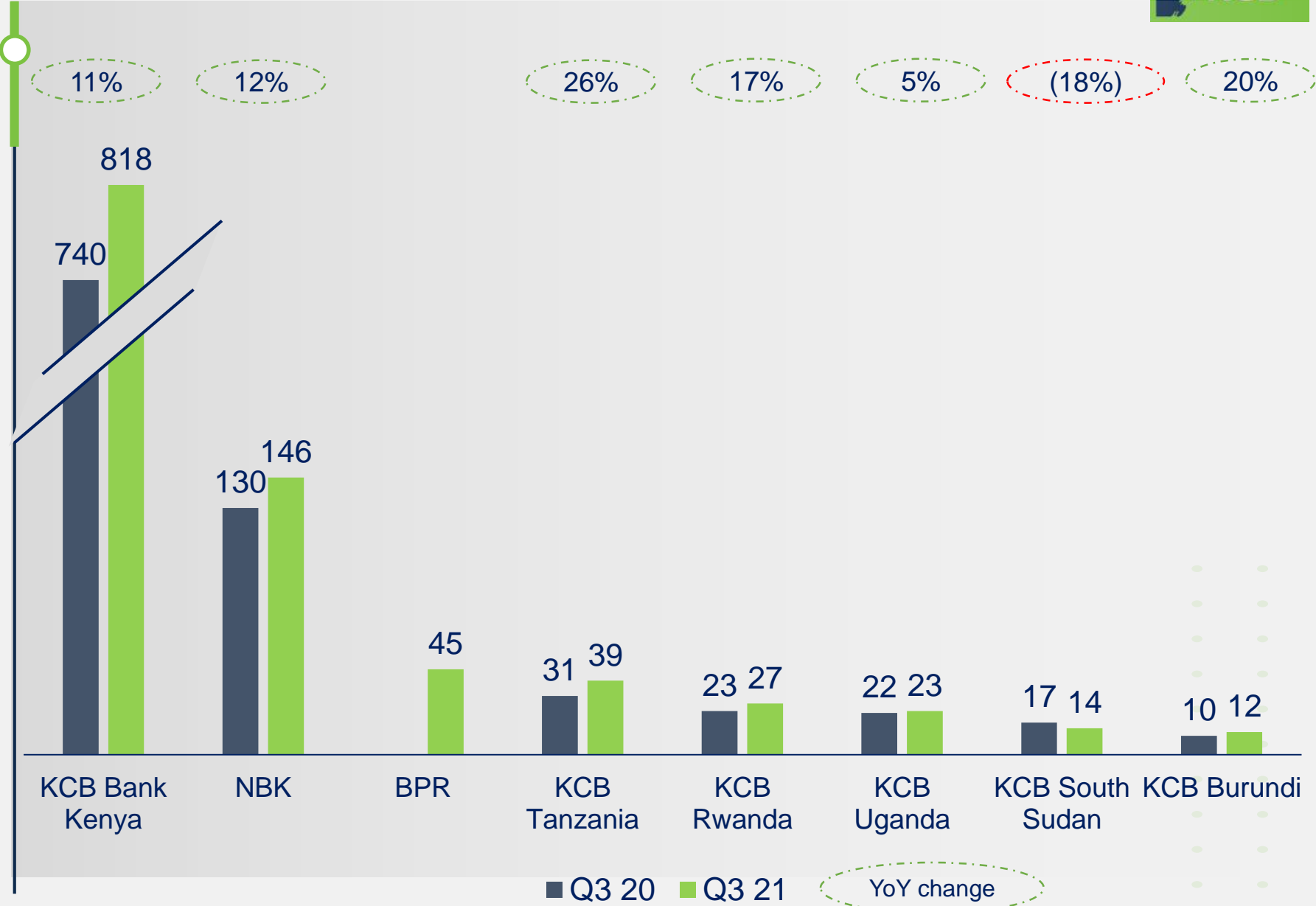
*excluding NBK



ASSET CONTRIBUTION PER SUBSIDIARY



73.6%
Proportion of total assets in KCB Bank Kenya.

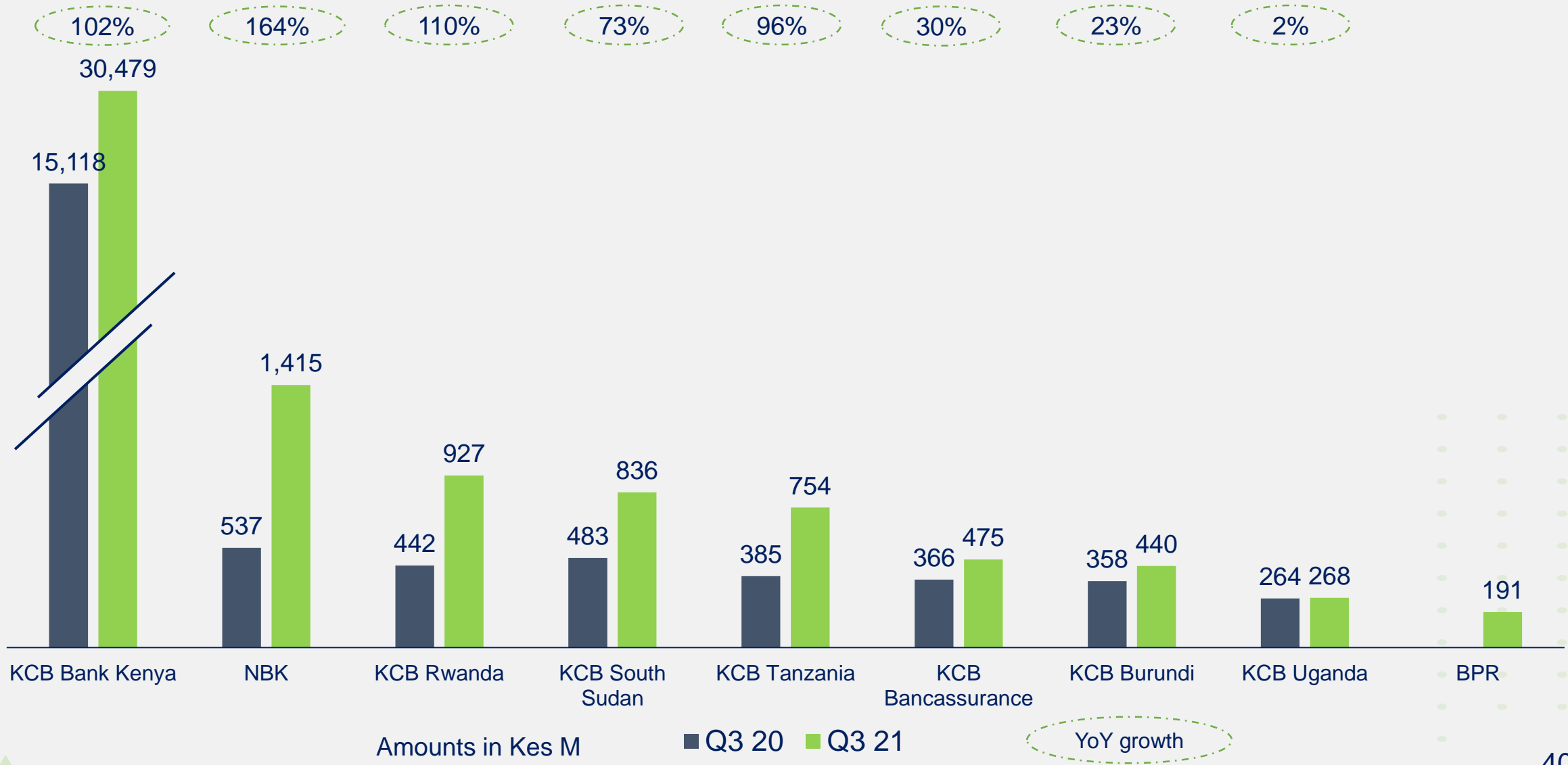


Amounts in Kes B

PROFITABILITY GROWTH AND DISTRIBUTION PER SUBSIDIARY



14.4% PBT contribution from subsidiaries outside of KCB Bank Kenya



OVERVIEW OF KEY FINANCIAL RATIOS



Q3 2021

KCB GROUP				KCB KENYA	KCB GROUP
Q3 20	FY 20	H1 21			
10.9%	14.4%	20.7%	Return on Average Equity	24.4%	22.0%
46.3%	45.0%	44.3%	Cost to Income	37.7%	43.5%
15.1%	14.7%	14.3%	Gross NPL to Gross Loans	11.8%	13.7%
68.6%	66.7%	70.1%	NPL Coverage	73.0%	72.0%
15.0%	26.0%	22.9%	Debt to Equity	26.9%	21.6%
30.8%	29.7%	28.6%	Non funded income to total income	27.0%	29.4%
29.8%	35.3%	28.7%	Mobile NFI to total fees and commissions	37.5%	28.6%
2.7%	2.7%	2.6%	Cost of funds	2.6%	2.6%
7.9%	7.9%	7.9%	Net Interest Margin	8.3%	7.6%
4.8%	4.6%	2.2%	Cost of risk	1.9%	2.0%
82.7%	77.4%	85.3%	Loan to Deposit Ratio	81.0%	75.9%
19.2%	19.2%	19.1%	Government securities to total assets	20.2%	22.6%
18.7%	11.0%	8.4%	Growth of Net Loans and Advances	7.5%	12.4%
31.7%	12.0%	3.7%	Growth of Customer Deposits	5.9%	11.2%

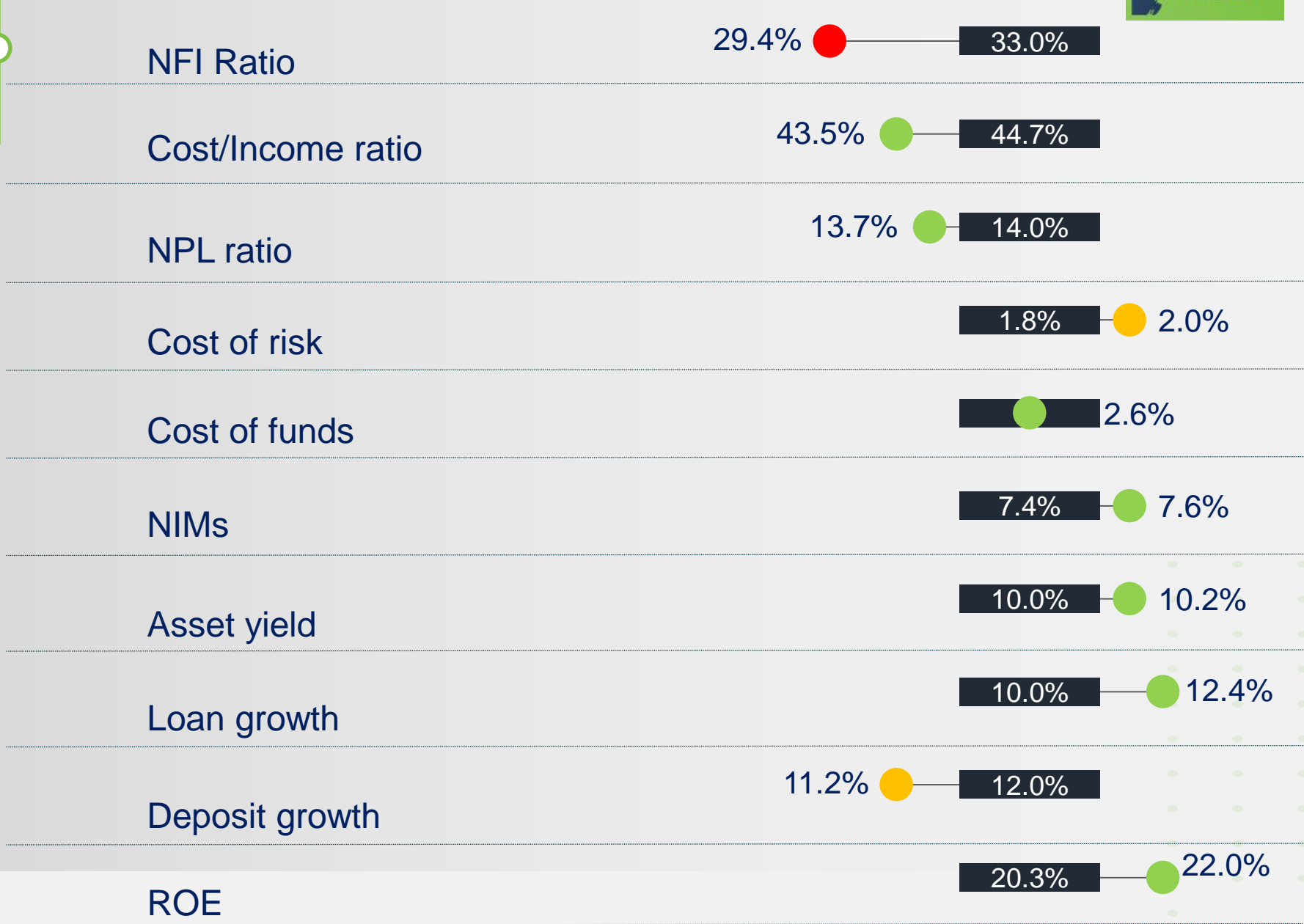
MEASURING UP AGAINST OUR OUTLOOK



Improving economic performance supporting the confidence to meet the 2021 outlook.

All outlier items recorded improvement QoQ

NFI ratio ▲ 80bps
 CoR ▼ 20bps
 Deposits growth ▲ 750bps



● ● ● Q3 21 Actual
 ■ 2021 Outlook

SUMMARY STATEMENT OF FINANCIAL POSITION



Kes Billion	KCB Group			KCB Bank Kenya		
	Q3 2020	Q3 2021	Y-O-Y Change	Q3 2020	Q3 2021	Y-O-Y Change
Cash and balances with central bank	48.6	68.1	40%	38.2	56.5	48%
Balances with other institutions	36.6	60.1	64%	8.5	21.3	152%
Investments in Government & other securities	236.2	252.4	7%	166.1	165.2	(1%)
Net loans and advances	577.5	651.8	13%	445.7	511.3	7%
Fixed assets	25.5	31.9	25%	15.5	19.9	29%
Other assets	47.5	58.2	22%	35.4	44.5	26%
Total assets	972.0	1,122.5	15%	739.4	818.8	11%
Customer deposits	772.7	859.1	11%	595.9	631.3	6%
Balances due to other banks	16.6	26.6	60%	1.2	4.3	257%
Long-term debt	20.4	35.3	73%	17.9	33.1	85%
Other liabilities	26.4	37.1	40%	20.3	26.8	32%
Total liabilities	836.1	958.1	15%	635.2	695.5	9%
Shareholders' equity	135.9	163.0	20%	104.1	123.4	18%
Total liabilities and equity	972.0	1,122.5	15%	739.4	818.8	11%

SUMMARY STATEMENT OF COMPREHENSIVE INCOME



Kes Billion	KCB Group			KCB Bank Kenya		
	Q3 2020	Q3 2021	Y-O-Y Change	Q3 2020	Q3 2021	Y-O-Y Change
Interest income	63.3	73.5	16%	49.9	56.9	14%
Interest expense	(15.4)	(17.1)	11%	(11.4)	(11.9)	5%
Net interest income	47.9	56.4	18%	38.5	45.0	17%
Foreign exchange income	3.3	4.5	35%	2.2	2.5	16%
Net fees and commissions	14.3	14.5	1%	11.3	11.0	(3%)
Other income	3.6	4.5	23%	3.0	3.1	2%
Total operating income	69.1	79.9	16%	55.0	61.7	12%
Total other operating expenses	(32.0)	(34.8)	9%	(21.2)	(23.2)	10%
Provisions for bad debts	(20.0)	(9.3)	(53%)	(18.7)	(8.0)	(57%)
Profit before tax	17.1	35.8	109%	15.1	30.5	102%
Tax	(6.3)	(10.6)	70%	(5.3)	(9.1)	73%
Profit after tax	10.9	25.2	131%	9.9	21.4	117%

THANK
YOU



KCB

KCB Investor Relations

investorrelations@kcbgroup.com

www.kcbgroup.com