VICTORIA COMMERCIAL BANK

Elevating Relationships

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UNAUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES

FOR THE PERIOD ENDED 30 SEPTEMBER 2017

		30-Sep-2016 UN AUDITED	31-Dec-2016 AUDITED	31-Mar-2017 UN AUDITED	30-Jun-2017 UN AUDITED	30-Sep-2017 UN AUDITED
	STATEMENT OF FINANCIAL POSITION	**SHS '000**	**SHS '000**	**SHS '000**	**SHS '000**	**SHS '000**
A	**Assets**					
1	Cash (both local and foreign)	90,523	67,627	92,328	80,993	79,527
2	Balances due from Central Bank of Kenya	1,152,313	1,271,638	2,474,138	1,067,539	1,100,462
3	Kenya Government and other securities held for dealing purposes	0	0	0	0	0
4	Financial Assets at fair value through profit and loss	0	0	0	0	0
5	Investment Securities:	0	0	0	0	0
	a) Held to Maturity:	**2,300,755**	**2,084,701**	**1,721,563**	**1,487,500**	**1,505,231**
	a. Kenya Government securities	2,186,164	1,971,466	1,606,131	1,373,783	1,390,247
	b. Other securities	114,591	113,235	115,432	113,717	114,984
	b) Available for sale:	**1,249,525**	**1,273,543**	**1,387,909**	**1,401,455**	**1,651,450**
	a. Kenya Government securities	999,372	1,022,138	1,134,724	1,145,225	1,293,412
	b. Other securities	250,153	251,405	253,185	256,230	358,038
6	Deposits and balances due from local banking institutions	25,972	658,346	44,006	1,608,972	351,506
7	Deposits and balances due from banking institutions abroad	1,814,909	1,053,632	861,565	897,603	428,494
8	Tax recoverable	0	0	0	0	0
9	Loans and advances to customers (Net)	14,374,862	15,292,829	15,453,895	15,533,093	18,359,114
10	Balances due from banking institutions in the group	0	0	0	0	0
11	Investments in associates	253,111	284,031	284,031	284,031	284,031
12	Investments in subsidiary companies	0	0	0	0	0
13	Investments in joint ventures	0	0	0	0	0
14	Investment properties	0	0	0	0	0
15	Property and equipment	192,450	192,350	183,882	179,350	171,497
16	Prepaid lease rentals	0	0	0	0	0
17	Intangible assets	27,557	26,104	24,301	27,692	28,398
18	Deferred tax asset	24,695	13,734	13,734	13,734	13,734
19	Retirement benefit asset	0	0	0	0	0
20	Other assets	286,294	184,946	331,182	345,293	326,240
21	**Total assets**	**21,792,966**	**22,403,481**	**22,872,534**	**22,927,255**	**24,299,684**
B	**Liabilities**					
22	Balances due to Central Bank of Kenya	0	0	0	0	0
23	Customer deposits	16,136,764	15,695,947	15,908,522	15,815,529	17,125,805
24	Deposits and balances due to local banking institutions	0	0	0	0	0
25	Deposits and balances due to foreign banking institutions	56,960	0	0	0	0
26	Other money market deposits	0	0	0	0	0
27	Borrowed funds	1,589,798	1,519,870	1,473,817	1,541,414	1,379,485
28	Balances due to banking institutions in the group	0	0	0	0	0
29	Tax payable	38,595	7,152	76,652	18,769	24,604
30	Dividends payable	0	0	0	0	0
31	Deferred tax liability	0	0	0	0	0
32	Retirement benefit liability	0	0	0	0	0
33	Other liabilities	93,529	120,475	126,505	117,000	133,925
34	**Total liabilities**	**17,915,646**	**17,343,444**	**17,585,496**	**17,492,712**	**18,663,819**
C	**Shareholders' Funds**					
35	Paid up / Assigned share capital	607,501	829,162	838,494	838,494	838,494
36	Share premium / (discount)	420,393	1,271,743	1,321,289	1,321,289	1,321,289
37	Revaluation reserves	137,000	137,000	137,000	137,000	137,000
38	Retained earnings/Accumulated losses	2,652,967	2,747,906	2,909,773	3,066,378	3,214,743
39	Statutory loan loss reserve	98,000	105,000	105,000	105,000	105,000
40	Other Reserves	(38,541)	(30,774)	(24,518)	(33,618)	19,339
41	Proposed dividends	0	0	0	0	0
42	Capital grants	0	0	0	0	0
43	**Total shareholders' funds**	**3,877,320**	**5,060,037**	**5,287,038**	**5,434,543**	**5,635,865**
44	**Total liabilities and total shareholders' funds**	**21,792,966**	**22,403,481**	**22,872,534**	**22,927,255**	**24,299,684**
	STATEMENT OF COMPREHENSIVE INCOME					
1.0	**Interest income**					
1.1	Loans and advances	1,550,720	2,024,589	493,403	995,854	1,566,044
1.2	Government securities	273,051	355,834	80,401	157,651	223,288
1.3	Deposits and placements with banking institutions	28,114	36,292	6,408	16,722	25,411
1.4	Other interest income	29,560	34,096	9,510	22,747	34,003
1.5	**Total interest income**	**1,881,445**	**2,450,811**	**589,722**	**1,192,974**	**1,848,746**
2.0	**Interest expense**					
2.1	Customer deposits	932,955	1,193,949	251,849	525,571	827,609
2.2	Deposits and placements from banking institutions	7,132	7,382	0	3	3
2.3	Other interest expense	67,674	101,534	24,313	48,984	74,347
2.4	**Total interest expense**	**1,007,761**	**1,302,865**	**276,162**	**574,558**	**901,959**
3.0	**Net interest income/(loss)**	**873,684**	**1,147,946**	**313,560**	**618,416**	**946,787**
4.0	**Non interest Income**					
4.1	Fees and commissions on loans and advances	61,776	90,192	30,418	58,702	118,209
4.2	Other fees and commissions	89,888	106,936	31,010	59,741	103,784
4.3	Foreign exchange trading income/(loss)	22,184	26,246	6,593	14,689	25,956
4.4	Dividend income	7,500	7,500	0	0	0
4.5	Other income	2,730	37,196	3,983	11,225	23,624
4.6	**Total non interest income**	**184,078**	**268,070**	**72,004**	**144,357**	**271,573**
5.0	**Total operating income**	**1,057,762**	**1,416,016**	**385,564**	**762,773**	**1,218,360**
6.0	**Other operating expenses**					
6.1	Loan loss provisions	10,032	12,032	4,500	7,064	37,864
6.2	Staff costs	175,544	258,374	67,753	138,685	232,708
6.3	Directors' emoluments	49,620	84,635	18,900	37,800	60,300
6.4	Rental charges	18,413	24,345	5,696	11,354	17,156
6.5	Depreciation charge on property and equipment	25,676	35,662	9,254	18,216	27,222
6.6	Amortization charges	18,339	24,370	1,803	3,732	5,876
6.7	Other operating expenses	142,932	180,185	46,290	101,048	178,996
6.8	**Total other operating expenses**	**440,556**	**619,603**	**154,196**	**317,899**	**560,122**
7.0	**Profit/(loss) before tax and exceptional items**	**617,206**	**796,413**	**231,368**	**444,874**	**658,238**
8.0	Exceptional items	0	0	0	0	0
9.0	**Profit/(loss) after exceptional items**	**617,206**	**796,413**	**231,368**	**444,874**	**658,238**
10.	Current tax	(187,500)	(208,056)	(69,500)	(137,100)	(202,100)
11.	Deferred tax	0	4,038	0	0	0
12.	**Profit/(loss) after tax and exceptional items**	**429,706**	**592,395**	**161,868**	**307,774**	**456,138**
13.	**Other Comprehensive Income**					
13.1	Gains/(Losses) from translating the financial statements of foreign operations	0	0	0	0	0
13.2	Fair value changes in available for sale financial assets	27,230	34,997	6,256	(2,844)	50,113
13.3	Revaluation surplus on Property,plant and equipment	0	0	0	0	0
13.4	Share of other comprehensive income of associates	0	0	0	0	0
13.5	Income tax relating to components of other comprehensive income	0	0	0	0	0
14.	**Other Comprehensive Income for the year net of tax**	**27,230**	**34,997**	**6,256**	**(2,844)**	**50,113**
15.	**Total comprehensive income for the year**	**456,936**	**627,392**	**168,124**	**304,930**	**506,251**
16.	**Earnings per share - Basic & diluted**	**14.15**	**18.60**	**3.86**	**7.34**	**10.88**
17.	**Dividend Per share**	**3.00**	**3.00**	**0.00**	**0.00**	**0.00**

		30-Sep-2016 UN AUDITED	31-Dec-2016 AUDITED	31-Mar-2017 UN AUDITED	30-Jun-2017 UN AUDITED	30-Sep-2017 UN AUDITED
	OTHER DISCLOSURES	**SHS '000**	**SHS '000**	**SHS '000**	**SHS '000**	**SHS '000**
1.0	**Non-performing loans and advances**					
	a) Gross non-performing loans and advances	0	0	0	18,366	16,585
	b) Less: Interest in suspense	0	0	0	209	826
	c) Total non-performing loans and advances (a - b)	**0**	**0**	**0**	**18,157**	**15,759**
	d) Less: Loan loss provisions	0	0	0	3,800	9,300
	e) Net non-performing loans and advances (c - d)	0	0	0	14,357	6,459
	f) Less: Discounted value of securities	0	0	0	14,357	6,459
	g) Net non-performing loans exposure (e - f)	0	0	0	0	0
2.0	**Insider loans and advances**					
	a) Directors, shareholders and associates	152,966	150,965	148,568	161,548	158,231
	b) Employees	88,564	92,213	97,498	96,891	105,615
	c) Total insider loans, advances and other facilities	**241,530**	**243,178**	**246,066**	**258,439**	**263,846**
3.0	**Off-balance sheet items**					
	a) Letters of credit , guarantees , acceptances	2,371,150	2,203,095	2,106,207	2,011,583	2,287,872
	b) Forwards, swaps and options	230,937	26,765	33,026	58,079	96,603
	c) Other contingent liabilities	136,634	118,704	166,694	98,990	160,326
	d) Total contingent liabilities	**2,738,721**	**2,348,564**	**2,305,927**	**2,168,652**	**2,544,801**
4.0	**Capital strength**					
	a) Core capital	3,511,570	4,848,811	4,988,622	5,072,275	5,146,457
	b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	c) Excess (a-b)	**2,511,570**	**3,848,811**	**3,988,622**	**4,072,275**	**4,146,457**
	d) Supplementary capital	132,250	139,250	139,250	139,250	139,250
	e) Total capital (a + d)	**3,643,820**	**4,988,061**	**5,127,872**	**5,211,525**	**5,285,707**
	f) Total risk weighted assets	18,995,442	19,598,582	20,080,775	20,316,866	22,892,428
	g) Core capital / total deposit liabilities	**21.80%**	**30.90%**	**31.40%**	**32.10%**	**30.10%**
	h) Minimum Statutory Ratio	8.00%	8.00%	8.00%	8.00%	8.00%
	i) Excess (g- h)	13.80%	22.90%	23.40%	24.10%	22.10%
	j) Core capital / total risk weighted assets	**18.50%**	**24.70%**	**24.80%**	**25.00%**	**22.50%**
	k) Minimum Statutory Ratio	10.50%	10.50%	10.50%	10.50%	10.50%
	l) Excess (j - k)	8.00%	14.20%	14.30%	14.50%	12.00%
	m) Total capital / total risk weighted assets	**19.20%**	**25.50%**	**25.50%**	**25.70%**	**23.10%**
	n) Minimum Statutory Ratio	14.50%	14.50%	14.50%	14.50%	14.50%
	o) Excess (m -n)	4.70%	11.00%	11.00%	11.20%	8.60%
5.0	**Liquidity**					
	a) Liquidity Ratio	**33.60%**	**31.40%**	**33.30%**	**34.70%**	**25.10%**
	b) Minimum Statutory Ratio	20.00%	20.00%	20.00%	20.00%	20.00%
	c) Excess (a - b)	13.60%	11.40%	13.30%	14.70%	5.10%

MESSAGE FROM DIRECTORS

The above Statement of Financial Position and Statement of Comprehensive income are extracts from the financial records of the bank. The complete set of quarterly financial statements, statutory and qualitative disclosures can be accessed on the bank's website www.victoriabank.co.ke, and at our Head Office located at Victoria Towers, Mezzanine Floor, Kilimanjaro Avenue Upperhill, Nairobi.

SIGNED

Kanji D Pattni
CHAIRMAN

Yogesh K Pattni Ph.D
MANAGING DIRECTOR