EXPERIENCE THE ULTIMATE
VICTORIA
COMMERCIAL BANK

UN-AUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES
FOR THE PERIOD ENDED 30 SEPTEMBER 2018

		30 Sep 2017 Un-Audited	31 Dec 2017 Audited	31 Mar 2018 Un-Audited	30 Jun 2018 Un-Audited	30 Sep 2018 Un-Audited
STATEMENT OF FINANCIAL POSITION		**SHS '000**	**SHS '000**	**SHS '000**	**SHS '000**	**SHS '000**
A	**Assets**					
1	Cash (both local and foreign)	79,527	87,665	83,688	129,089	95,809
2	Balances due from Central Bank of Kenya	1,100,462	1,660,897	1,255,296	1,403,905	1,237,900
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:	**1,505,231**	**1,429,704**	**1,785,516**	**1,932,295**	**1,967,115**
	a. Kenya Government securities	1,390,247	1,316,967	1,673,535	1,822,287	1,855,674
	b. Other securities	114,984	112,737	111,981	110,008	111,441
	b) Available for sale:	**1,651,450**	**1,619,958**	**1,624,133**	**1,918,645**	**2,163,094**
	a. Kenya Government securities	1,293,412	1,269,728	1,281,269	1,575,155	1,819,895
	b. Other securities	358,038	350,230	342,864	343,490	343,199
6	Deposits and balances due from local banking institutions	351,506	909,801	515,104	1,357,553	304,498
7	Deposits and balances due from banking institutions abroad	428,494	632,351	969,255	3,368,147	1,330,656
8	Tax recoverable	0	0	0	0	0
9	Loans and advances to customers (Net)	18,359,114	18,870,101	20,139,725	20,566,468	22,831,800
10	Balances due from banking institutions in the group	0	0	0	0	0
11	Investments in associates	284,031	297,064	297,064	297,064	297,064
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	171,497	174,508	202,119	192,675	225,537
16	Prepaid lease rentals	0	0	0	0	0
17	Intangible assets	28,398	26,186	24,049	25,120	22,816
18	Deferred tax asset	13,734	15,435	15,435	10,885	8,808
19	Retirement benefit asset	0	0	0	0	0
20	Other assets	326,240	261,490	407,634	443,076	535,855
21	**Total assets**	**24,299,684**	**25,985,160**	**27,319,018**	**31,644,922**	**31,020,952**
B	**Liabilities**					
22	Balances due to Central Bank of Kenya	0	0	0	0	0
23	Customer deposits	17,125,805	18,677,388	19,639,560	23,440,788	22,666,706
24	Deposits and balances due to local banking institutions	0	0	0	0	0
25	Deposits and balances due to foreign banking institutions	0	208,812	268,905	409,577	306,945
26	Other money market deposits	0	0	0	0	0
27	Borrowed funds	1,379,485	1,382,370	1,388,286	1,738,720	1,963,674
28	Balances due to banking institutions in the group	0	0	0	0	0
29	Tax payable	24,604	6,721	68,521	0	0
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	133,925	97,976	176,123	148,095	161,871
34	**Total liabilities**	**18,663,819**	**20,373,267**	**21,541,395**	**25,737,180**	**25,099,196**
C	**Shareholders' funds**					
35	Paid up / Assigned share capital	838,494	838,494	838,494	838,494	838,494
36	Share premium / (discount)	1,321,289	1,321,289	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	3,214,743	3,203,346	3,346,390	3,482,909	3,529,946
39	Statutory loan loss reserve	105,000	120,000	116,528	125,668	55,668
40	Other Reserves	19,339	(8,236)	17,922	2,382	39,359
41	Proposed dividends	0	0	0	0	0
42	Capital grants	0	0	0	0	0
43	**Total shareholders' funds**	**5,635,865**	**5,611,893**	**5,777,623**	**5,907,742**	**5,921,756**
44	**Total liabilities and total shareholders' funds**	**24,299,684**	**25,985,160**	**27,319,018**	**31,644,922**	**31,020,952**

STATEMENT OF COMPREHENSIVE INCOME

		30 Sep 2017	31 Dec 2017	31 Mar 2018	30 Jun 2018	30 Sep 2018
1	**Interest income**					
1.1	Loans and advances	1,566,044	2,180,414	628,012	1,274,559	1,878,084
1.2	Government securities	223,288	319,034	75,616	161,666	259,448
1.3	Deposits and placements with banking institutions	25,411	43,387	11,005	18,680	27,753
1.4	Other interest income	34,003	15,840	2,898	6,168	7,766
1.5	**Total interest income**	**1,848,746**	**2,558,675**	**717,531**	**1,461,073**	**2,173,051**
2	**Interest expense**					
2.1	Customer deposits	827,609	1,174,689	369,401	751,518	1,152,398
2.2	Deposits and placements from banking institutions	3	3	0	0	10
2.3	Other interest expense	74,347	99,671	25,047	55,092	93,088
2.4	**Total interest expense**	**901,959**	**1,274,363**	**394,448**	**806,610**	**1,245,496**
3	**Net interest income/(loss)**	**946,787**	**1,284,312**	**323,083**	**654,463**	**927,555**
4	**Non interest Income**					
4.1	Fees and commissions on loans and advances	118,209	153,016	43,552	82,587	130,447
4.2	Other fees and commissions	103,784	118,441	30,331	58,750	84,852
4.3	Foreign exchange trading income/(loss)	25,956	29,587	9,608	22,453	33,950
4.4	Dividend income	0	0	0	0	5,236
4.5	Other income	23,624	57,669	8,894	12,307	26,942
4.6	**Total non interest income**	**271,573**	**358,713**	**92,385**	**176,097**	**281,427**
5	**Total operating income**	**1,218,360**	**1,643,025**	**415,468**	**830,560**	**1,208,982**
6	**Other operating expenses**					
6.1	Loan loss provisions	37,864	35,321	5,519	7,355	212,739
6.2	Staff costs	232,708	349,096	91,675	180,889	273,678
6.3	Directors' emoluments	60,300	101,495	29,100	58,200	87,300
6.4	Rental charges	17,156	22,984	5,827	14,305	21,457
6.5	Depreciation charge on property and equipment	27,222	34,972	10,669	22,533	35,745
6.6	Amortization charges	5,876	8,088	2,137	4,405	6,710
6.7	Other operating expenses	178,996	241,870	54,716	114,889	175,982
6.8	**Total other operating expenses**	**560,122**	**793,826**	**199,643**	**402,576**	**813,611**
7	**Profit/(loss) before tax and exceptional items**	**658,238**	**849,199**	**215,825**	**427,984**	**395,371**
8	Exceptional items	0	0	0	0	0
9	**Profit/(loss) after exceptional items**	**658,238**	**849,199**	**215,825**	**427,984**	**395,371**
10	Current tax	(202,100)	(243,382)	(61,800)	(128,300)	(118,650)
11	Deferred tax	0	11,360	0	0	0
12	**Profit/(loss) after tax and exceptional items**	**456,138**	**617,177**	**154,025**	**299,684**	**276,721**
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	50,113	22,538	26,158	10,618	47,595
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**	**50,113**	**22,538**	**26,158**	**10,618**	**47,595**
15	**Total comprehensive income for the year**	**506,251**	**639,715**	**180,183**	**310,302**	**324,316**
16	**Earnings per share - Basic & diluted**	**10.88**	**14.72**	**3.67**	**7.15**	**6.60**
17	**Dividend Per share**	**0.00**	**3.50**			

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OTHER DISCLOSURES		**SHS '000**	**SHS '000**	**SHS '000**	**SHS '000**	**SHS '000**
1	**Non-performing loans and advances**					
	a) Gross non-performing loans and advances	16,585	16,855	17,438	0	696,378
	b) Less: Interest in suspense	826	1,696	2,581	0	69,162
	c) Total non-performing loans and advances (a - b)	**15,759**	**15,159**	**14,857**	**0**	**627,216**
	d) Less: Loan loss provisions	9,300	15,159	14,857	0	128,884
	e) Net non-performing loans and advances (c - d)	**6,459**	**0**	**0**	**0**	**498,332**
	f) Less: Discounted value of securities	6,459	0	0	0	498,332
	g) Net non-performing loans exposure (e - f)	**0**	**0**	**0**	**0**	**0**
2	**Insider loans and advances**					
	a) Directors, shareholders and associates	158,231	181,051	287,022	409,507	446,684
	b) Employees	105,615	117,602	80,908	82,770	80,336
	c) Total insider loans, advances and other facilities	**263,846**	**298,653**	**367,930**	**492,277**	**527,020**
3.0	**Off-balance sheet items**					
	a) Letters of credit , guarantees , acceptances	2,287,872	2,756,914	3,387,147	3,675,234	3,280,736
	b) Forwards, swaps and options	96,603	34,712	28,620	0	35,365
	c) Other contingent liabilities	160,326	54,081	147,661	25,614	221,042
	d) Total contingent liabilities	**2,544,801**	**2,845,707**	**3,563,428**	**3,700,848**	**3,537,143**
4.0	**Capital strength**					
	a) Core capital	5,146,457	5,363,129	5,413,725	5,481,965	5,542,560
	b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	c) Excess (a-b)	**4,146,457**	**4,363,129**	**4,413,725**	**4,481,965**	**4,542,560**
	d) Supplementary capital	139,250	154,250	150,778	159,918	594,696
	e) Total capital (a + d)	**5,285,707**	**5,517,379**	**5,564,503**	**5,641,883**	**6,137,256**
	f) Total risk weighted assets	22,892,428	24,264,522	26,453,685	27,959,108	28,910,412
	g) Core capital / total deposit liabilities	**30.10%**	**28.70%**	**27.60%**	**23.40%**	**24.50%**
	h) Minimum Statutory Ratio	8.00%	8.00%	8.00%	8.00%	8.00%
	i) Excess (g- h)	22.10%	20.70%	19.60%	15.40%	16.50%
	j) Core capital / total risk weighted assets	**22.50%**	**22.10%**	**20.50%**	**19.60%**	**19.20%**
	k) Minimum Statutory Ratio	10.50%	10.50%	10.50%	10.50%	10.50%
	l) Excess (j - k)	12.00%	11.60%	10.00%	9.10%	8.70%
	m) Total capital / total risk weighted assets	**23.10%**	**22.70%**	**21.00%**	**20.20%**	**21.20%**
	n) Minimum Statutory Ratio	14.50%	14.50%	14.50%	14.50%	14.50%
	o) Excess (m -n)	8.60%	8.20%	6.50%	5.70%	6.70%
	p) Adjusted Core capital/total deposit liabilities *			**27.60%**	**23.50%**	**24.50%**
	q) Adjusted Core capital / total risk weighted assets*			**20.50%**	**19.70%**	**19.20%**
	r) Adjusted Total capital / total risk weighted assets*			**21.00%**	**20.30%**	**21.30%**
5.0	**Liquidity**					
	a) Liquidity Ratio	25.10%	28.60%	26.60%	40.90%	27.70%
	b) Minimum Statutory Ratio	20.00%	20.00%	20.00%	20.00%	20.00%
	c) Excess (a - b)	5.10%	8.60%	6.60%	20.90%	7.70%

** The Adjusted Capital Ratios includes the expected credit loss provisions added back to Capital in line with the CBK Guidance Note issued in April 2018 on implementation of IFRS 9.*

MESSAGE FROM THE DIRECTORS

These financial statements are extracts from the books 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 Upper Hill, Nairobi, Kenya.

SIGNED

Ketaki Sheth
CHAIR OF THE BOARD

Yogesh K Pattni *Ph.D*
CHIEF EXECUTIVE OFFICER

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