



Q1 2022

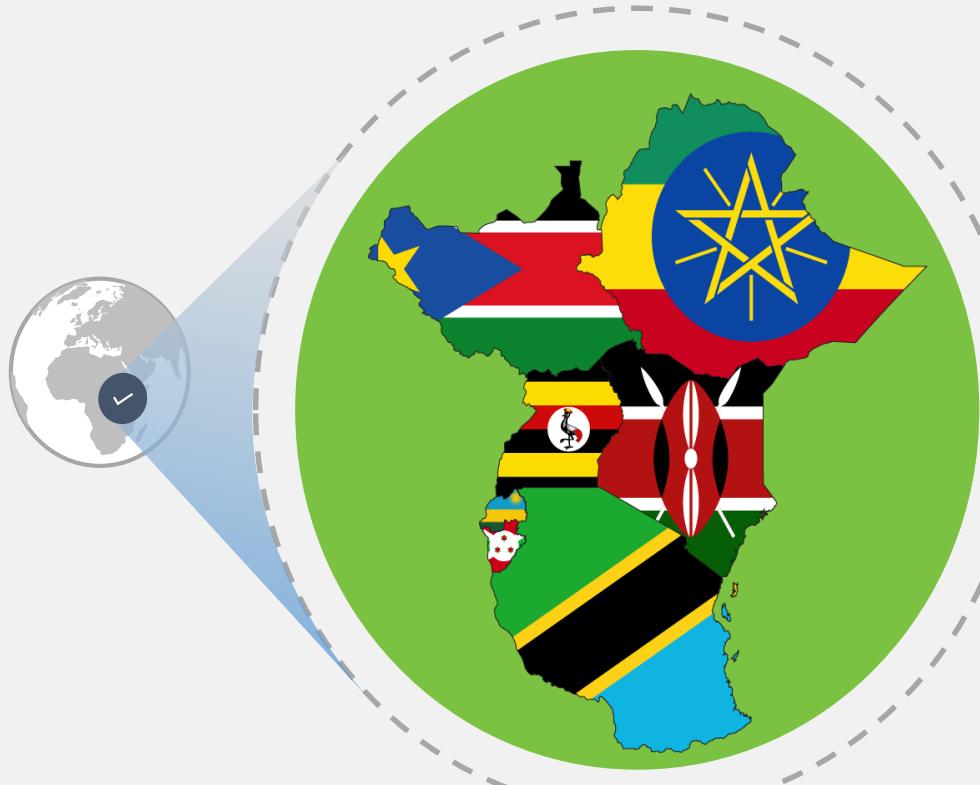
INVESTOR PRESENTATION

25 MAY 2022



GROUP OVERVIEW

LARGEST FOOTPRINT IN THE REGION



29.6 M
Customers
8,768 Staff



496
Branches
1,176 ATMs
26,167 Agents & POS / Merchants

Kenya*
Branches 299
ATMs 523
Agents 15,570
Staff 6,760

Tanzania
Branches 14
ATMs 15
Agents 233
Staff 296

South Sudan
Branches 14
ATMs 4
Agents 48
Staff 150

Rwanda
Branches 150
ATMs 77
Agents 824
Staff 1,149

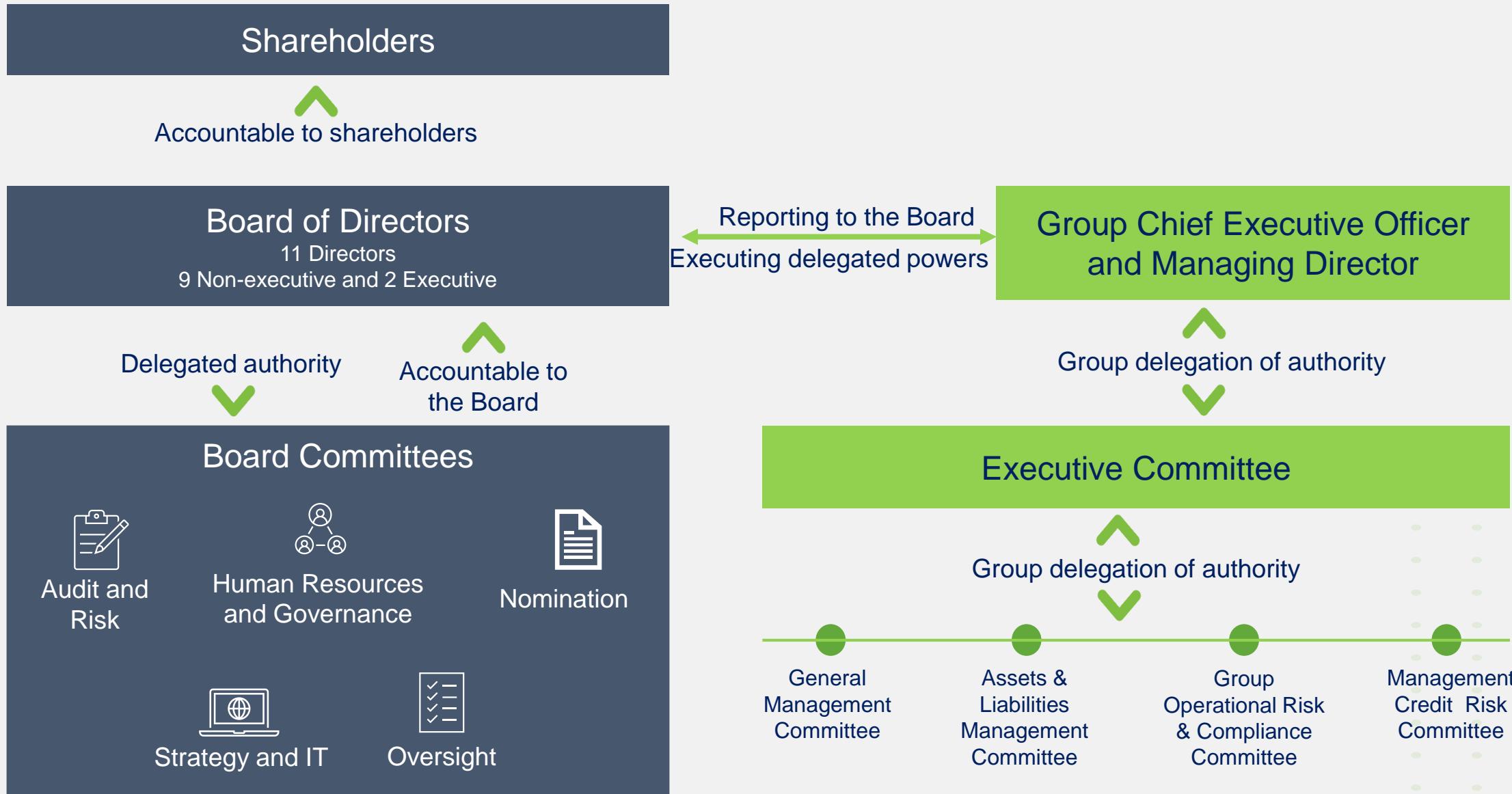
Uganda
Branches 13
ATMs 16
Agents 431
Staff 272

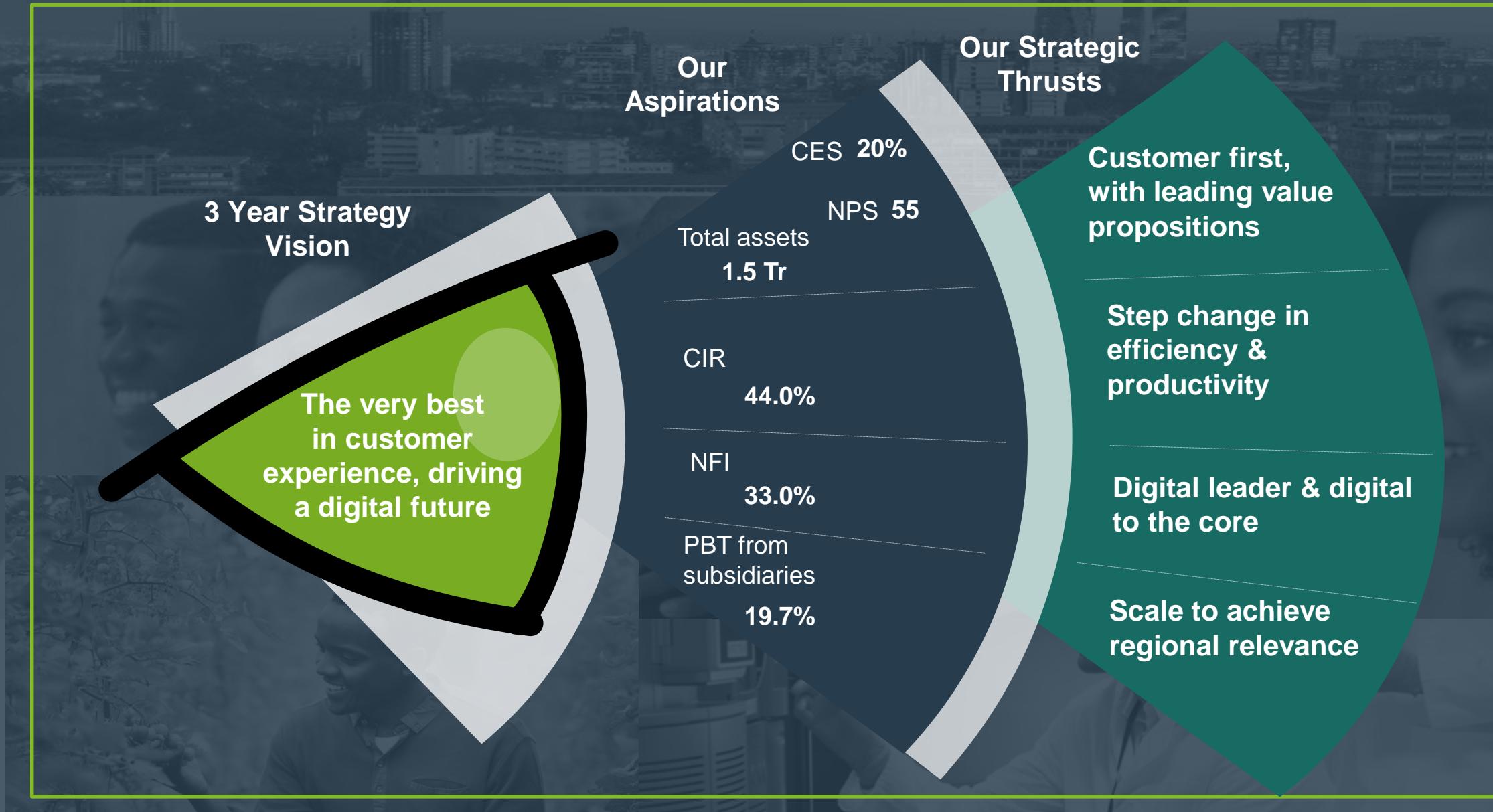
Burundi
Branches 6
ATMs 8
Agents 202
Staff 140

Ethiopia Rep
Office
1 Staff

*KCB Bank Kenya, NBK, KCB Bancassurance Intermediary, KCB Capital and KCB Foundation

HIGH LEVEL ORGANISATION STRUCTURE





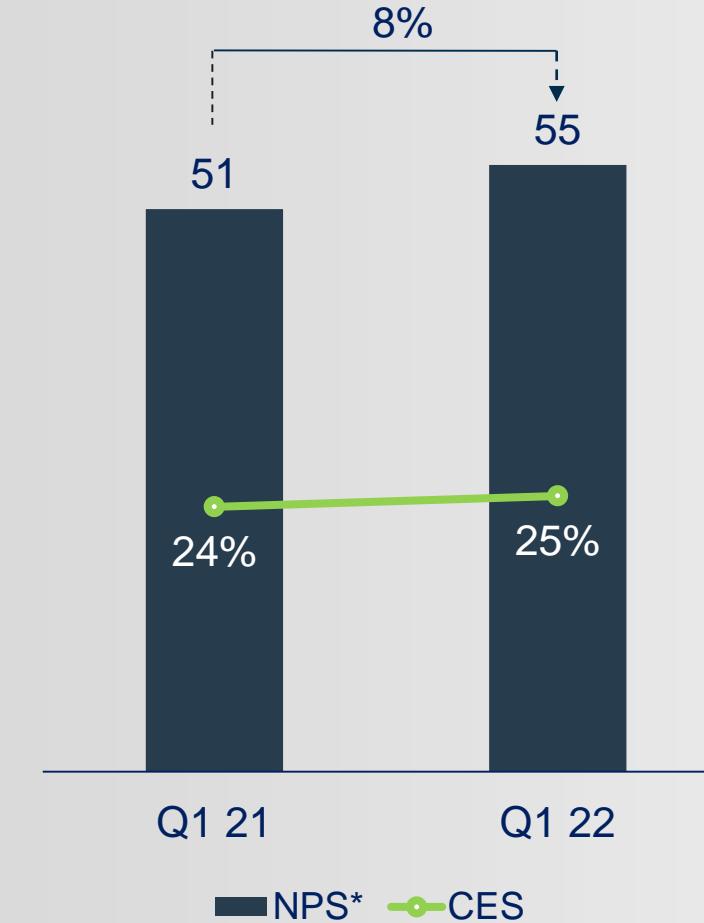
PUTTING THE CUSTOMER FIRST



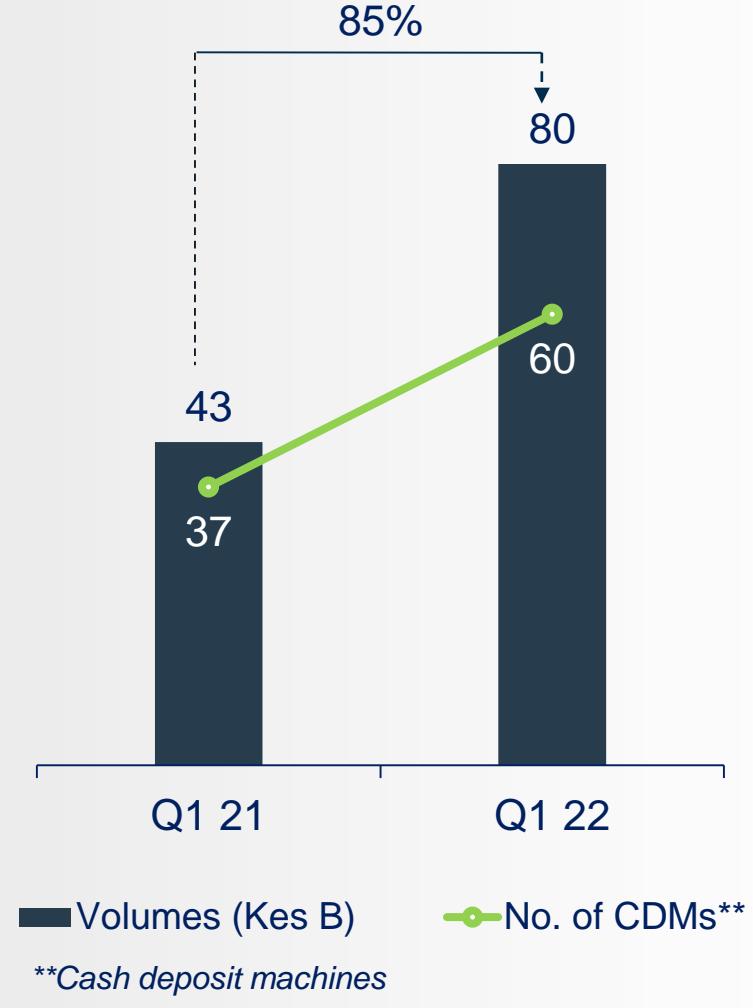
Steady improvement in customer satisfaction driven by the reliability and convenience offered by our self serve channels.

75% of value of ATM transactions are cash deposits, up from 26% in Q1 2021

Customer Satisfaction Scores



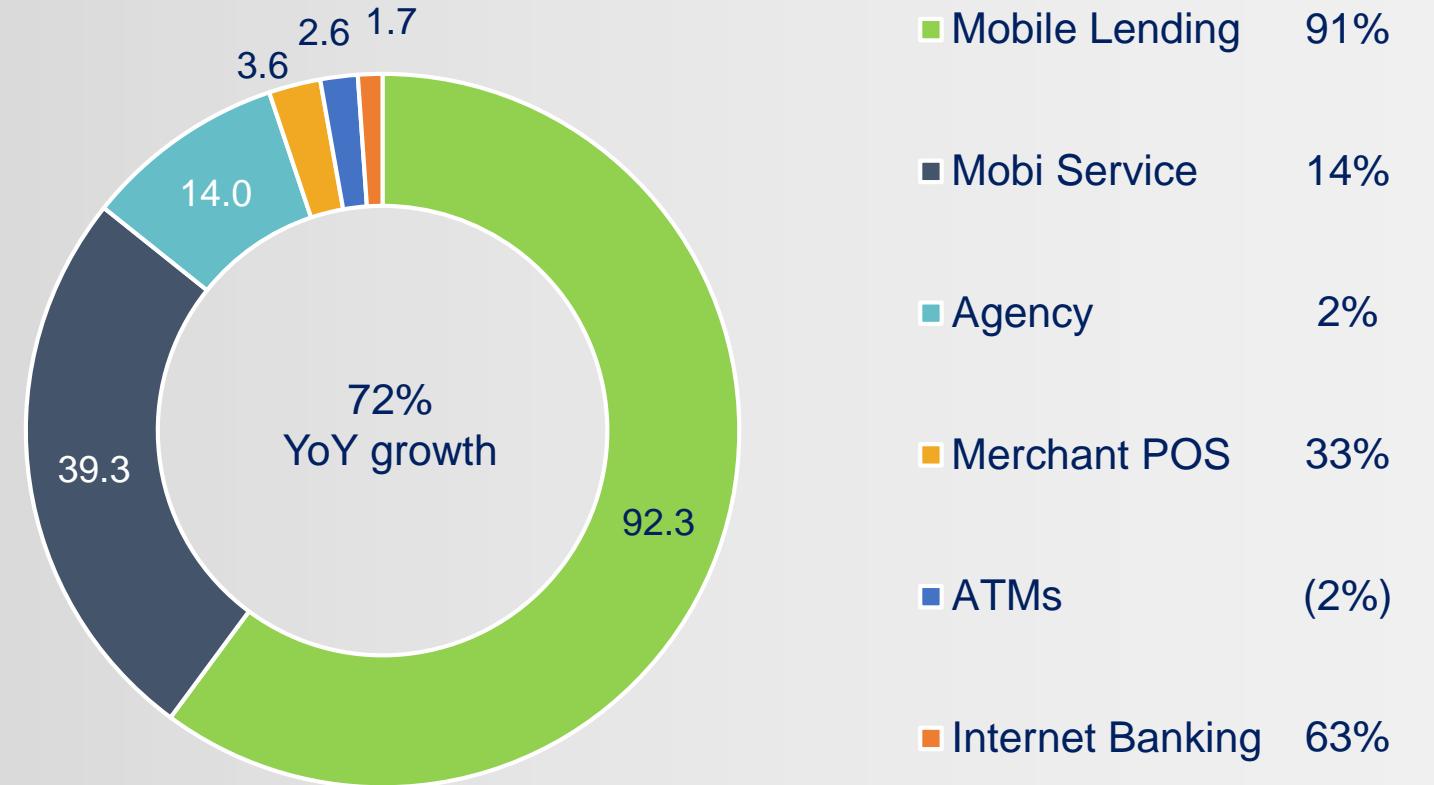
ATM Deposits



98%
of transactions by number
conducted through non-
branch channels

70%
YoY increase in number of
total transactions to 156M
driven by resumption of
economic activities

Number of non-branch channel transactions in Q1 2022 (Million)



DRIVING EFFICIENCY THROUGH NON-BRANCH CHANNELS



52%
of transactions by value
conducted through
non-branch channels.

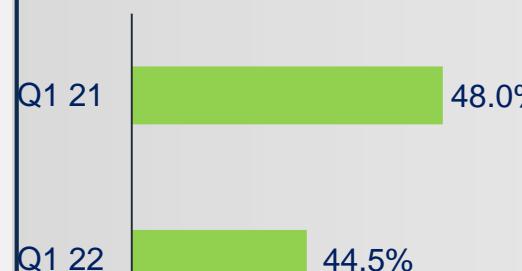
Value of branch
transactions grew 16% to
Kes 1.1 Tr

Value transacted through digital channels (Kes B)

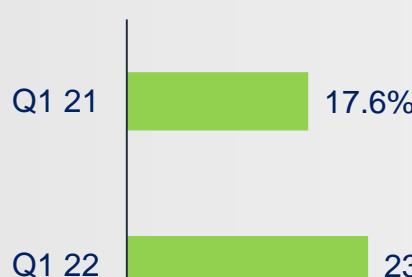


	YoY growth
Mobi Service	(5%)
Internet banking	54%
Agency	(7%)
ATMs	(34%)
Merchants POS	45%

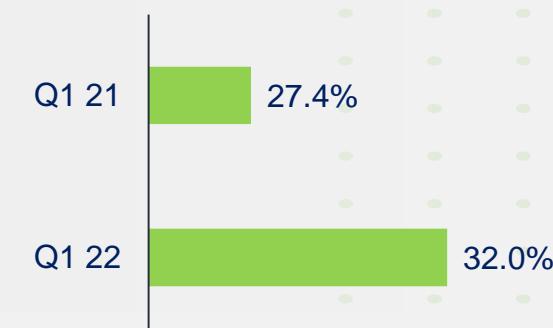
Cost to income ratio



Return on equity



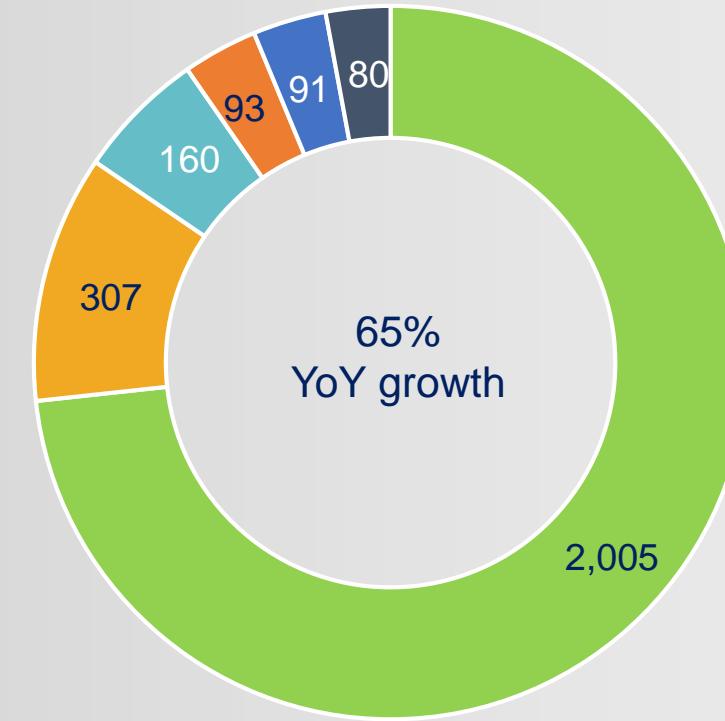
Non funded income



Kes 2.7B
Total revenue from digital channels, up 65% YoY driven by mobile lending and agency.

Decline in mobi service driven by fee waivers on transfers from bank to mobile wallets

Digital channels revenue (Kes M)

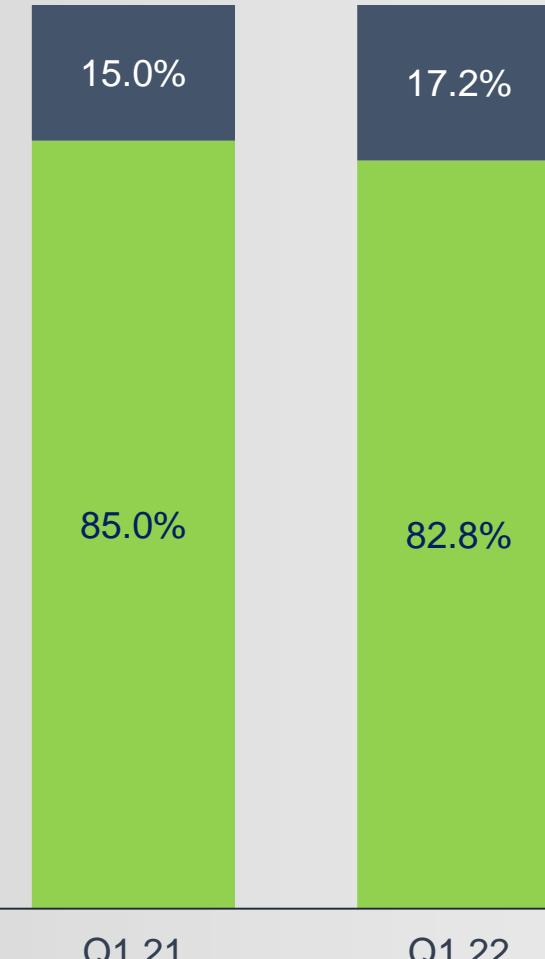


YoY growth	
■ Mobile Lending	84%
■ Merchant POS	36%
■ Agency	76%
■ Internet Banking	32%
■ ATMs	3%
■ Mobi Service	(16%)

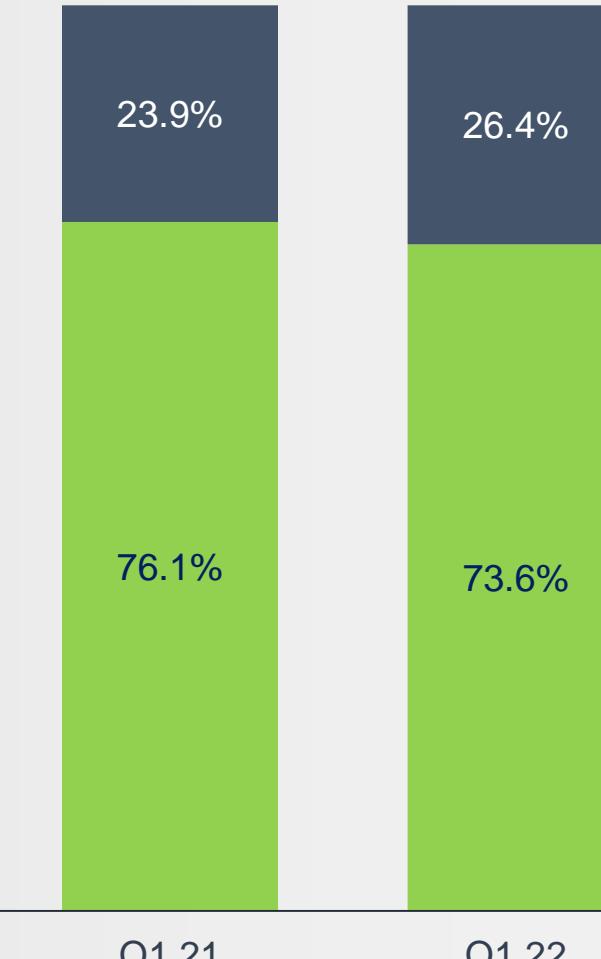
 **77%**
Growth of PBT from
subsidiaries outside KCB
Bank Kenya to
Kes 2.4B in Q1 2022

Contribution of subsidiaries outside KCB Bank Kenya

Profit before tax



Total assets



■ KCB Bank Kenya ■ Other Subsidiaries

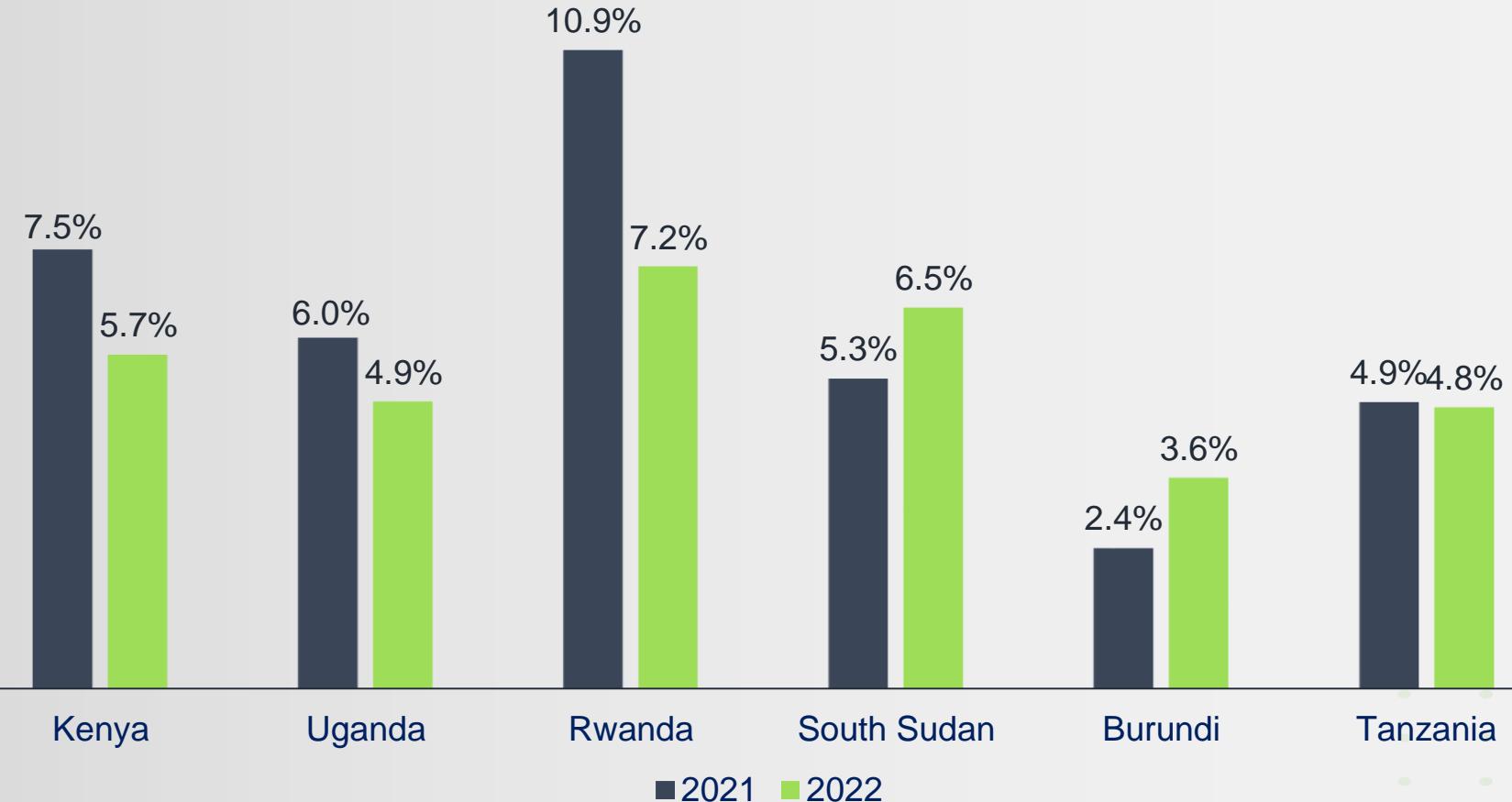


KCB

OPERATING ENVIRONMENT HIGHLIGHTS

7.5%

Expansion in Kenya's GDP in 2021, compared to a contraction of 0.3% in 2020.

Projected GDP Growth Rates

Source: IMF April 2022 World Economic Outlook,
Central Banks and Fitch Solutions

KENYA

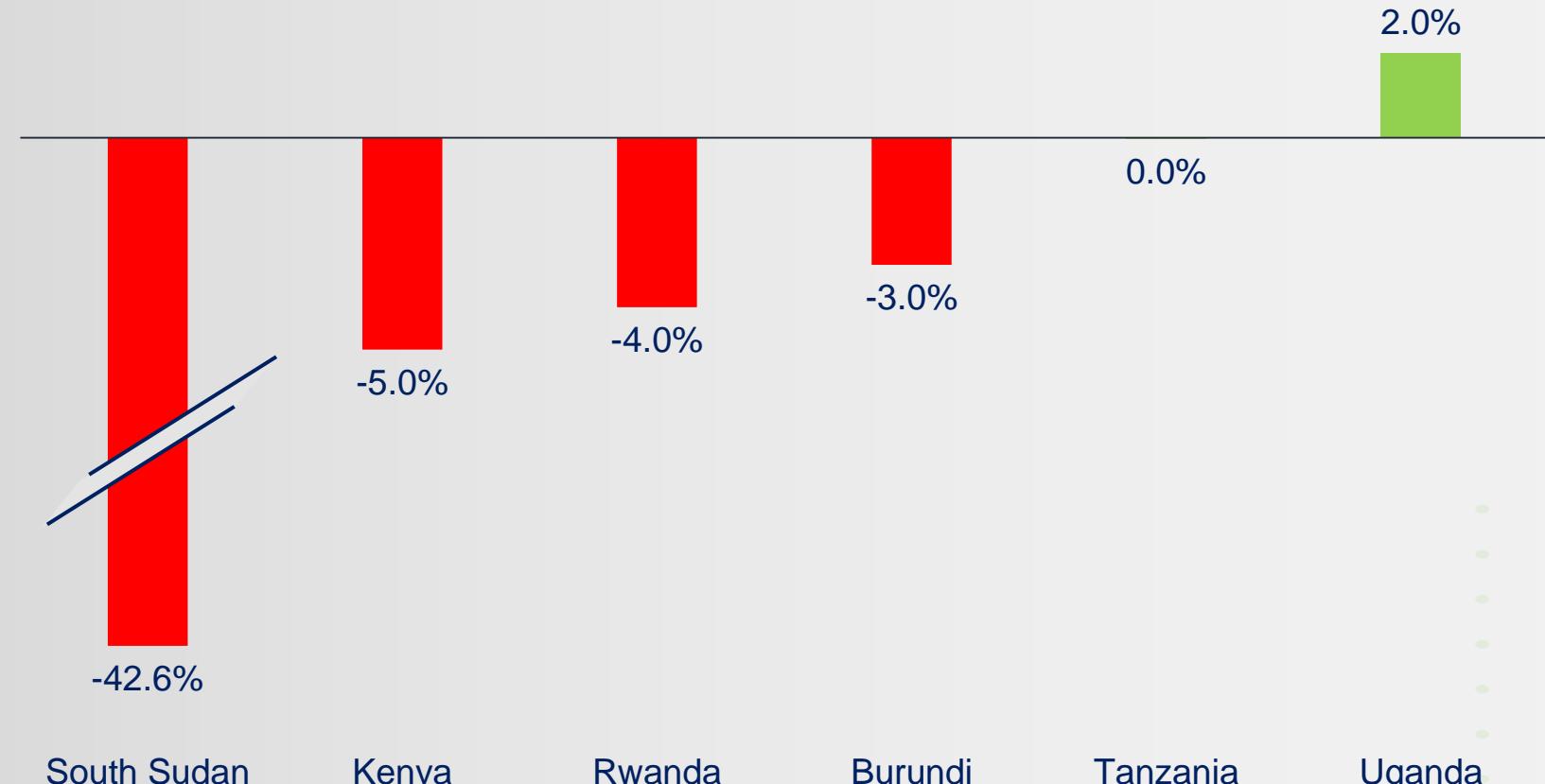
Diaspora remittances up 22% to USD 3.9B
In the 12 months to March 2022

UGANDA

Shilling supported by lower import bill and strong FX inflows

Regional currencies impacted by the strengthening of the USD against most global currencies due to improvement in the US economy, monetary policy stance and slowing global growth

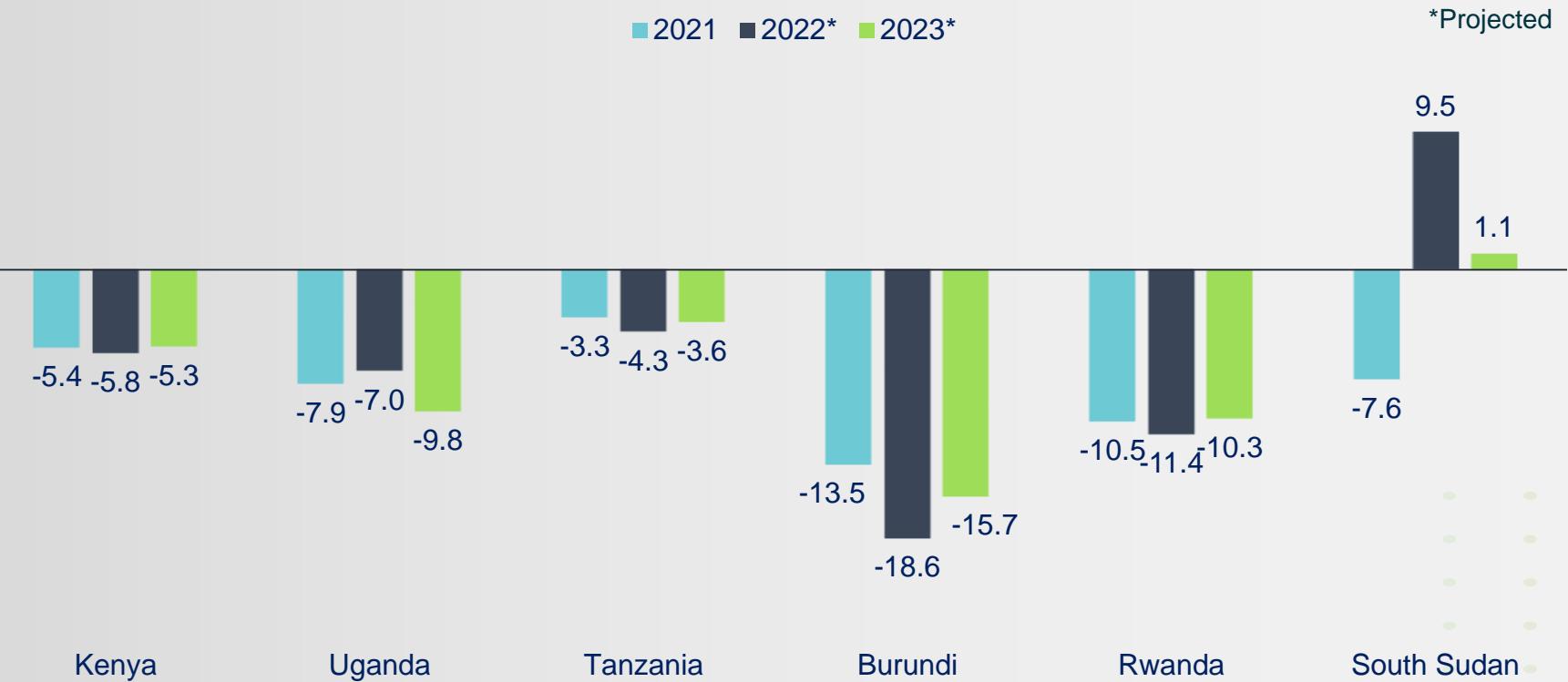
Performance of regional currencies against USD in Q1 22 vs Q1 21



Projected widening of current account deficits across the region in 2022 driven by higher international oil prices

Kenya's usable foreign exchange reserves provided an import cover of 4.80 months at the end of Q1 2022

Current account balance as a percentage of GDP



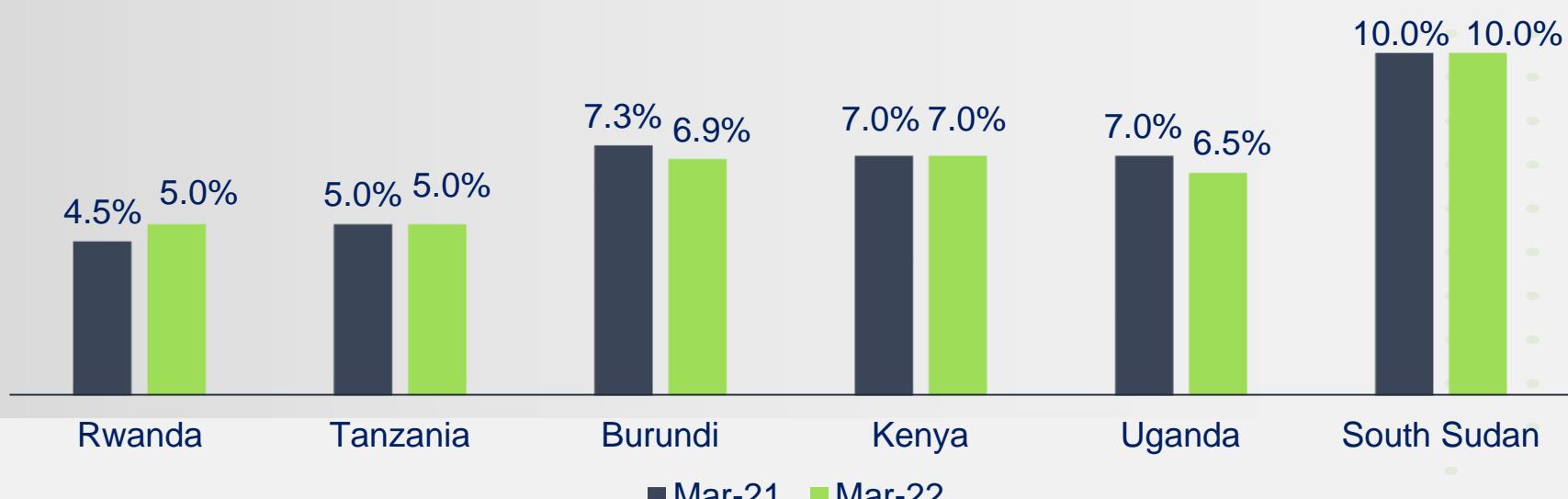
Source: IMF April 2022 World Economic Outlook

Monitoring of inflationary pressure in 2022 across the region as a result of rise in prices of oil and other imported goods due to disruption in global supply chains and depreciation of local currencies against the US dollar

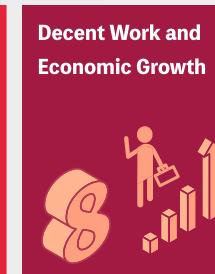
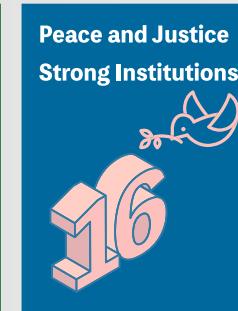
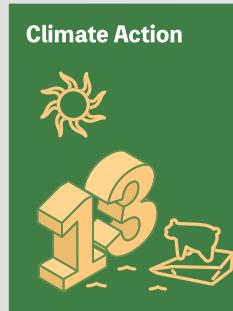
Inflation rates



Central Bank rates



OUR APPROACH TO SUSTAINABILITY IS GUIDED BY THE FOLLOWING SDGs



KEY FOCUS AREAS IN 2022



Increase the proportion of Green loans to **12.4%** in 2022, up from **8.4%** in 2021.



Advance the NetZero ambitions and Sustainable Development Goals implementation.



Train all staff on sustainability to help demystify and ensure mitigation of climate risks.

Supporting our Communities through shared value



Kes 11.2B distributed to the elderly, orphans and vulnerable under the *Inua Jamii* programme in 2021



KCB Scholarship programme expanded to included university students. **49** scholarships availed in 2021.



4,384 young persons trained under the 2Jiajiri programme leading to creation of **8,436 jobs**

Partnerships



Embracing diversity at the workplace



46% of all employees and **42%** of managers are women



27% composition of women on the Group Board, up from 18% in 2020.



250 women trained under the Women in Leadership Network

KCB BANK KENYA

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

	2020	2021	2022
Rating	B2	B2	B2
Outlook	Negative	Negative	Negative

Credit rating affirmed KCB's:

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

The Banker Magazine Top 1,000 Banks

KCB ranked 685th Globally, 20th in Africa, 1st in Eastern Africa in 2021



- Best Retail Bank in Kenya by Global Finance magazine
- Best Sustainable Bank 2022 by The International Business Magazine
- Most Valuable Banking Brand Kenya 2022 by Brand Finance
- Top 100 Most Loved Brands by Women in Kenya by Ipsos



FINANCIAL PERFORMANCE

SUBSTANTIAL BALANCE SHEET GROWTH



▲ 19%
Growth in balance sheet size to Kes 1.17 trillion

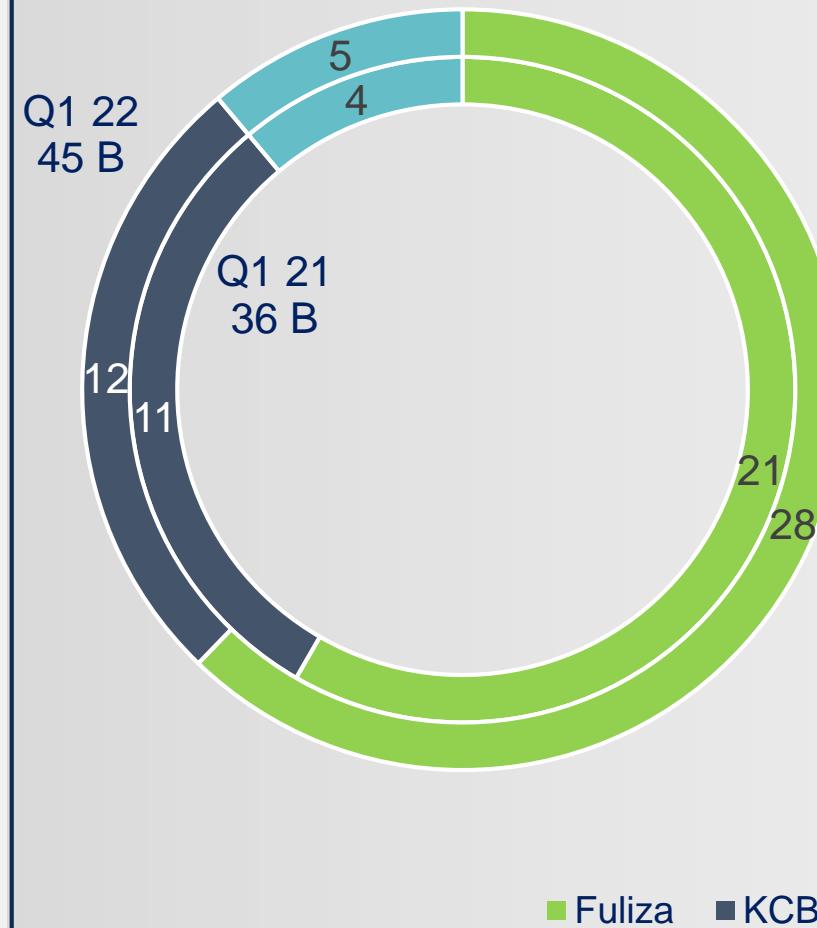
▲ 18%
Loan book growth driven by improved corporate and retail lending in Kenya and consolidation of BPR



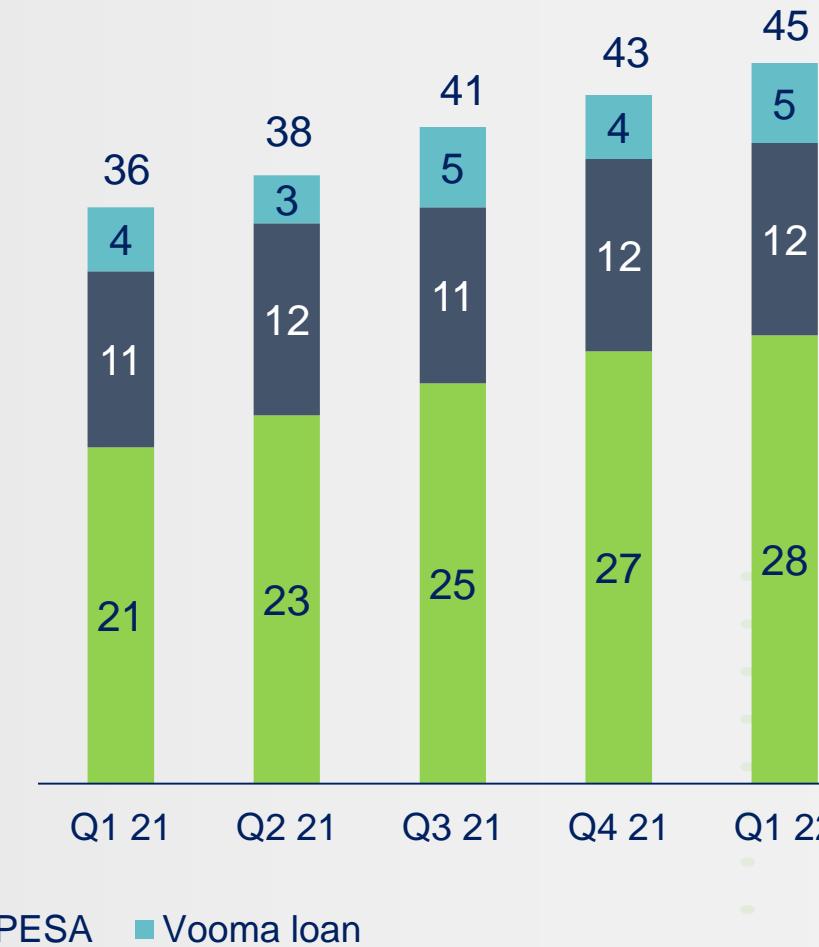
Kes 45 B

Value of mobile loans advanced in Q1 2022. Increase driven by limit enhancements for qualifying customers

Mobile loan product split



Sustained recovery in mobile lending

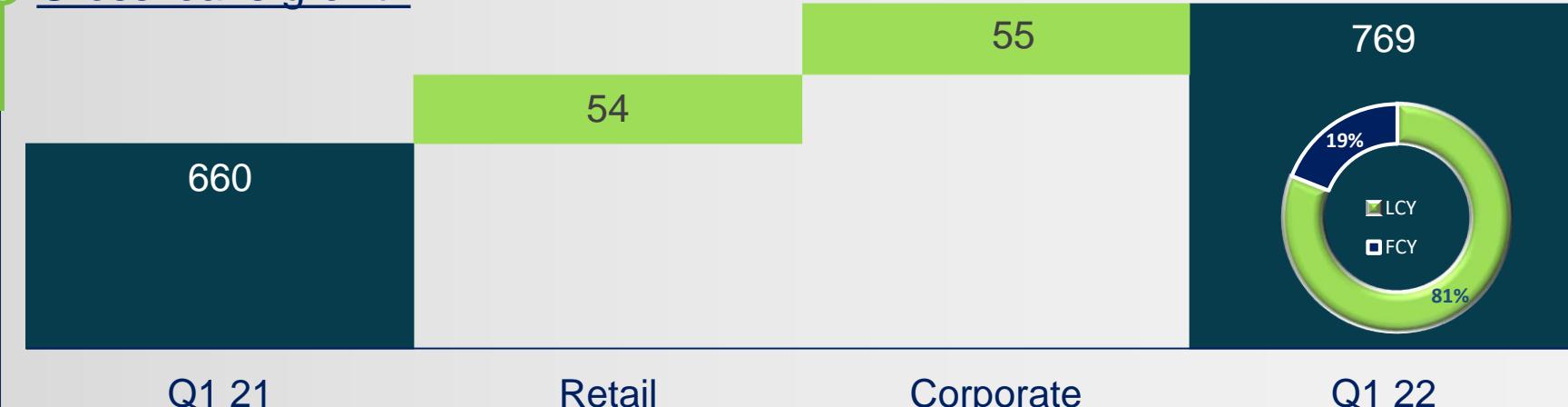


Amounts in Kes B

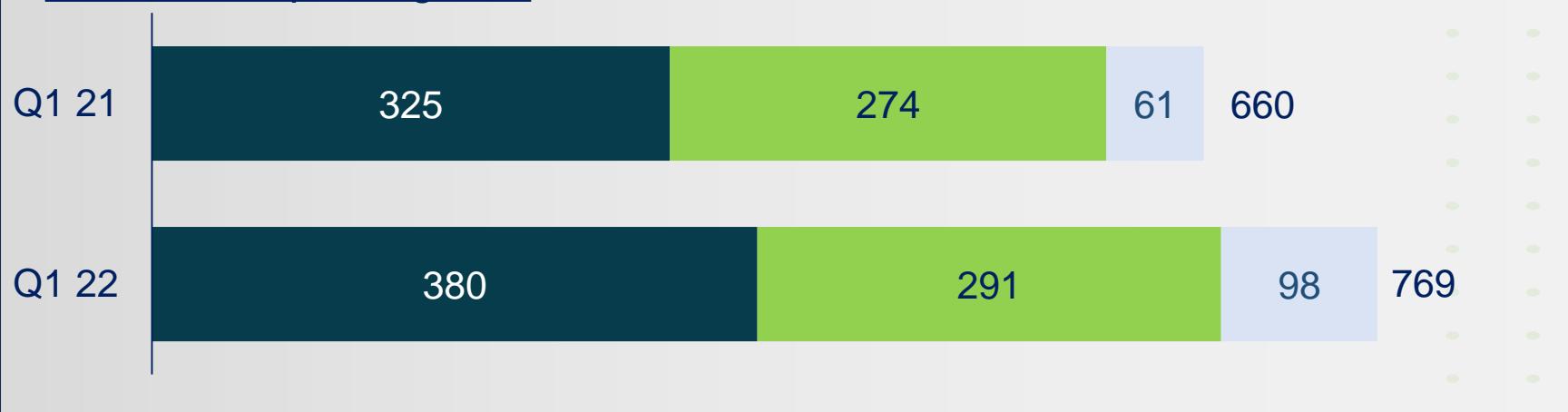
16%

Growth in gross loans driven by personal, trade, transport and communication and real estate sectors.

Gross loans growth



Gross loans per segment



■ Corporate ■ Retail (Excl. MSME) ■ MSME

Amounts in Kes B

17.0%

Group NPL ratio up 50 bps in Q1 2022 driven by the manufacturing, building and construction, and hospitality sectors

NPL evolution

25.0%
20.0%
15.0%
10.0%
5.0%
0.0%

—●— NPL ratio —●— Kenya industry NPL ratio ● Gross NPL (Kes B)

Q1 21

Q1 22

98.0

14.8%

14.5%

130.9

17.0%

14.0%

DISTRIBUTION OF THE NON-PERFORMING BOOK



16.4%

KCB Bank Kenya NPL ratio
in March 2022 up from
15.9% in December 2021

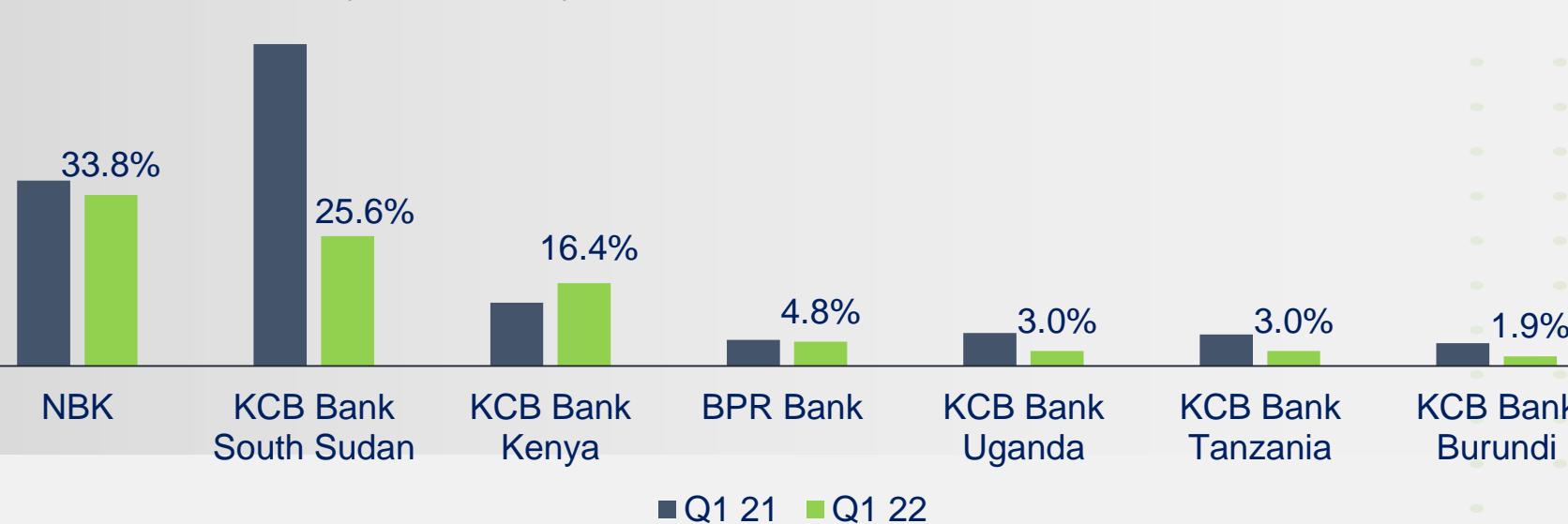
14.0%

Kenya industry NPL ratio
in February 2022 up from
13.1% in December 2021

NPL breakdown by segment

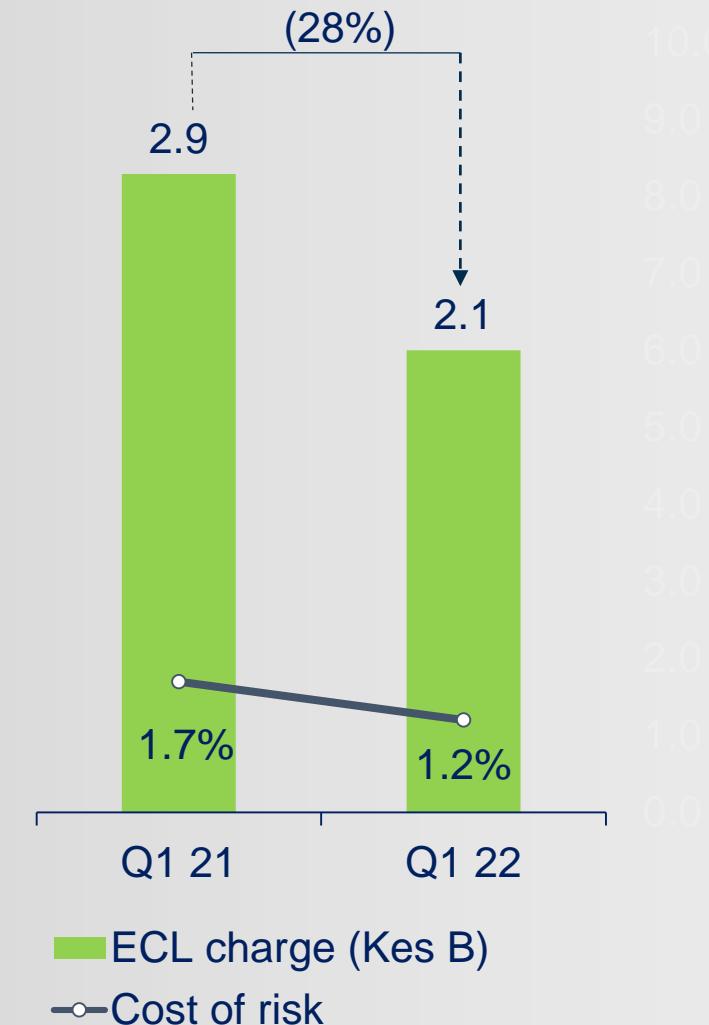


NPL breakdown by subsidiary

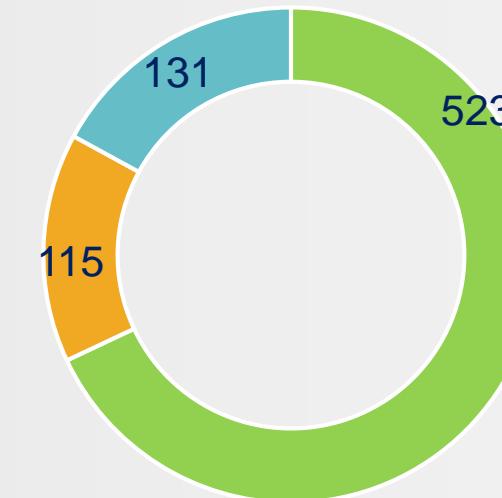


Cost of risk improvement driven by reduced provisions in corporate and digital loans

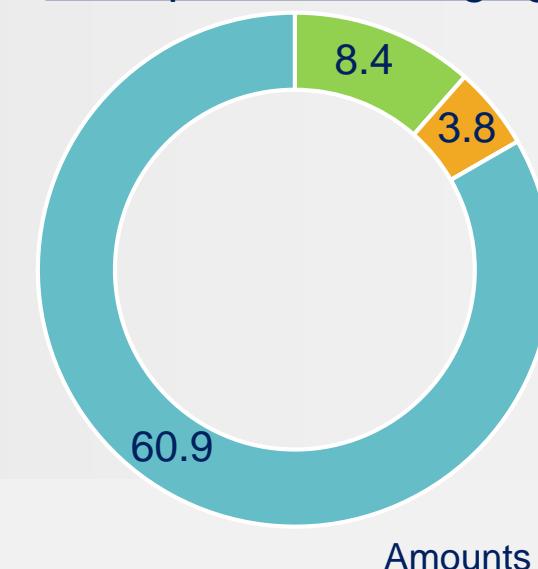
Cost of risk vs ECL charge



Gross loans staging



IFRS provisions staging



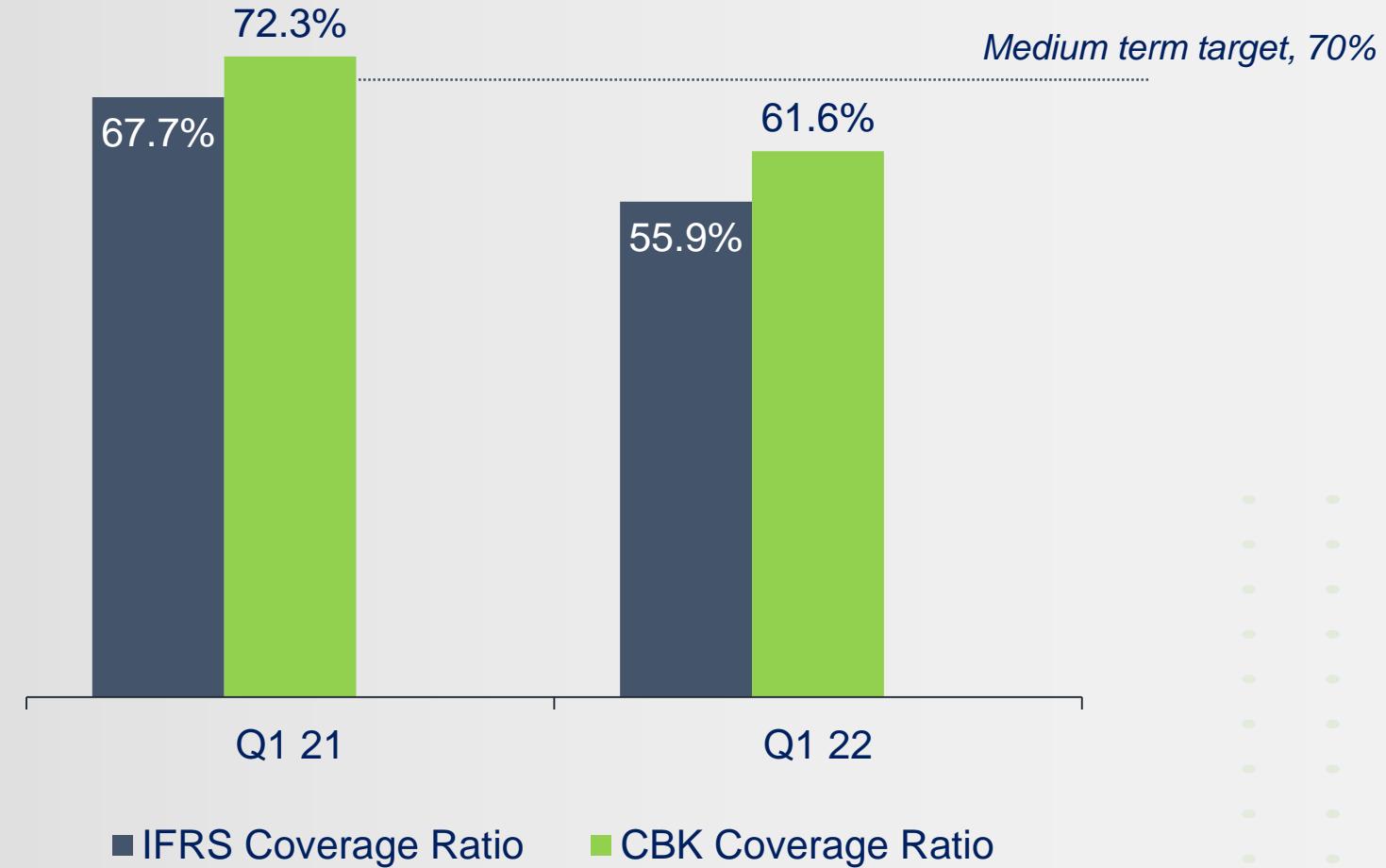
■ Stage 1
■ Stage 2
■ Stage 3

COVERAGE RATIO EVOLUTION



61.6%
Regulatory coverage
ratio impacted by growth in
the non-performing book

Coverage ratios



DIVERSIFIED DEPOSIT PORTFOLIO



13%

Growth in customer deposits due to organic growth of Kes 66B and M&A of Kes 30B

Currency Mix

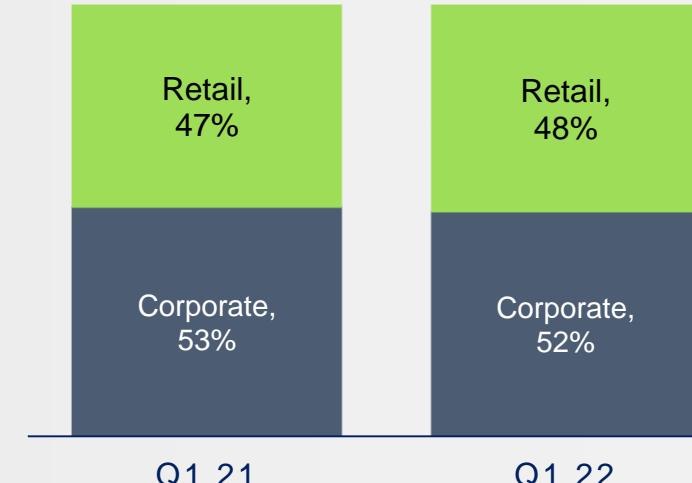
FCY, 17% LCY, 83%



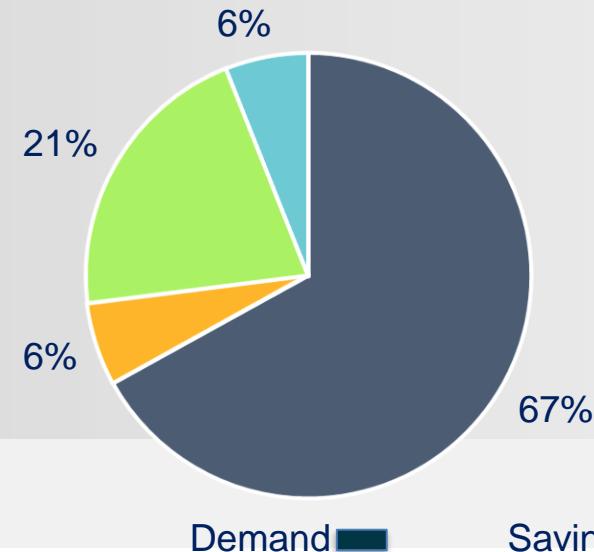
Deposit growth (Kes B)



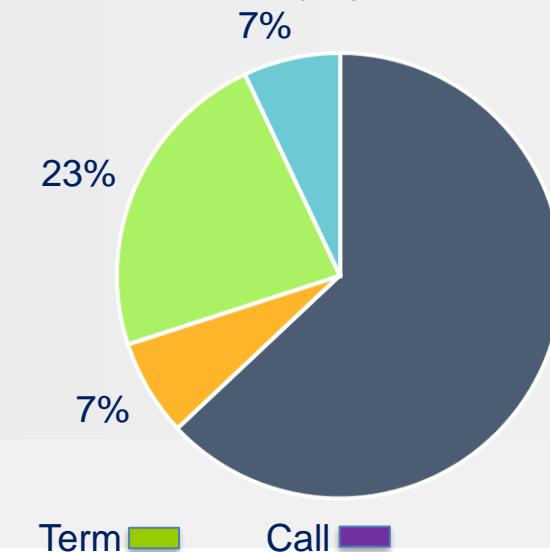
Deposit mix



Deposits by type Q1 21



Deposits by type Q1 22



SIGNIFICANT CAPITAL HEADROOM

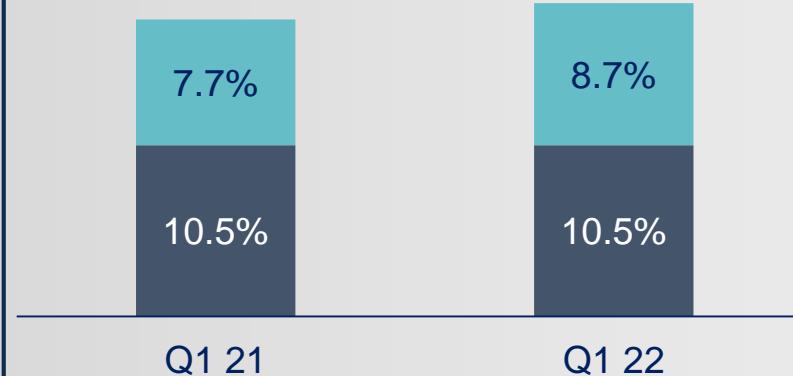


All Group subsidiaries excluding KCB Uganda above minimum core capital ratios.

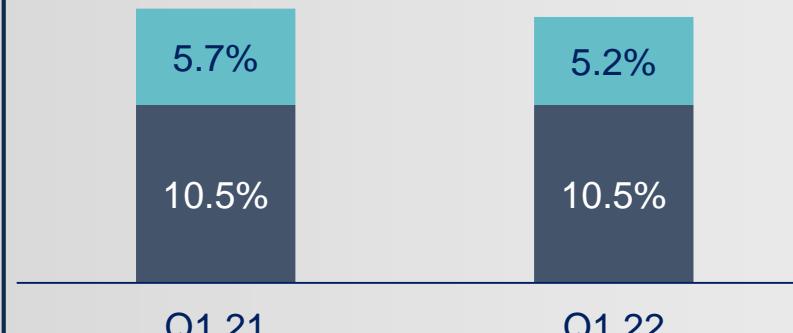
NBK below total capital requirement by 80bps, improved by 100bps in Q1.

Loan recoveries and retained earnings to bridge shortfall in 2022.

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

STRONG GROWTH IN GROUP PROFITABILITY



54%

Growth in PBT driven by increased income from loans and investments in government securities, foreign exchange and a decline in the provisions charge

Q1 22

Interest from customer loans

18.8

19%

3.0

Interest from govt securities

7.7

28%

1.7

Interest expense

6.9

31%

1.6

Lending fees

2.6

73%

1.1

Service fees

3.3

35%

0.8

Forex income

1.7

46%

0.5

Provisions

2.1

(27%)

(0.8)

Operating expenses

12.9

17%

1.9

Profit before tax

14.0

54%

4.9

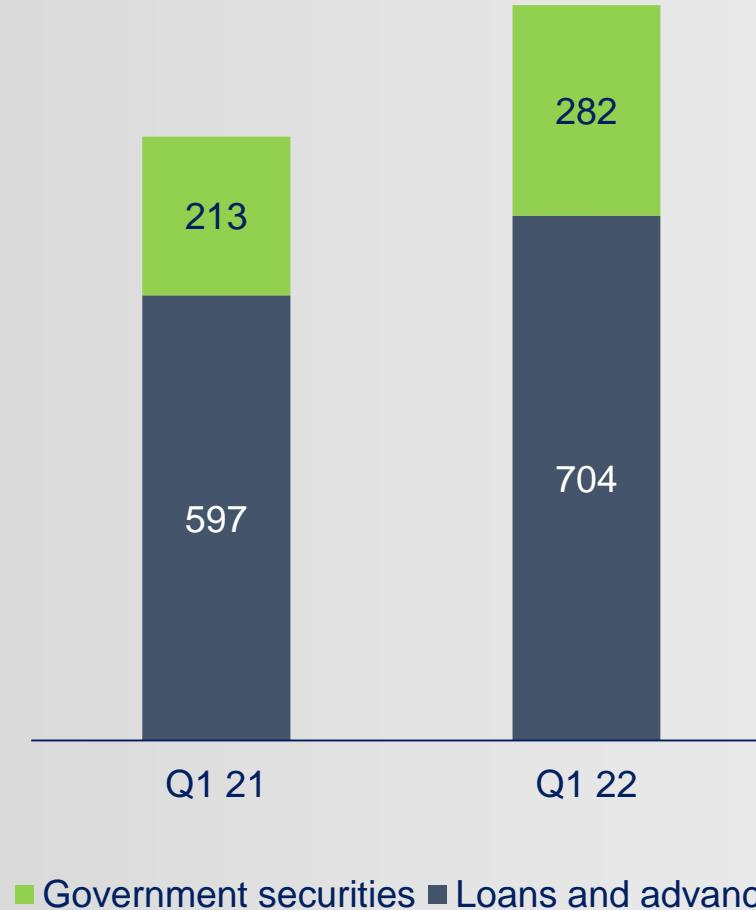
Amounts in Kes B

Q1 22 vs Q1 21

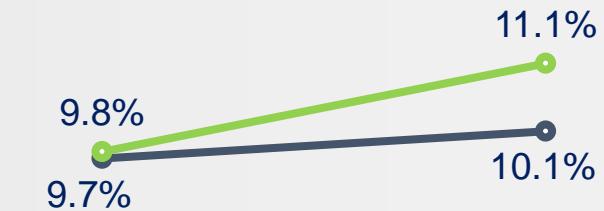
YoY movement

Net interest income up 18% to Kes 19.7 B driven by increase in earning assets and interest write-backs on restructured facilities.

Loans and Govt. securities (Kes B)



Yields vs Cost of funds

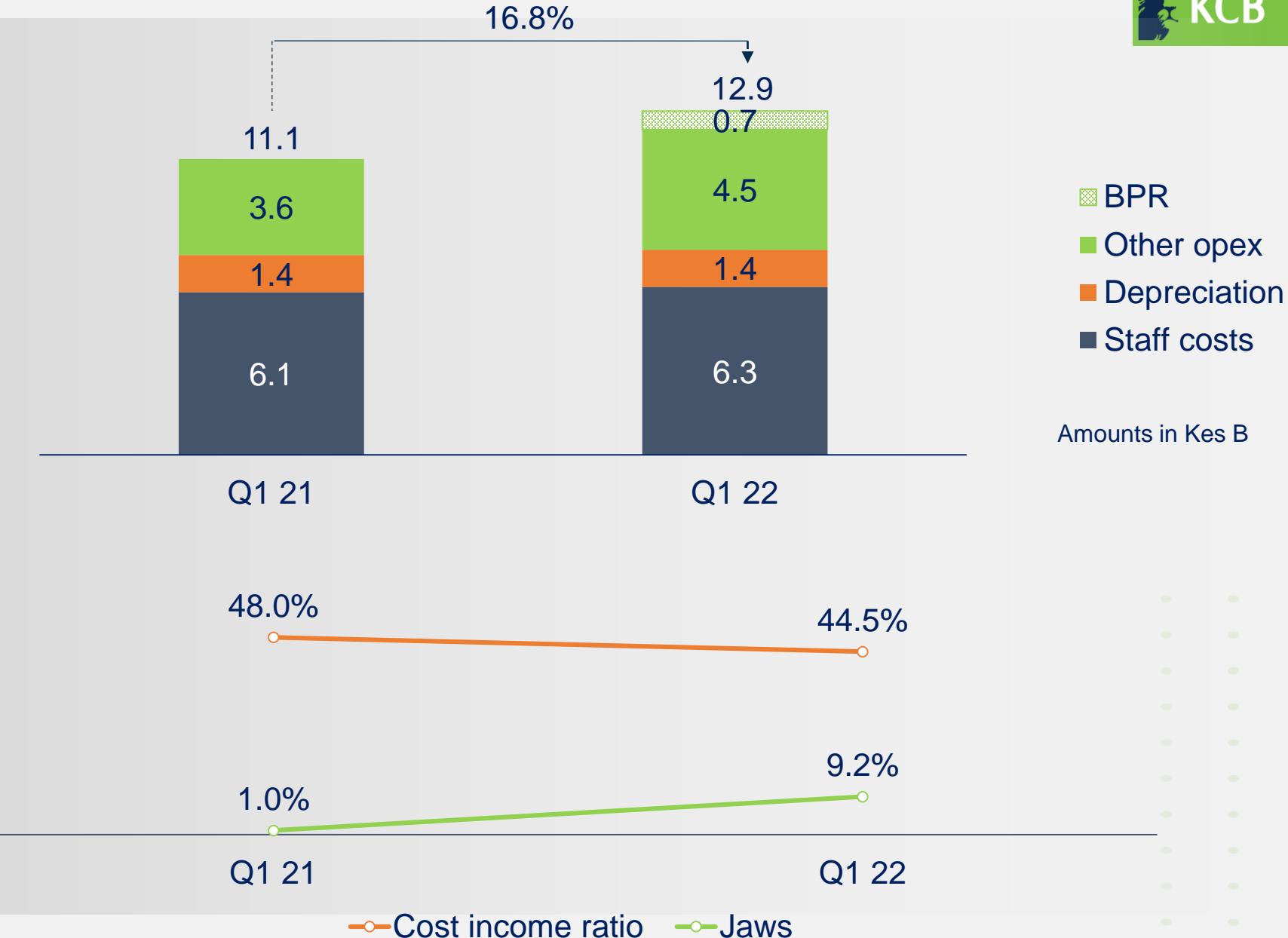


OPERATING COSTS OUTLAY



9.9%
YoY cost growth
(adjusted for acquisitions)

Growth in operating expenditure driven by consolidation of BPR and increase in marketing, advertising and outsources services in KCB Kenya

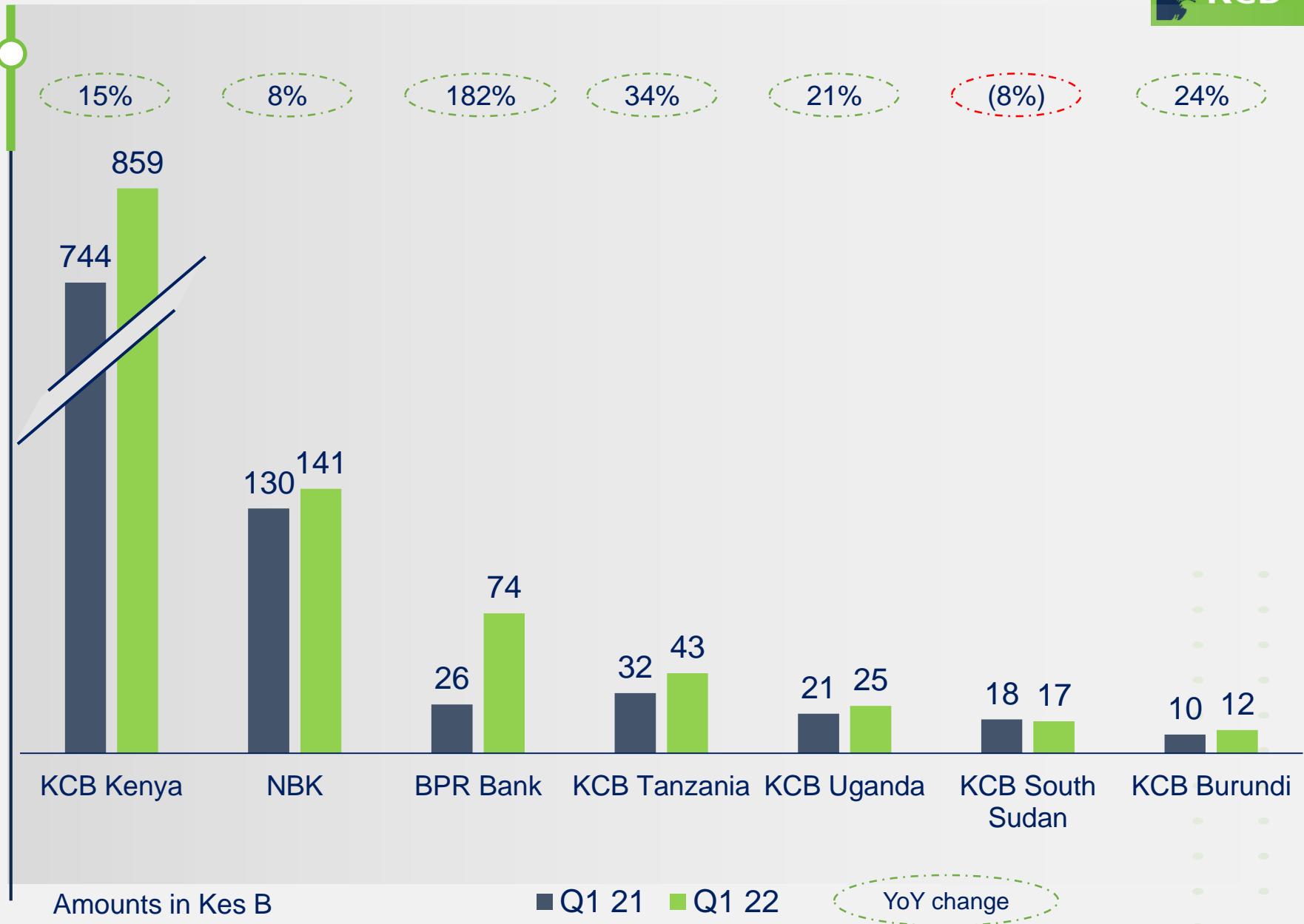


ASSET CONTRIBUTION PER SUBSIDIARY



26.4%

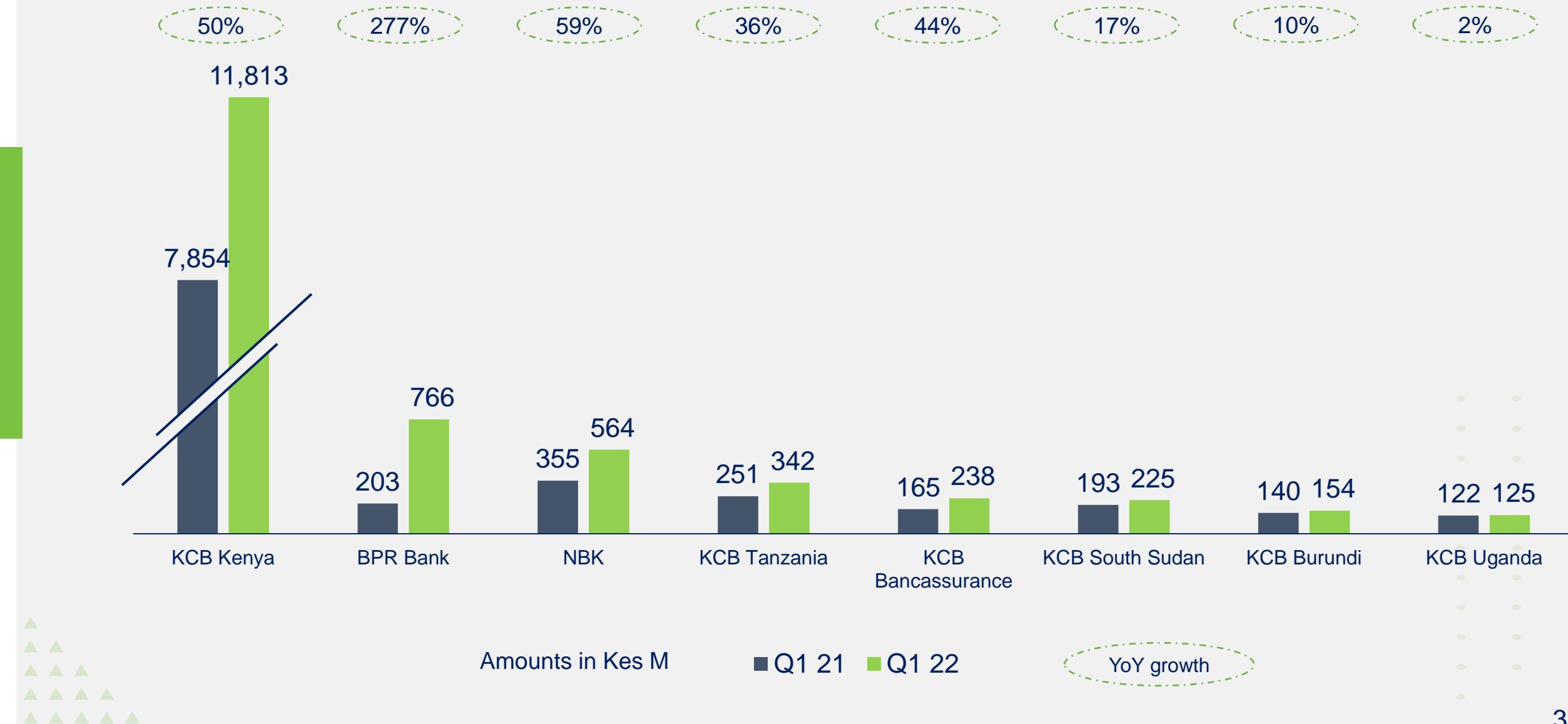
Proportion of total assets in subsidiaries outside of KCB Bank Kenya.



PROFITABILITY GROWTH AND DISTRIBUTION PER SUBSIDIARY

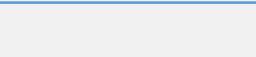
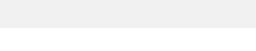


17.2% PBT contribution from subsidiaries outside of KCB Bank Kenya



OVERVIEW OF KEY FINANCIAL RATIOS



KCB GROUP			Q1 2022	
Q1 21	H1 21	FY 21	KCB KENYA	KCB GROUP
17.6%	20.7%	22.4%	Return on Average Equity	26.4%  23.4%
48.0%	44.3%	44.0%	Cost to Income	37.8%  44.5%
14.8%	14.3%	16.5%	Gross NPL to Gross Loans	16.4%  17.0%
65.2%	70.1%	60.0%	NPL Coverage	55.2%  61.6%
24.4%	22.9%	21.3%	Debt to Equity	25.5%  20.8%
27.4%	28.6%	28.5%	Non-Funded Income to Total Income	31.3%  32.0%
23.8%	28.7%	25.3%	Mobile NFI to Total Fees and Commissions	41.2%  30.4%
2.6%	2.6%	2.8%	Cost of Funds	2.7%  3.0%
7.1%	7.9%	7.6%	Net Interest Margin	7.6%  7.0%
1.7%	2.2%	2.0%	Cost of Risk	1.2%  1.2%
79.7%	85.3%	80.7%	Net Loans to Deposits Ratio	87.3%  83.3%
21.7%	19.1%	24.2%	Government Securities to Total Assets	22.8%  24.1%
7.8%	8.4%	13.5%	Growth of Net Loans and Advances	11.1%  18.0%
1.2%	3.7%	9.1%	Growth of Customer Deposits	10.9%  12.9%

On track towards meeting the 2022 targets with significant improvement noted in NFI ratio, cost of risk and loans and deposits growth.

Increase in cost of funds due to Kes depreciation, Libor increase and rise in term deposits rates.

NFI Ratio

32.0%  33.0%

Cost/Income ratio

44.0%  44.5%

NPL ratio

13.0%  17.0%

Cost of risk

1.2%  1.8%

Cost of funds

2.6%  3.0%

NIMs

7.0%  7.7%

Asset yield

10.0%  10.4%

Loan growth

15.0%  18.2%

Deposit growth

12.9%  14.0%

ROE

23.0%  23.4%

SUMMARY STATEMENT OF FINANCIAL POSITION



Kes Billion	KCB Group			KCB Bank Kenya		
	Q1 21	Q1 22	Y-O-Y Change	Q1 21	Q1 22	Y-O-Y Change
Cash and balances with central bank	47.3	44.5	(6%)	35.5	31.0	(13%)
Balances with other institutions	38.3	40.7	6%	7.8	10.1	28%
Investments in Government & other securities	212.5	281.8	33%	141.1	195.9	39%
Net loans and advances	597.1	704.4	18%	496.2	551.2	11%
Fixed assets	24.8	32.4	30%	15.4	20.0	30%
Other assets	57.4	63.2	10%	48.4	50.4	4%
Total assets	977.5	1,166.9	19%	744.5	858.5	15%
Customer deposits	749.4	845.8	13%	569.3	631.1	11%
Balances due to other banks	17.2	60.3	250%	4.7	26.3	464%
Long-term debt	36.0	37.8	5%	33.9	33.3	(2%)
Other liabilities	27.4	39.5	44%	29.7	42.0	41%
Total liabilities	830.0	983.2	18%	637.6	732.7	15%
Shareholders' equity	147.5	181.8	23%	106.9	125.8	18%
Total liabilities and equity	977.5	1,166.9	19%	744.5	858.5	15%

SUMMARY STATEMENT OF COMPREHENSIVE INCOME



Kes Billion	KCB Group			KCB Bank Kenya		
	Q1 21	Q1 22	Y-O-Y Change	Q1 21	Q1 22	Y-O-Y Change
Interest income	22.0	26.6	21%	17.0	19.6	15%
Interest expense	(5.2)	(6.9)	31%	(3.7)	(4.7)	25%
Net interest income	16.7	19.7	18%	13.3	14.9	12%
Foreign exchange income	1.2	1.7	46%	0.7	1.2	64%
Net fees and commissions	4.0	5.9	49%	2.9	4.4	49%
Other income	1.2	1.6	41%	0.8	1.2	58%
Non-funded income	6.3	9.3	47%	4.4	6.8	53%
Total Income	23.0	29.0	26%	17.8	21.7	22%
Total operating expenses	(11.1)	(12.9)	17%	(7.4)	(8.2)	11%
Loan impairment	(2.9)	(2.1)	(27%)	(2.5)	(1.7)	(32%)
Profit before tax	9.1	14.0	54%	7.9	11.8	50%
Tax expense	(2.7)	(4.2)	52%	(2.3)	(3.5)	53%
Profit after tax	6.4	9.9	55%	5.5	8.3	49%



KCB

THANK YOU

KCB Investor Relations

investorrelations@kcbgroup.com

www.kcbgroup.com