



FY2020
RESULTS

Group Overview

99.3554

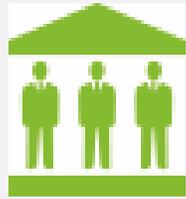
108.365

0.4251

100.665

106.5543

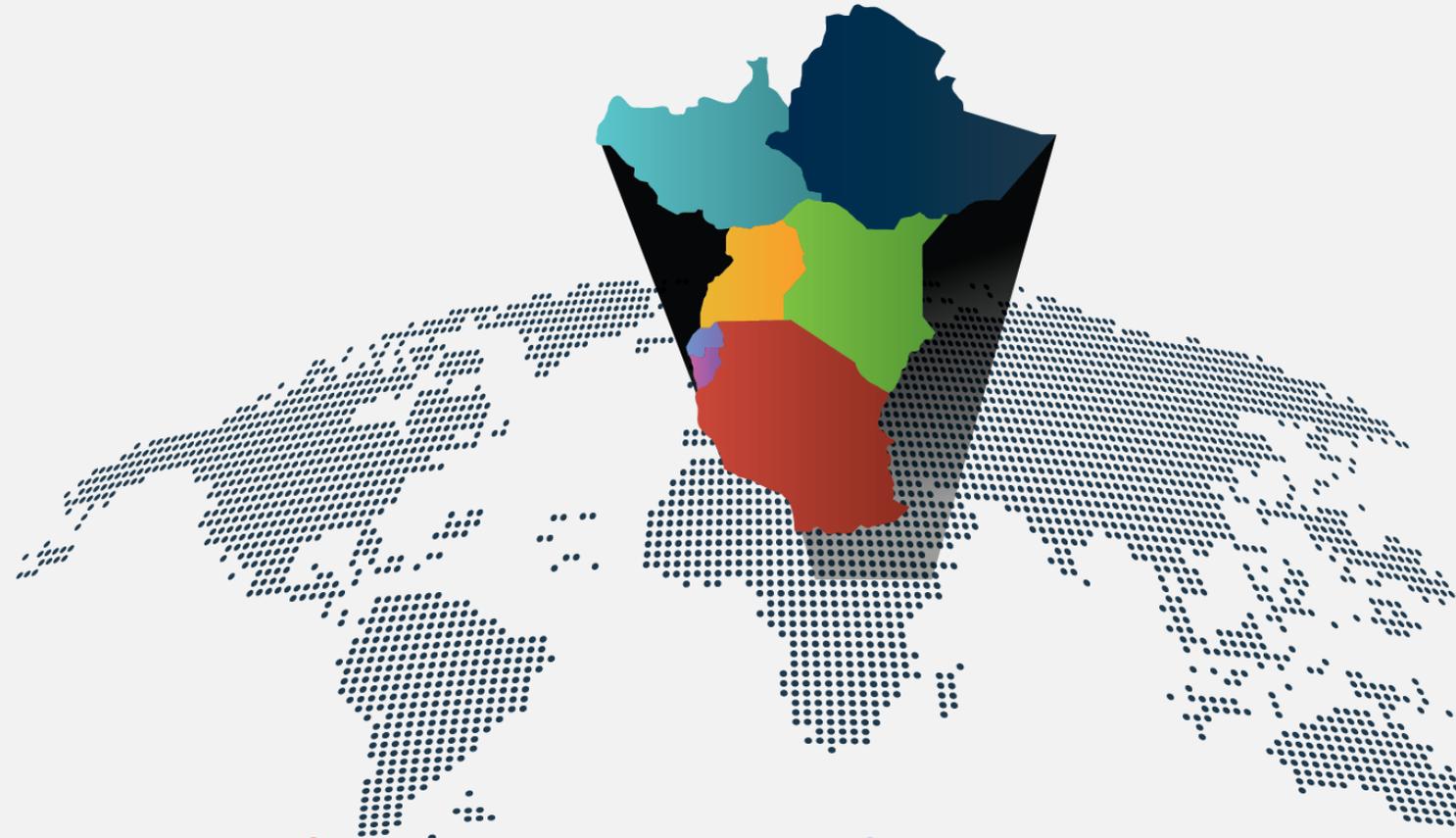




25.2M
Customers
7,525 Staff



359
Branches
1,104 ATMs
23,460 Agents &
POS / Merchants



**Kenya Bank
Kenya**

Branches **207**
ATMs **399**
Agents **12,724**
Staff **4,901**

**National Bank of
Kenya**

Branches and agencies **94**
ATMs **105**
Agents **346**
Staff **1,630**

**KCB Bank
Tanzania**

Branches **14**
ATMs **15**
Agents **220**
Staff **270**

**KCB Bank
Burundi**

Branches **6**
ATMs **8**
Agents **185**
Staff **125**

**KCB Bank
Rwanda**

Branches **13**
ATMs **26**
Agents **480**
Staff **244**

**KCB Bank
Uganda**

Branches **13**
ATMs **15**
Agents **425**
Staff **236**

**KCB Bank
South Sudan**

Branches **12**
ATMs **3**
Agents **45**
Staff **118**

**Ethiopia Rep
Office**

1 Staff

Other investments: KCB Insurance Agency, KCB Foundation, KCB Capital

Deepening our MSME and women proposition

Support provided to the segment:

- Restructured 3,800 SME loans valued at Kes 7.5 billion.
- Women value proposition to the entire KCB Bank Kenya branch network
- Access to the GoK credit guarantee scheme
- Roll out of the Retailer financing on Vooma

Sourced **USD 150 million** from IFC, BIO and SANAD fund, for the support of MSMEs (especially women-owned) and climate friendly projects



FY 19 FY 20



The robust, exciting and dynamic new mobile wallet that enables customers to pay for goods and services, get loans and save money through their phone on any network.

Introduced a retailer financing service for micro and SME businesses: a flexible, cashflow-based weekly loan used to boost working capital requirements to increase stocks from distributors.

Opened up standardized APIs to third parties to ease integrations between merchants and businesses to the KCB ecosystem for bulk digital disbursements and payments

Expanded our agency network thus increasing the digital payment volumes and options to load cash.

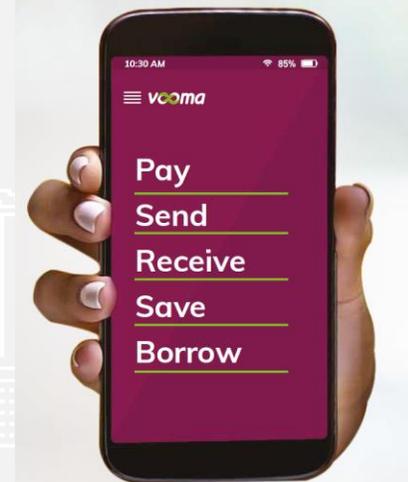
Enabled the expansion of our merchant business to >100,000 tills within the retail space through various partnerships to provide a wide payment ecosystem.



flow na
vooma
Download app or dial *844#

vooma app

- Interoperable across mobile networks
- Compatible with virtual cards (Visa/MasterCard)



KCB BANK KENYA

2020

2019

Rating: B2

Rating: B2

Outlook: Negative

Outlook: Stable

MOODY'S
INVESTORS SERVICE

Credit rating at par with the Sovereign rating.

During the annual review, the agency recognized the following strengths:

- Reliable profitability metrics
- Efficiency improvements
- Strong domestic franchise
- Stable deposit based funding structure, and;
- Strong capital metrics.

- 1.KCB ranked 667th Globally by The Banker's Top 1000 World Banks ranking.
- 2.Best Bank in Kenya by the Global Finance's Best Bank Awards
- 3.Best Digital Bank by Asian Banker
- 4.Best Practise in Sustainable Finance by DuPont Sustainable Solutions
- 5.Safest Bank in Kenya by Global Finance World Safest Banks
- 6.Best in Customer Satisfaction and Happiness by Global Banking and Finance Awards 2020
- 7.Top tier 2 bank (NBK) for delivering exceptional digital customer experience by Kenya Bankers Association.

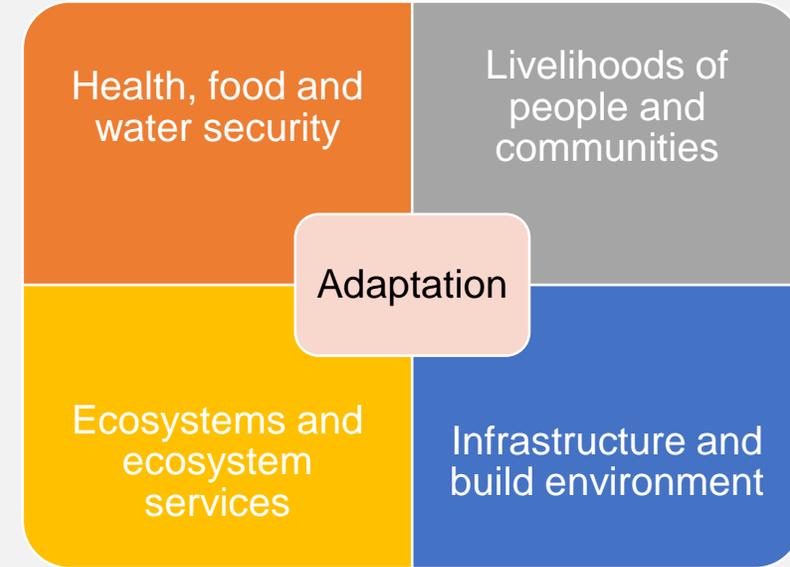
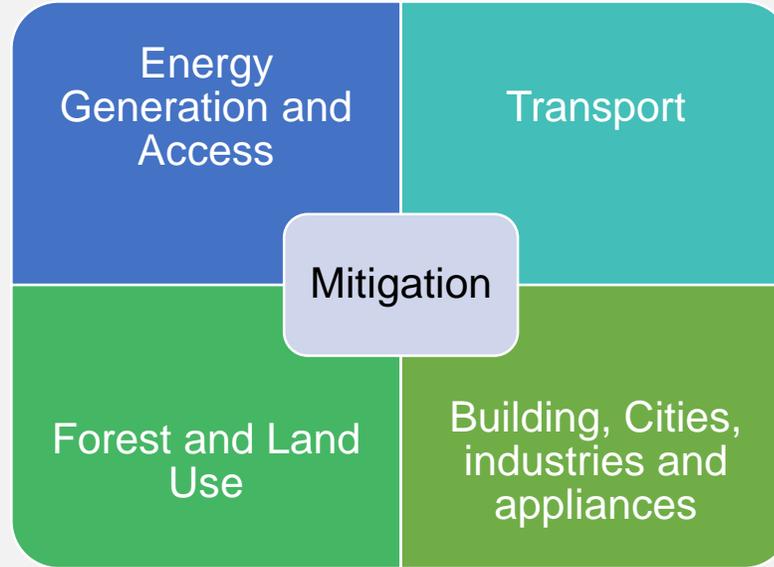


GCF Accreditation



KCB Bank Kenya is the first bank in the region to receive this accreditation to lend to:

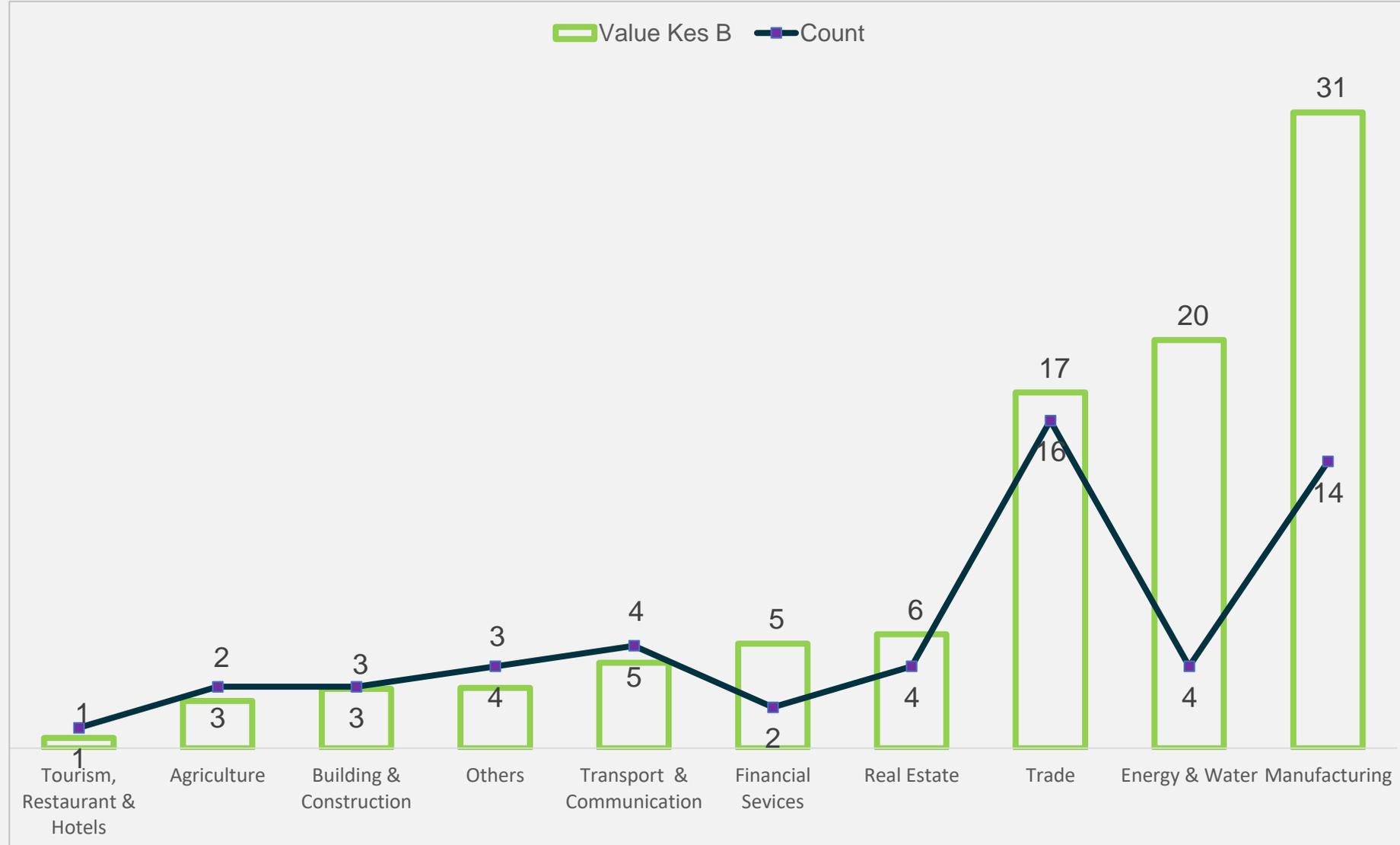
- medium to large climate resilient assets
- projects valued at \$50 - \$250 million.



Source: GCF Infographics

Kes 92 billion

Value of facilities that have undergone social-environmental assessments





36,806

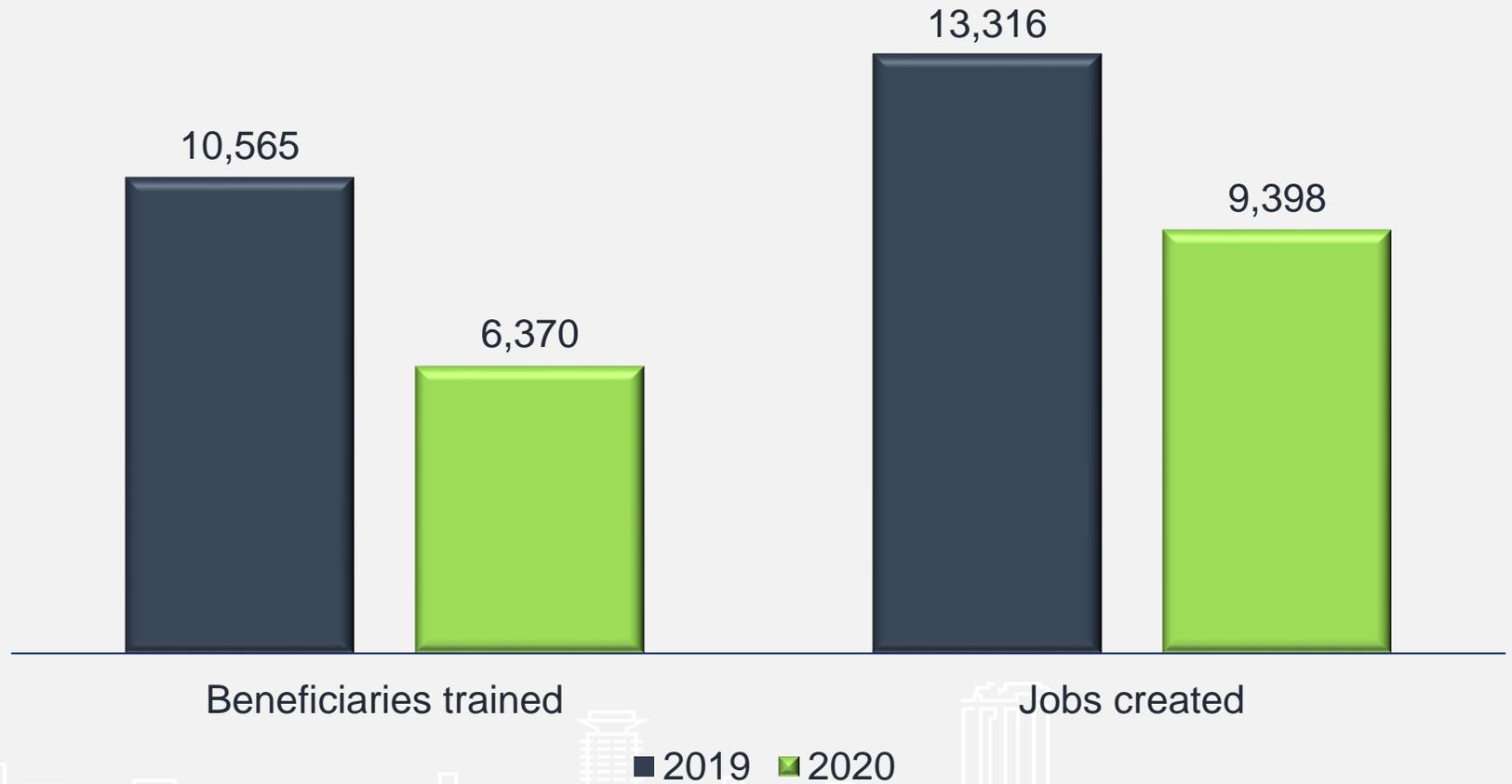
BENEFICIARIES TO DATE

Male : Female Ratio

54:46



KCB 2Jiajiri Programme Highlights



Macroeconomic Highlights

99.3554

108.365

0.4251

100.665

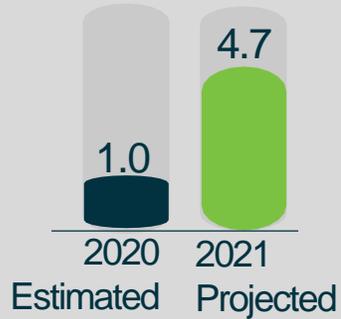
106.5543

GDP contracted by 0.5% during the first nine months of 2020 due to economic disruptions occasioned by the Covid-19 pandemic

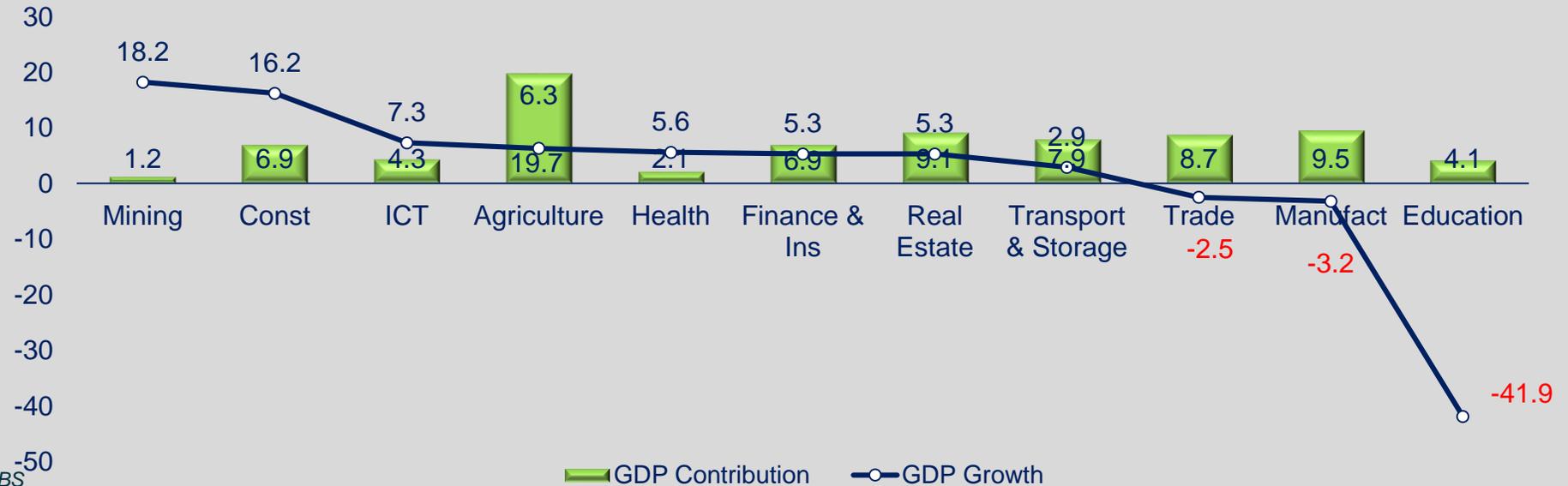
GDP Performance(%)



GDP Growth(%)

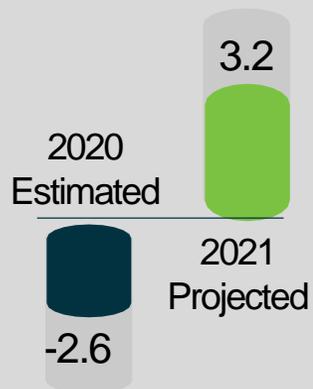


Drivers of GDP Performance Q3 2020 (%)



Source: IMF and KNBS

SSA GDP Growth(%)



GDP contraction in 2020 due to economic disruptions occasioned by the covid-19 pandemic .

South Sudan
Grew by 4.1% in 2020 and expected to contract by 2.3% in 2021 due to effects of the pandemic

Uganda
Contracted by 0.3% in 2020. Projected rebound to 4.9% in 2021 driven by agriculture, services and industrial growth

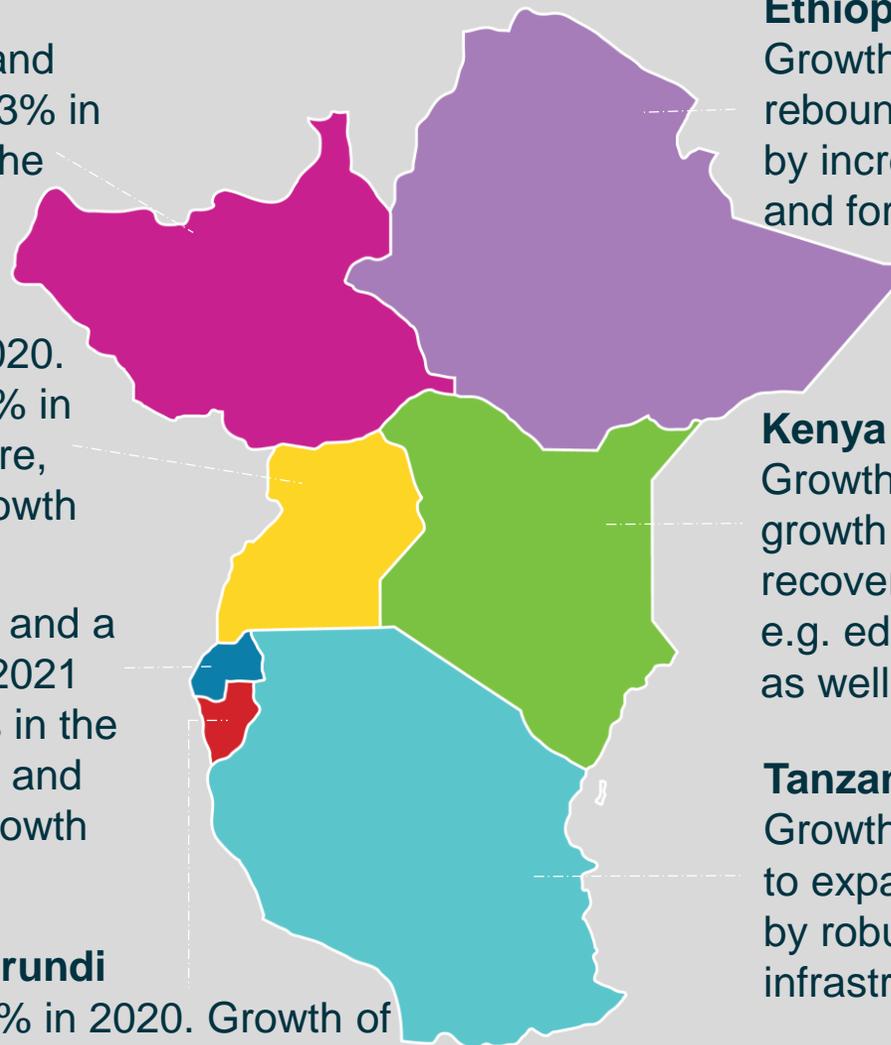
Rwanda
Growth of 2.0% in 2020 and a projection of 6.3% in 2021 driven by improvements in the business environment and investment in major growth sectors.

Burundi
Contracted by 3.2% in 2020. Growth of 3.1% expected in 2021 driven by resumption of foreign aid improved coffee exports and increase in public investment

Ethiopia
Growth of 1.9% in 2020. Projected rebound to 8.7% in 2021/22 driven by increased agricultural production and foreign investments

Kenya
Growth of 1.0% in 2020. Expected growth of 4.7% in 2021 driven by recovery in the services sectors e.g. education and manufacturing as well as resilience in agriculture

Tanzania
Growth of 1.9% in 2020. Projected to expand by 3.6% in 2021 driven by robust domestic demand and infrastructure development.



Source: IMF World Economic Outlook (October 2020)

Local currencies continue to be strained as a result of the covid-19 pandemic impact on the economy.

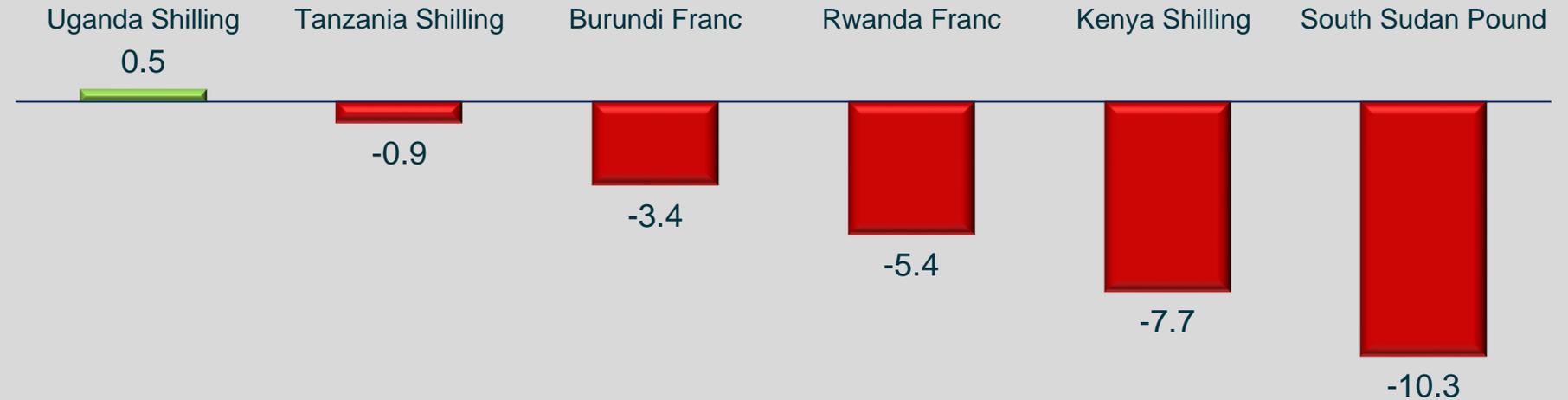
3.3%

Growth of exports in 2020 in Kenya due to resumption of demand in the international markets, imports declined 12.5% due to relatively low international oil prices.

10.6%

Growth in diaspora remittances in Kenya to USD 3.09B in 2020.

Performance of regional currencies against USD in 2020 (%)

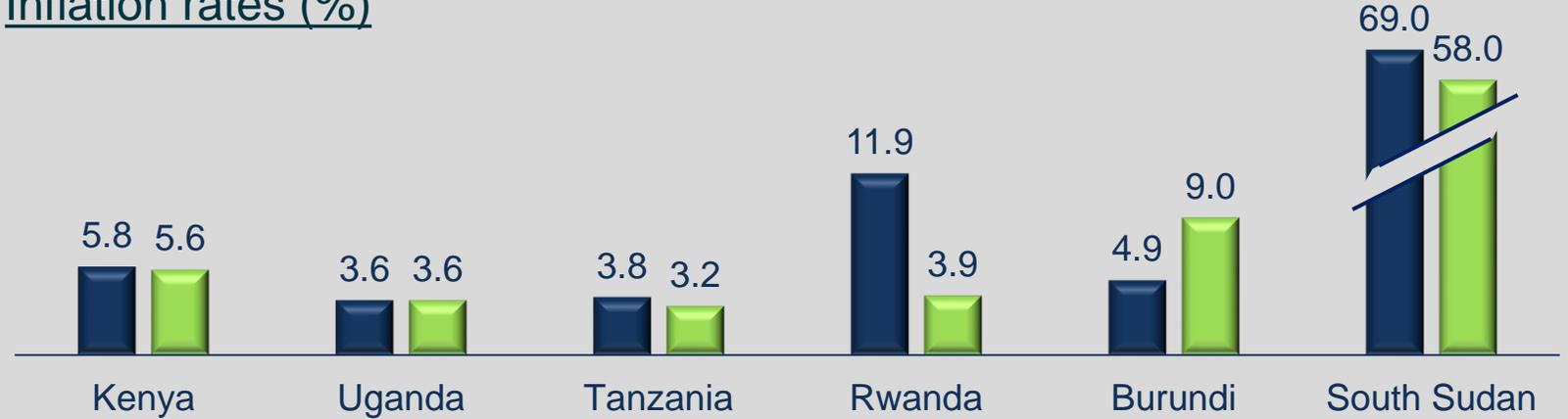


Current account deficit, GDP %



Inflation eased in most countries in the region on account of reduced prices of locally produced food items.

Inflation rates (%)



Central Bank rates (%)



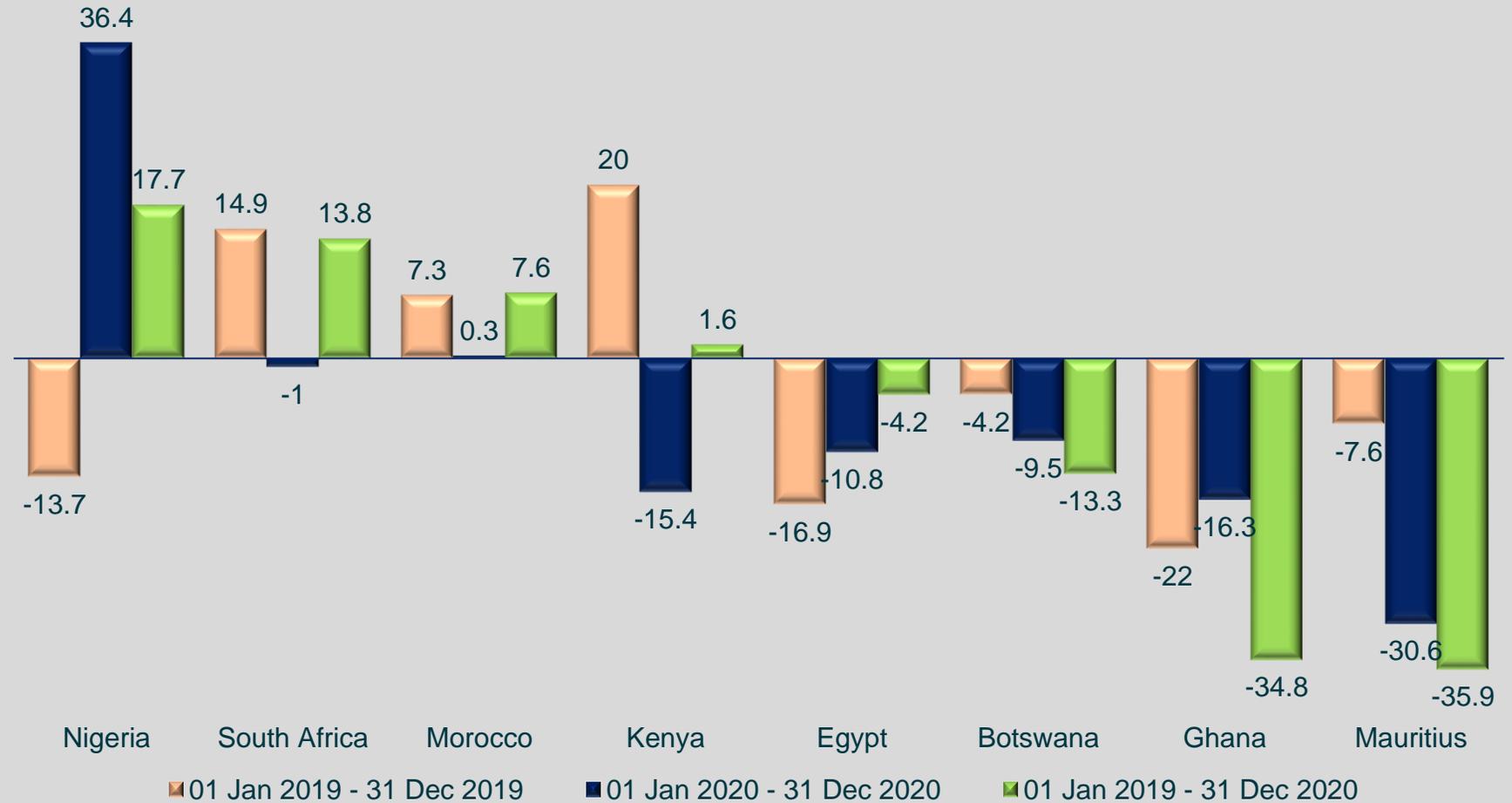
Interest rates declined in Kenya, Rwanda and Uganda in 2020 supported by accommodative monetary policy conditions with lowering of CBR

▼ 29.6%

The drop in NSE 25 index occasioned by the covid-19 pandemic which saw net foreign outflow of USD 262 million from the bourse.

Nairobi securities exchange ranked 4th among selected African stock exchanges based on normalized percentage growth in index from 1 January 2019 to 31 December 2020.

Performance of Selected African Stock Exchanges 2019-2020



Channel Performance

99.3554

108.365

0.4251

100.665

106.5543

OUR CHANNEL CONTRIBUTION

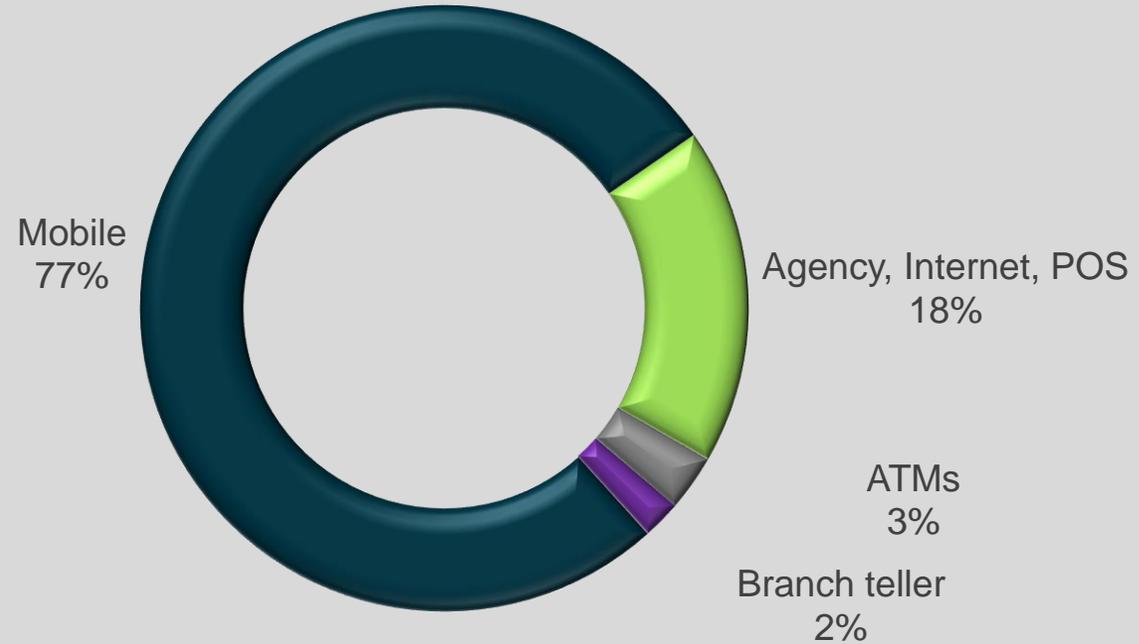
98%

Transactions performed outside the branch.

19%

decline in non-branch revenue (Kes 1.9B) due to waiver of mobile banking fees and reduced mobile lending.

Proportion of number of transactions per customer touch point



OUR CHANNEL CONTRIBUTION

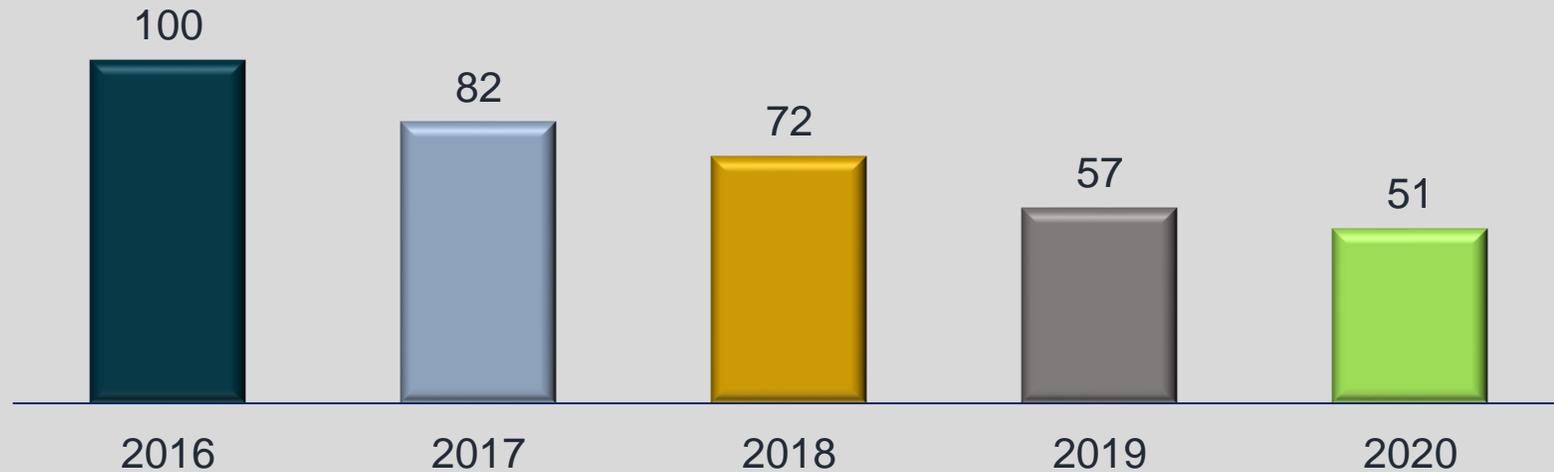
▼50%

On average, tellers are now doing half of the daily transactions they used to do five years ago

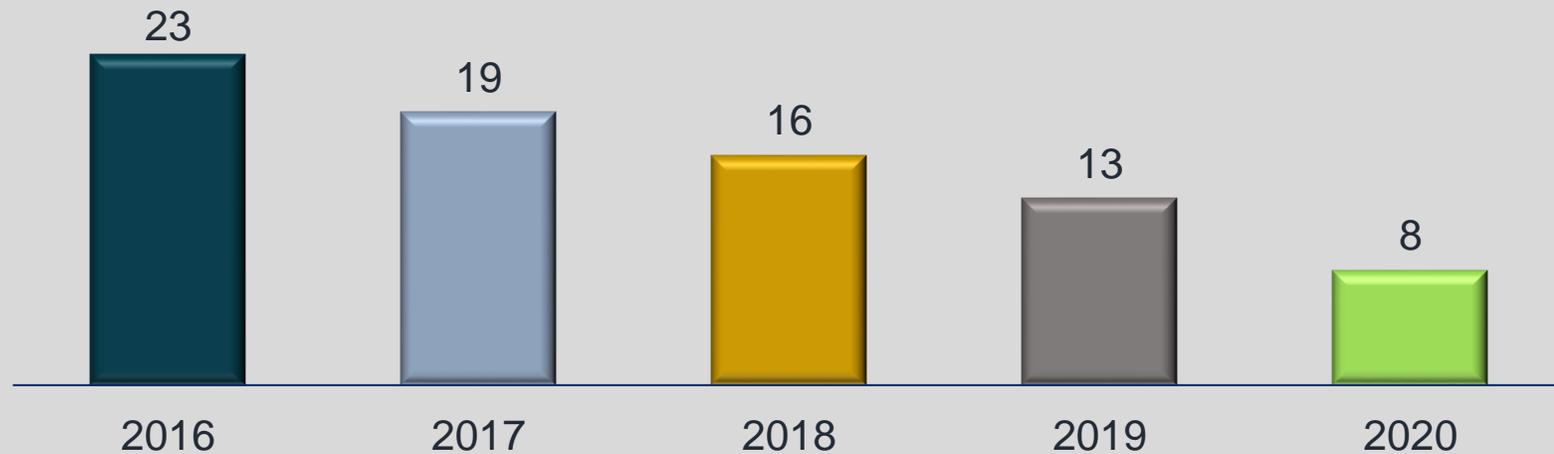
▼66%

Decrease in number of branch transactions over five years.

Avg. Transactions / Teller per day



Number of Branch Transactions (M)



MOBILE BANKING

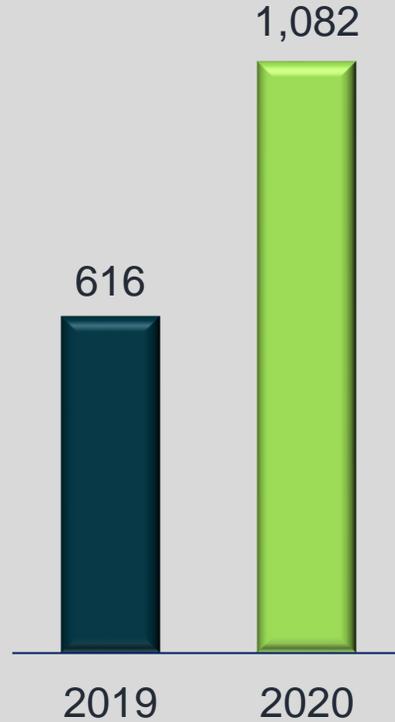
Kes 1 Trillion

Value of mobile banking transactions driven by a 7X growth in mobile banking deposits.

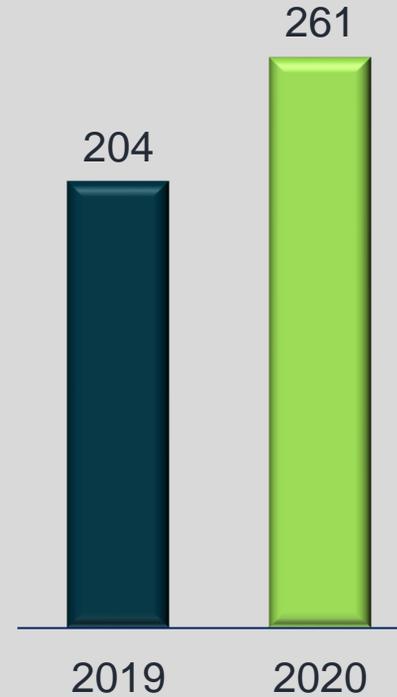
22%

Decline in mobile banking revenues due to fee waivers

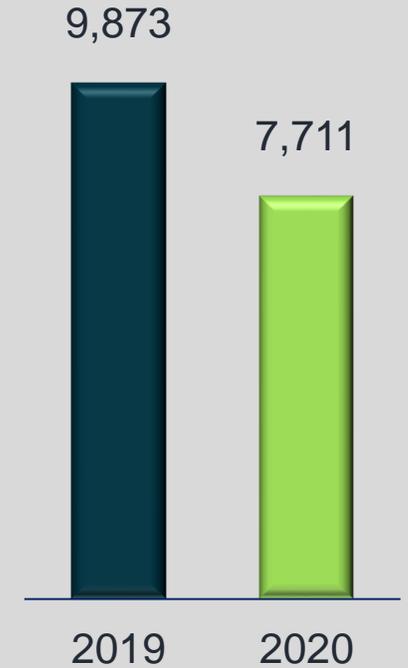
Value of Mobile Transactions (Kes B)



No. of Mobile Transactions (M)



Mobile Revenue (Kes M)



MOBILE BANKING

83%

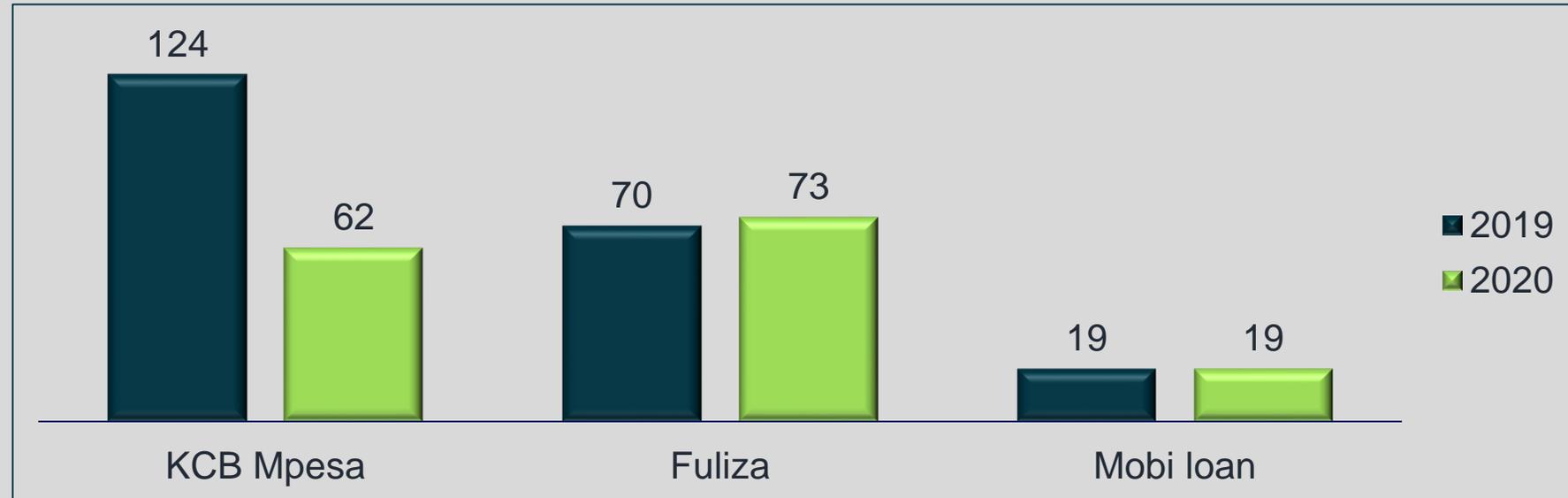
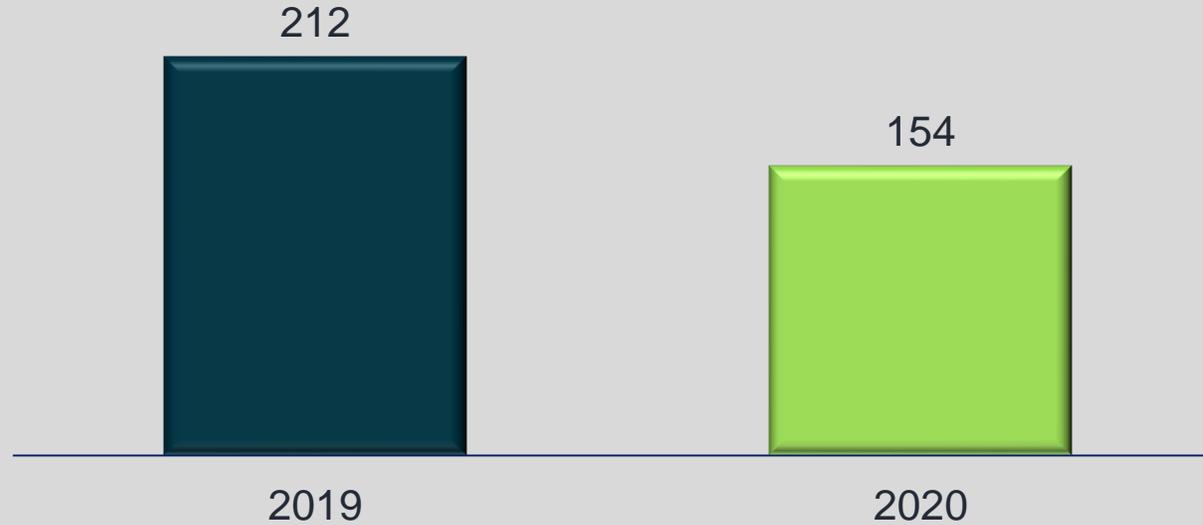
Growth in value of Salary Advance loans disbursed via mobile banking

27%

Decline in total mobile loans Advanced driven by a 50% decline in KCB Mpesa disbursements

Mobile Loans Advanced (Kes B)

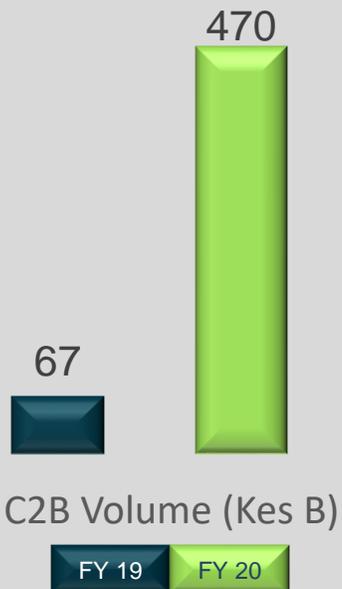
Total Mobile Loans Advanced



MOBILE BANKING

7x

YoY growth in C2B volumes driven by the shift to digital transactions and waiver of mobile banking fees



Mobi Transaction Type (%)



Month on Month Evolution of C2B Transactions

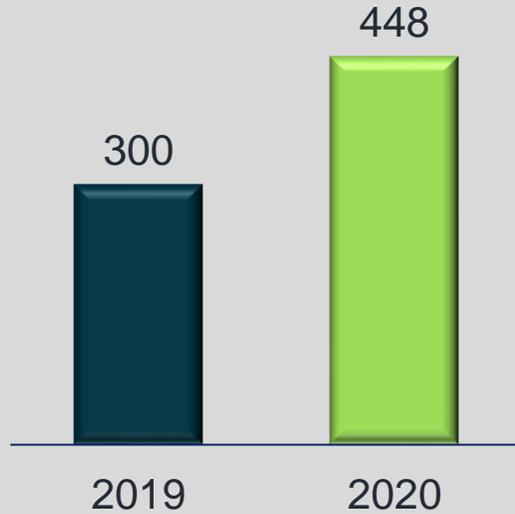


AGENCY BANKING

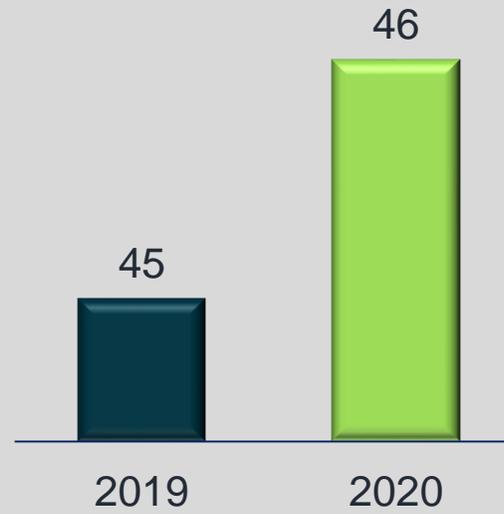
50%

Growth in Agency Banking Volumes to Kes 448B due to continued shift to digital channels.

Value of Transactions (Kes B)



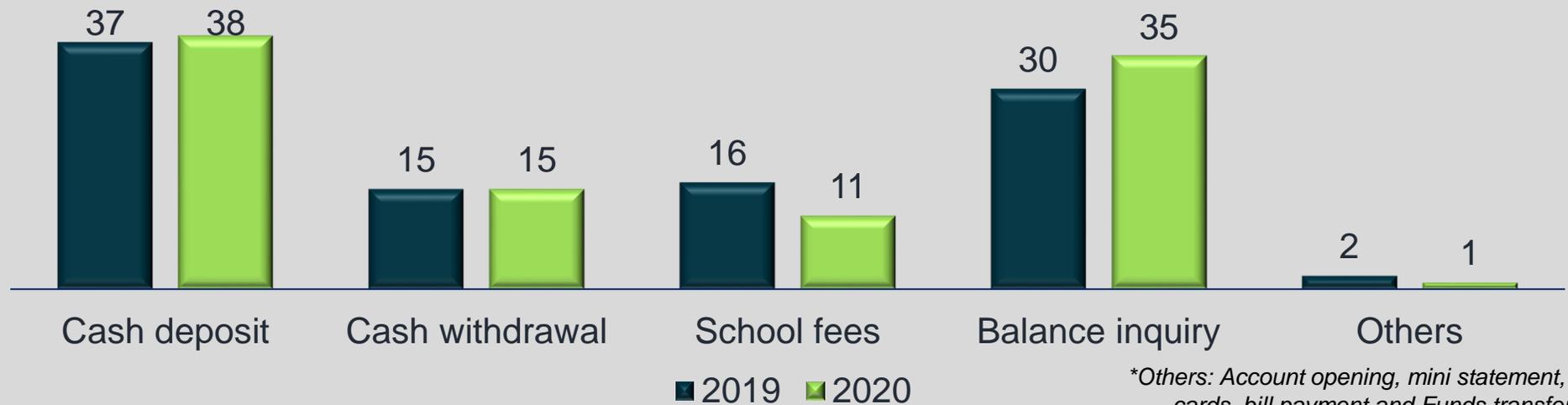
No. of Transactions (M)



Agency Revenue (Kes M)



Agency Transaction Type (%)



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

ATMs

17%

Increase in ATM volumes driven by 113% growth in ATM deposit values to Kes 127B

52%

Proportion of ATM cash deposit values making ATMs a net deposit mobilizer in 2020.

Value of Transactions (Kes B)

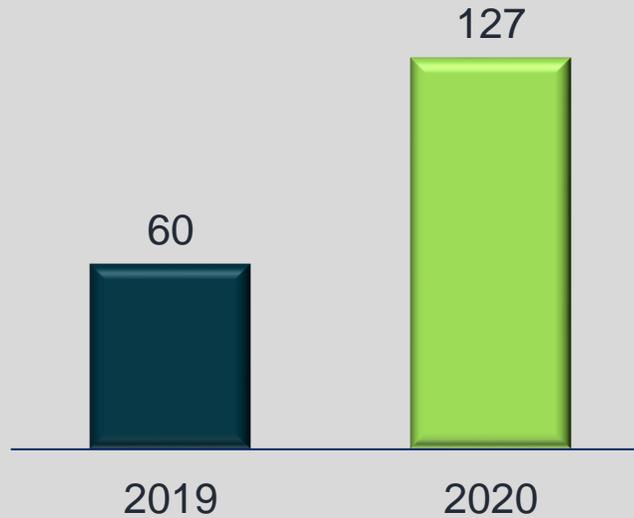


Channel Performance

No. of Transactions (M)



Value of ATM Deposits (Kes B)



ATM Revenue (Kes M)



MERCHANT / POS

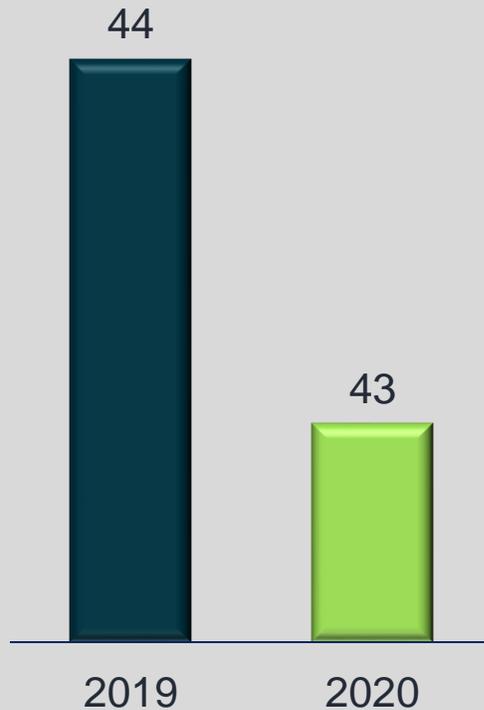
▼ 4%

Decrease in volume of POS transactions to Kes 43B

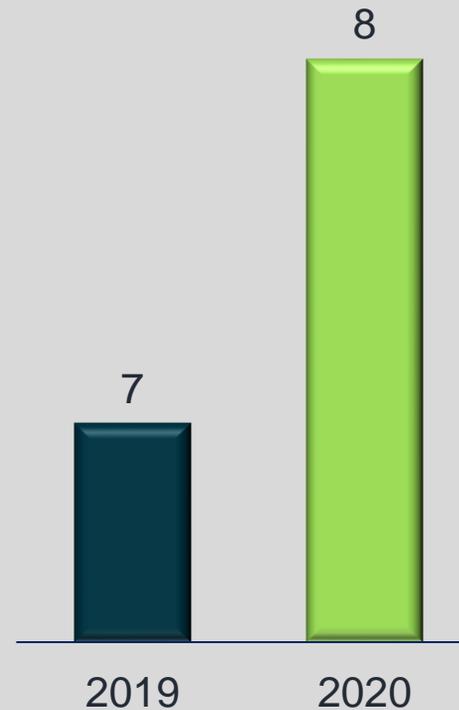
▲ 18%

Increase in number of POS transactions to 8 million

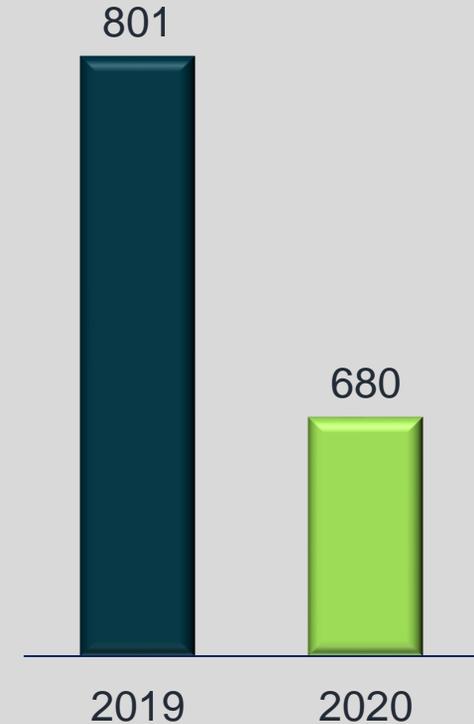
Value of Transactions (Kes B)



Number of Transactions (M)



POS Revenue (Kes M)



Financial Performance

99.3554

108.365

0.4251

100.665

106.5543

 **10% Growth**

77% of Total assets are in the Kenya business

Government Securities

Kes 169.2B

Kes 208.8B

Net Loans & Advances

Kes 535.4B

Kes 595.3B

Customer Deposits

Kes 686.6B

Kes 767.2B

Total Assets

Kes 898.6B

Kes 987.8B

FY 19

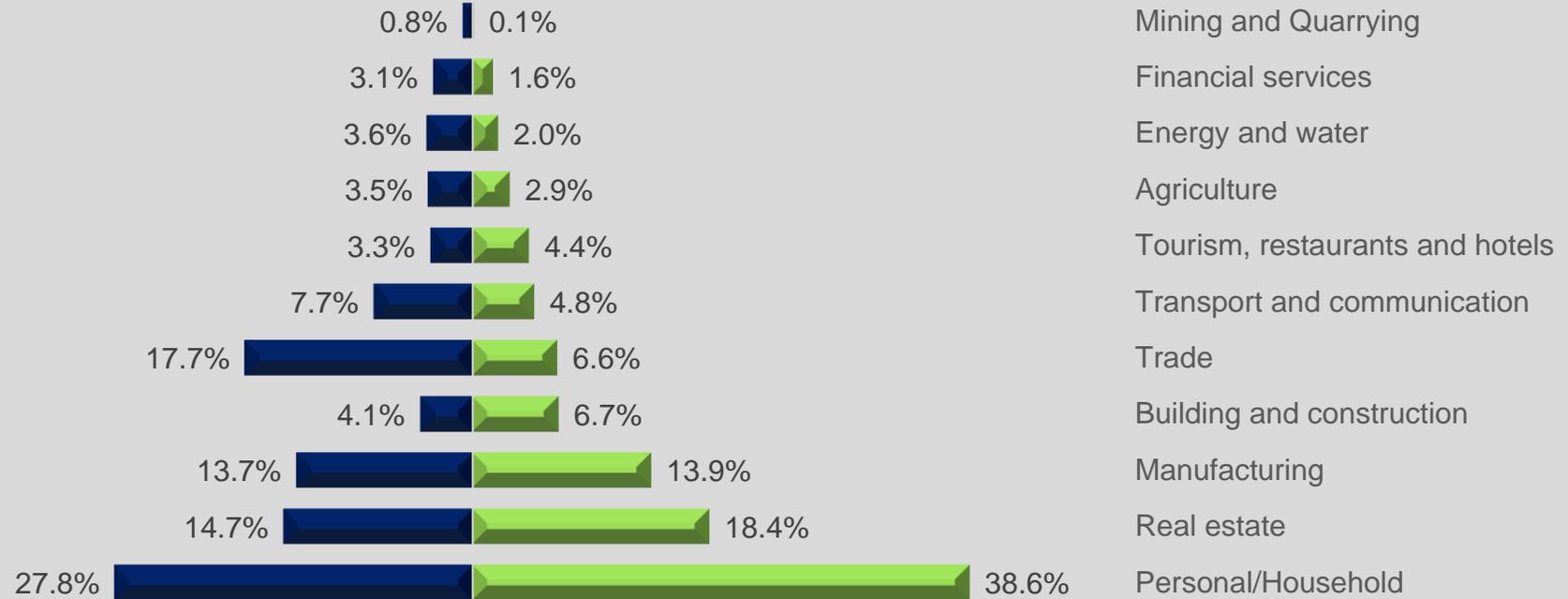
FY 20

Stable Loan Book distribution over the period.

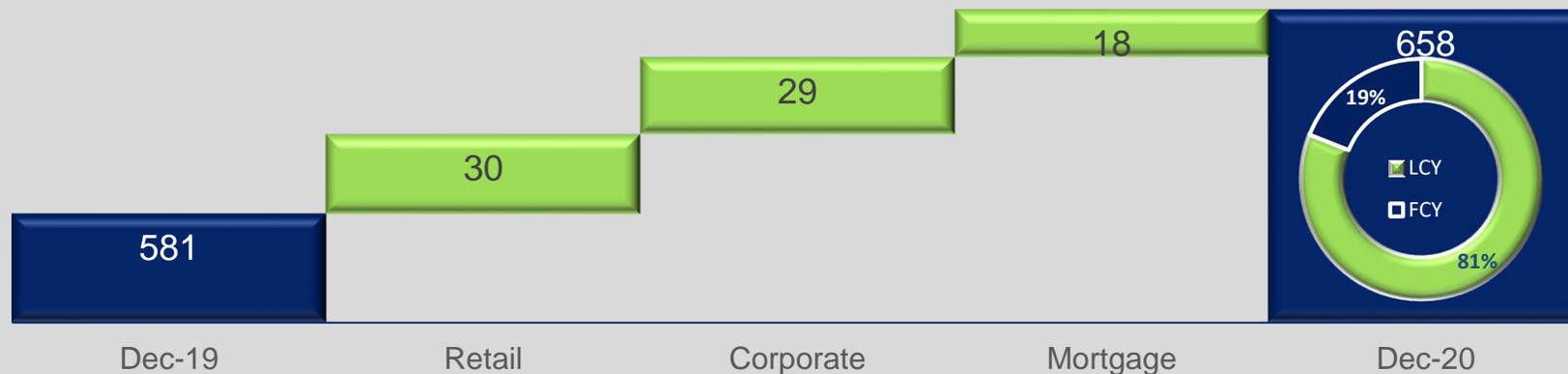
Private sector credit growth recovered to 8.4% in Dec 2020 from 7.1% in Dec 2019 driven by recovery in economic activity in Q4

14%
Growth in Gross Loans driven by personal and manufacturing sectors

Industry Sep 2020 KCB Dec 2020



Group Gross Loans (Kes B)



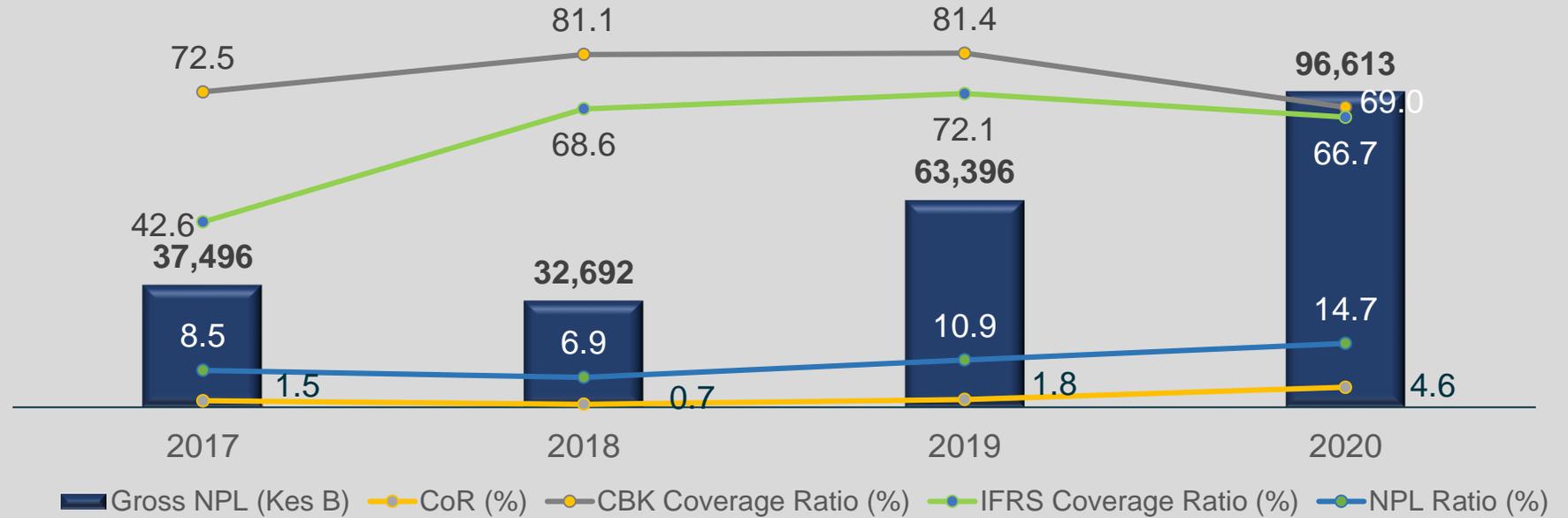
14.7%

Group NPL ratio driven by Tourism, restaurants & hotels and manufacturing sectors

14.1%

Industry NPL (Kenya) as at December 2020, up from 12.0% in December 2019

Asset Quality Review



NPL Breakdown



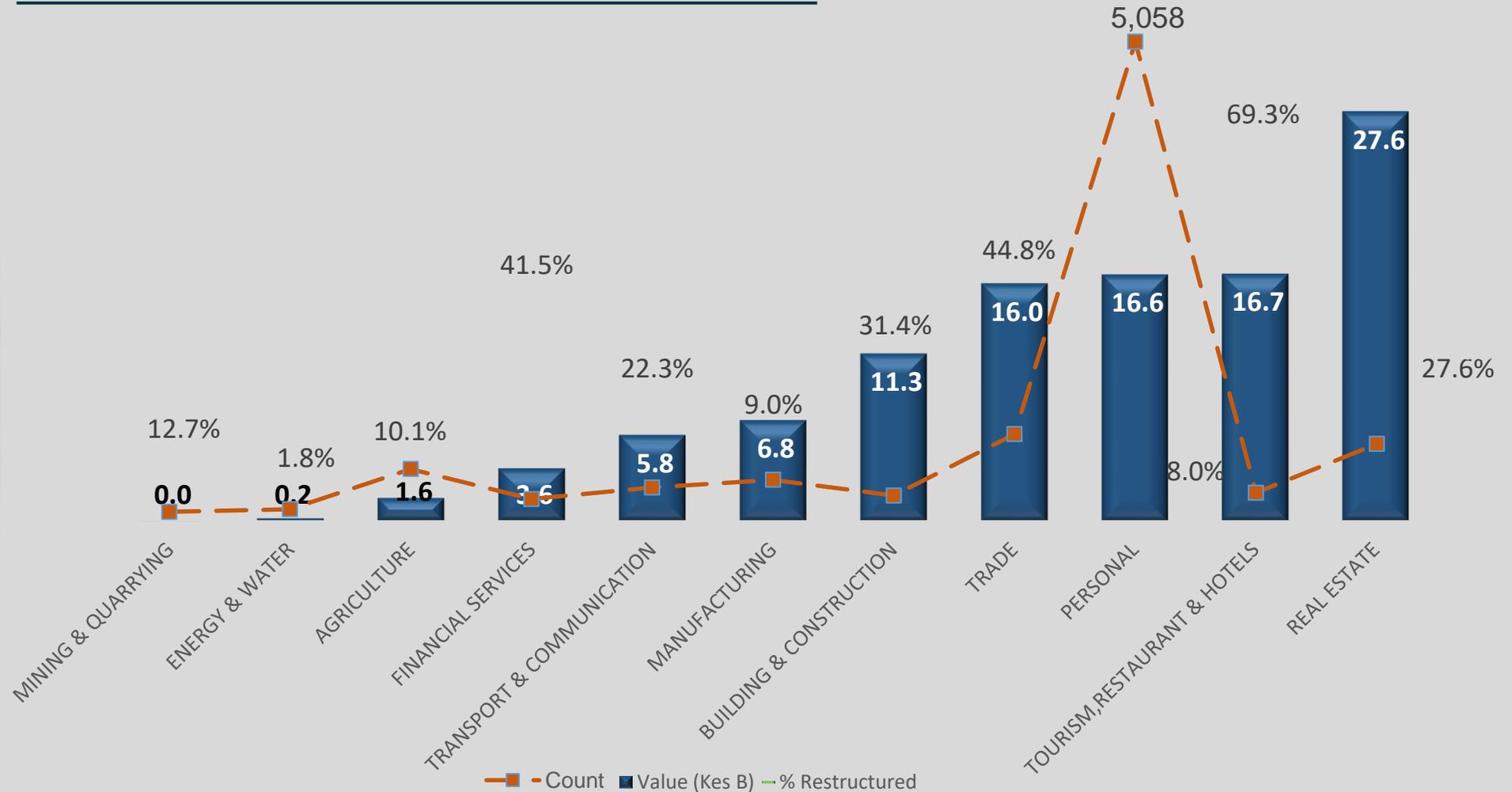
19.6%

Proportion of KCB's restructured loan book representing 8,251 loan accounts with a total value of Kes. 106.1 billion

54.2%

Proportion of Kenya banking industry restructured loan book with a value of Kes 1.63 trillion.

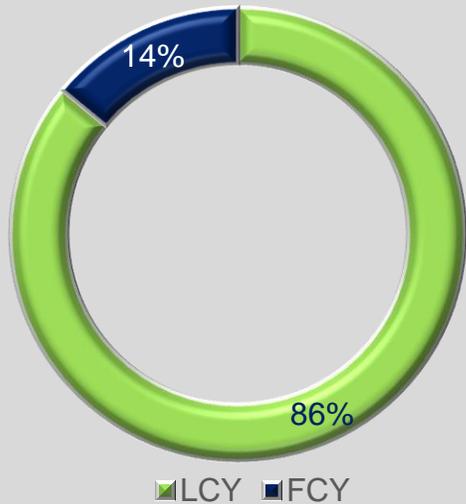
Sectoral Distribution of Restructured Loans



Balanced Deposit Mix

Stable CASA deposit base

Currency Mix

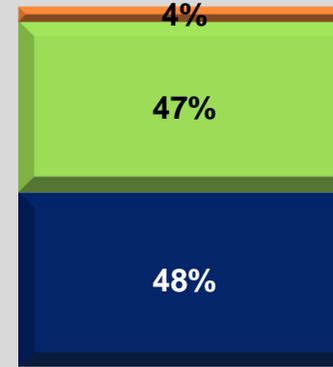


Deposit Mix

■ Corporate ■ Retail ■ Others

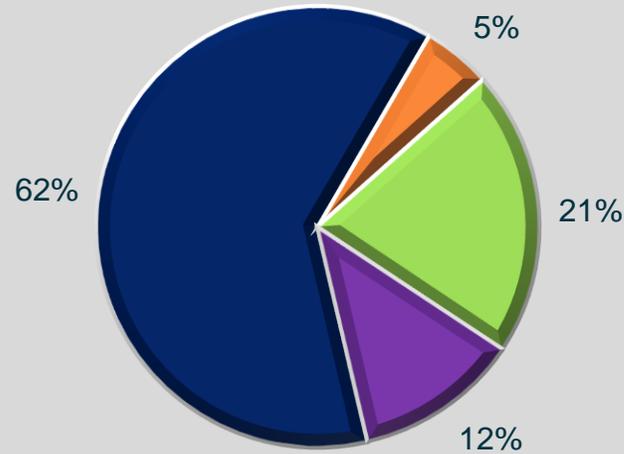


2019

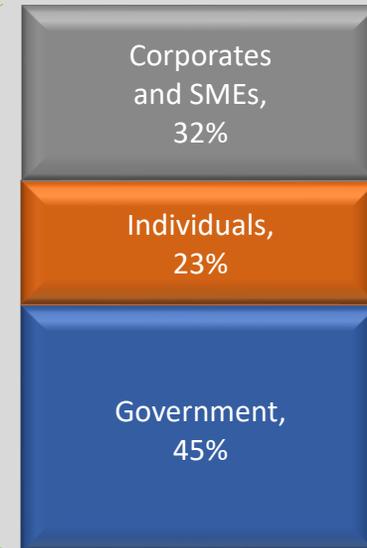
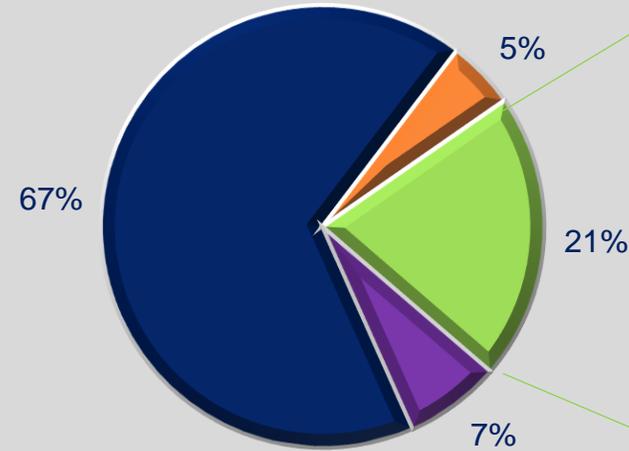


2020

Deposits by type 2019



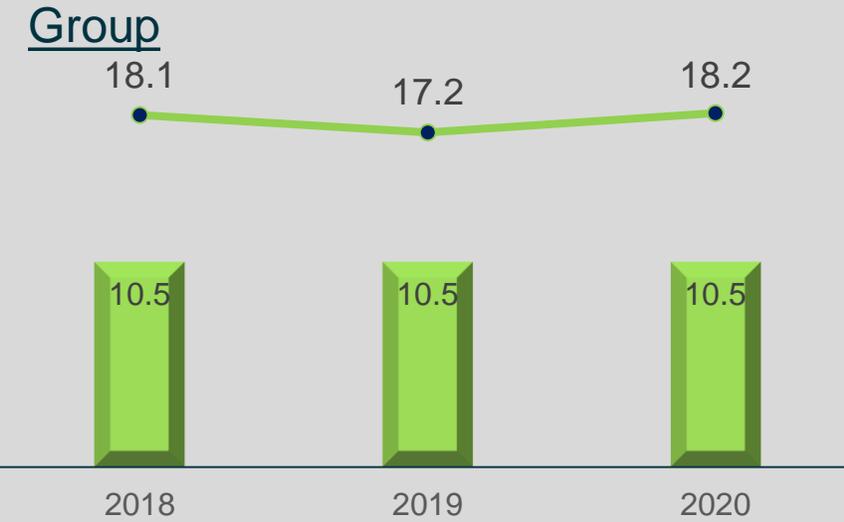
Deposits by type 2020



Total capital in excess of Kes.170.3B

26.0% Debt to equity ratio following increase in Tier II by \$150M

Core Capital to RWA (%)



Kenya



Total Capital to RWA (%)



Kenya



22% decline in
PAT

Net Interest Income

Kes 56.1B

Kes 67.9B

Total Non Interest Income

Kes 28.2B

Kes 28.1B

Operating Expenses

Kes (38.5B)

Kes (43.2B)

Profit After Tax

Kes 25.2B

Kes 19.6B

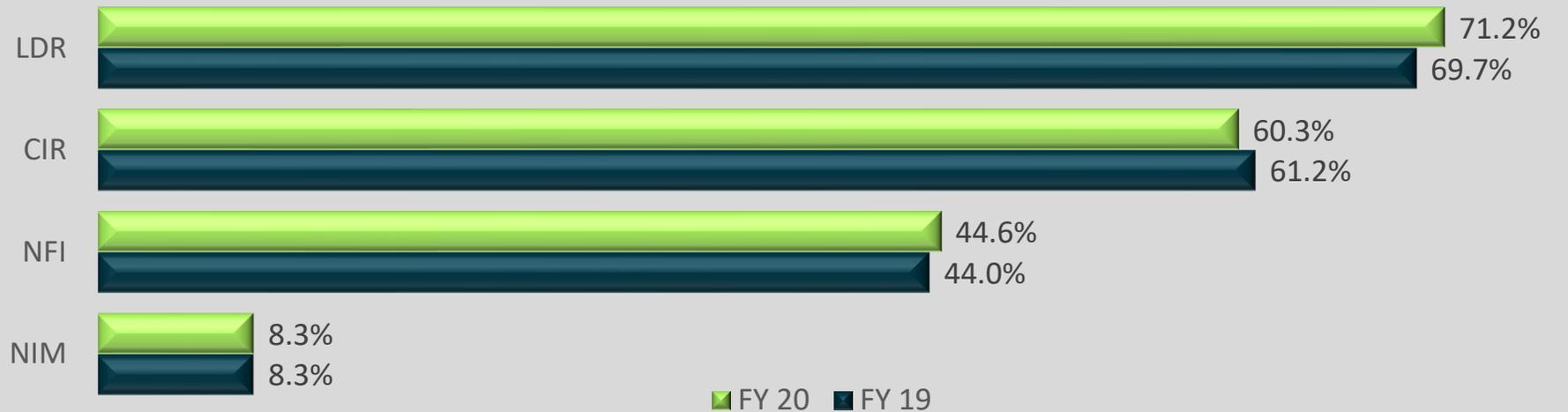
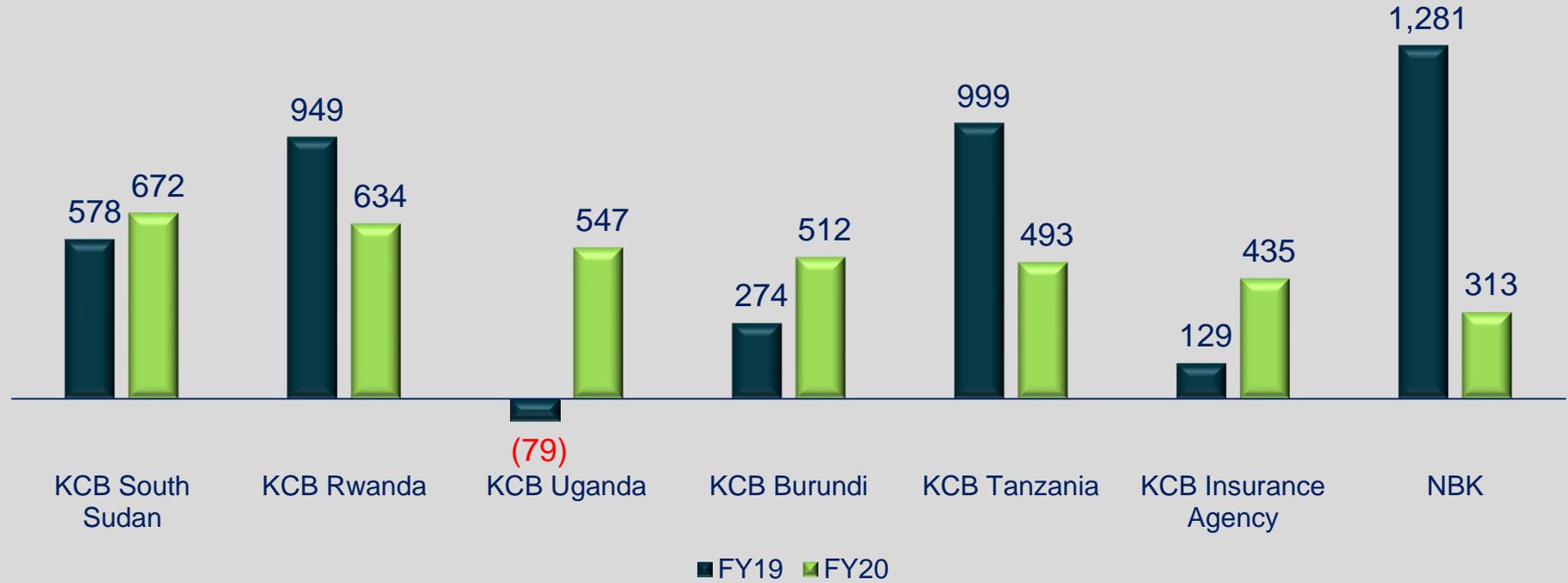
FY19

FY20

Subsidiaries outside KCB Bank Kenya

Kes 3.6 billion contribution in PBT

Improvement on consolidated key ratios for the subsidiaries



Kes Billion	KCB Group			KCB Bank Kenya		
	Actual FY19	Actual FY20	Y-O-Y Change	Actual FY19	Actual FY20	Y-O-Y Change
Cash and balances with central bank	60.8	46.8	(23%)	42.2	35.5	(16%)
Balances with other institutions	48.2	44.0	(9%)	19.7	17.7	(10%)
Investments in Government & Other securities	169.2	208.8	23%	118.4	140.5	19%
Net loans and advances	535.4	595.3	11%	447.2	492.5	10%
Fixed assets	32.3	31.6	(2%)	20.8	20.6	(1%)
Other assets	52.7	61.4	16%	26.1	51.5	97%
Total Assets	898.6	987.8	10%	674.3	758.3	12%
Customer deposits	686.6	767.2	12%	528.1	588.6	11%
Balances due to other banks	20.5	19.7	(4%)	8.7	2.4	(72%)
Other liabilities	39.9	21.5	(46%)	26.4	21.3	(19%)
Long-term debt	21.8	37.0	70%	18.5	34.7	88%
Total Liabilities	768.8	845.4	10%	581.7	647.1	11%
Shareholders' equity	129.7	142.4	10%	92.6	111.3	20%
Total liabilities and equity	898.6	987.8	10%	674.3	758.3	12%

Healthy and strong Balance Sheet

10% growth in total assets driven by Kes. 60B loan growth

22% decline in earnings

37% growth in pre-provision profit

200 bps positive jaws

Kes Billion	KCB Group			KCB Bank Kenya		
	Actual FY 19	Actual FY 20	Y-O-Y Change	Actual FY 19	Actual FY 20	Y-O-Y Change
Interest income	74.4	88.7	19%	63.7	68.9	8%
Interest expense	(18.2)	(20.8)	14%	(14.9)	(15.4)	4%
Net interest income	56.1	67.9	21%	48.9	53.5	9%
Foreign exchange income	4.5	5.4	20%	3.1	3.4	9%
Net fees and commissions	19.8	17.8	(10%)	16.8	14.2	(15%)
Other income	3.8	4.9	28%	3.6	4.3	21%
Total other operating income	28.2	28.1	0%	23.5	22.0	(7%)
Total operating income	84.3	96.0	14%	72.4	75.4	4%
Total other operating expenses	(38.5)	(43.2)	12%	(30.5)	(28.9)	(5%)
Provisions for bad debts	(8.9)	(27.1)	205%	(8.7)	(23.0)	164%
Profit before tax	36.9	25.7	(30%)	33.2	23.6	(29%)
Tax	(11.7)	(6.1)	(48%)	(10.5)	(5.2)	(50%)
Profit after tax	25.2	19.6	(22%)	22.7	18.3	(19%)

GROUP				FY 20	
FY 19	HY 20	Q3 20		KENYA	GROUP
20.7%	11.6%	10.9%	Return on Average Equity	18.0%	14.4%
45.9%	47.0%	46.3%	Cost to Income	38.2%	45.0%
10.9%	13.7%	15.2%	Gross NPL to Gross Loans	12.8%	14.7%
72.1%	61.7%	68.6%	NPL Coverage	68.3%	66.7%
16.6%	16.2%	15.0%	Debt to Equity	31.2%	26.0%
33.4%	31.0%	30.8%	Non funded income to total income	29.1%	29.7%
2.8%	2.7%	2.7%	Cost of funds	2.5%	2.7%
8.1%	7.8%	7.9%	Net Interest Margin	7.7%	7.9%
1.8%	4.0%	4.8%	Cost of risk	4.5%	4.6%
84.6%	80.7%	82.7%	Loan to Deposit Ratio	91.6%	77.4%
17.4%	17.0%	18.7%	Growth of Net Loans and Advances	10%	11%
27.7%	34.6%	31.7%	Growth of Customer Deposits	11%	12%

Continued support for our staff and customers through the pandemic

Digital banking becoming a way of life

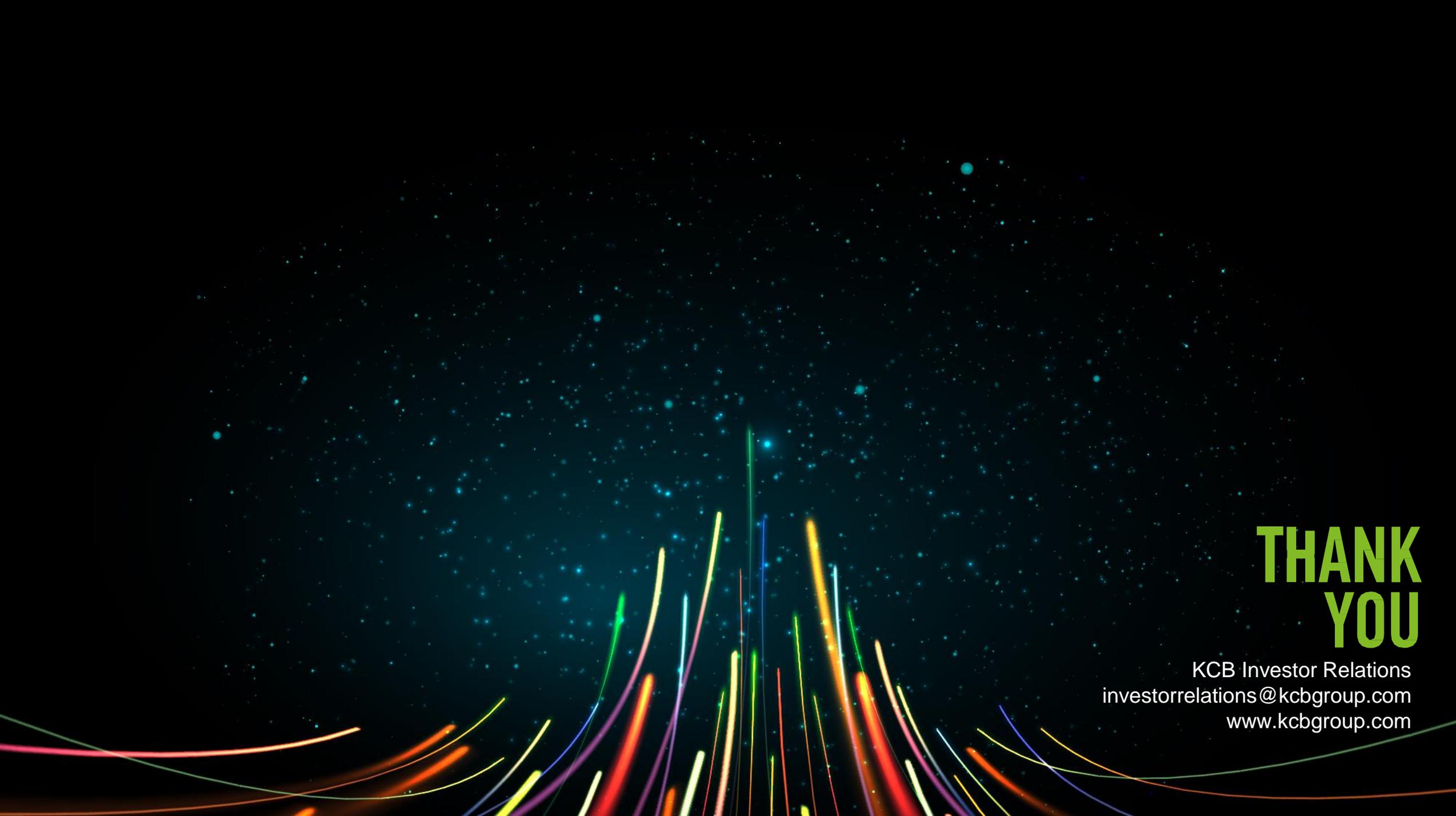
Asset quality management especially for C-19 affected sectors

Healthy capital and liquidity ratios to drive growth

2020 DPS: 1.00

Embracing ESG practices in the day to day activities

NFI Ratio	33.0%
Cost/Income Ratio	44.7%
Cost of Funds	2.6%
Cost of Risk	1.8%
NPL Ratio	12.5%
NIM	7.4%
Asset Yield	10.0%
Loan growth	10.0%
Deposit growth	12.0%
ROA	2.9%
ROE	20.3%



**THANK
YOU**

KCB Investor Relations
investorrelations@kcbgroup.com
www.kcbgroup.com