KCB

Integrated Report and Financial Statements

2025

For People. For Better.

Regulated by the Central Bank of

KCB

2025 Integrated Report and Financial Statements

KCB

www.kcbgroup.com

About Us

KCB Group Plc ("KCB" or the "Group") is a non-operating holding company, whose subsidiaries provide banking and financial services across the fast-growing East Africa Community. The Group operates seven commercial banks in seven countries across East Africa, and strategic Bancassurance, Investment Banking and Asset Management businesses. The Group is headquartered in Nairobi and traces its roots in 1896. It has maintained continuous presence in the region since then.

Our wide regional footprint, strong balance sheet, robust technology, and exceptional talent, enable us to facilitate seamless service, intra-regional trade, and investment flows, while generating strong, sustainable shareholder returns, opening doors of opportunity for millions of people in the region, and creating meaningful impact in the communities we serve.

For People. For Better.

About our Cover

From Resilience to Growth

Our cover shines a spotlight on and celebrates our legacy and resilience. The KCB lion embodies strength, leadership, and survival through complexity. The transition from organic form to structured geometry reflects KCB's evolution from raw resilience to strategic, future-ready growth anchored on technology and innovation.

2025

Inside this Report

About this Report

Scope and Purpose

The KCB Group Plc Integrated Report and Financial Statements is our principal reporting disclosure for the Group's activities and performance in 2025.

The goal of this report is to provide our stakeholders with an integrated view of how our company operates. It provides a balanced assessment of how we leverage the six capitals at our disposal to execute our strategy to create and preserve value while minimising value erosion over the short, medium, and long term which we define as less than one year, between one year and three years, and beyond three years respectively.

This report covers the period from 1 January 2025 to 31 December 2025. It also includes notable material events that occurred after year-end, up to the date of publication on 30 April 2026.

Our Reporting Frameworks

We developed this report in accordance with international best practices, reporting guidelines and prudent accounting standards. It complies with the Companies Act, 2015, the Capital Markets Authority's (CMA) rules, the Nairobi Securities Exchange's (NSE) Listings Manual, and the Central Bank of Kenya's (CBK) Prudential Guidelines. This report follows the guidelines of the International Integrated Reporting Council (IIRC) on the presentation of non-financial information.

The financial statements of the Group have been prepared in accordance with IFRS Accounting Standards and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS Accounting Standards and the Companies Act, 2015. The financial statements comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and have been prepared on a historical cost basis except where otherwise indicated.

The Group continuously strives to incorporate additional frameworks and metrics into our reporting to improve our transparency and meet the diverse information needs of our stakeholders. Stakeholders may direct any feedback or questions to investorrelations@kcbgroup.com for any additional information on matters contained within this report.

Process and Assurance

Our integrated report and financial statements resulted from a Group-wide process, with input from various teams across all business lines. This process is under the oversight of the Group Board and the Executive Committee. The Group Board ensures the integrity of this report through our integrated reporting process. A series of internal reviews support the accuracy of the disclosures contained herein.

Our Strategy and Oversight Committee provides internal assurance to the Board on the execution of our strategic priorities. The Group's financial, operating, compliance, and risk management controls are assessed by its internal audit function, which is overseen by the Audit Committee.

The accompanying financial statements of KCB Group Plc (the Company) and its subsidiaries (together, the Group) were audited by PricewaterhouseCoopers LLP and received an unqualified opinion. The report of the independent auditor to the shareholders of KCB Group Plc is available on page 150 to 153 of this report.

Our Audience

This report is primarily addressed to our providers of capital, namely equity and debt investors. We have also included information relevant to our other stakeholders including employees, customers, regulators, and the wider community.

- Investors
- Employees
- Customers
- Government and Regulators
- Society

Our approach to Integrated Thinking

Our integrated thinking approach to decision-making, management, and reporting facilitates the alignment of our purpose and values with our strategy and guides our value creation process. We applied the principle of double materiality in assessing the material matters included in this report. Material matters are those matters with the ability to significantly influence value creation over the short, medium, and long term.

In identifying our material matters, we relied on a Group-wide process that incorporated input from all our subsidiaries. This process enabled us to identify issues that have the potential to impact our ability to create and preserve value and guard against value erosion for our stakeholders. We thereafter prioritised those with the greatest relevance in our operations, validated these material matters against our strategy, and continuously assessed them to ensure that our strategy remains relevant.

Disclosures regarding our current key risk priorities and the management of our principal risks are available on page 126 to 135 of this report.

The Group publishes a separate Sustainability Report which contains disclosures on our sustainability-related material matters. The Report is available on www.kcbgroup.com/sustainability-page

Forward looking Statements

This report contains certain forward-looking statements about the Group's financial position, results, strategy, operations, and businesses.

These statements and forecasts involve risk and uncertainty, as they relate to events and depend on circumstances that may occur in the future.

There are various factors beyond the Group's control that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. Consequently, forward-looking statements are not guarantees of future financial or operating results.

Our Reporting Suite

Our report is supplemented by various periodic publications and online disclosures to meet the diverse information needs of our stakeholders. These include:

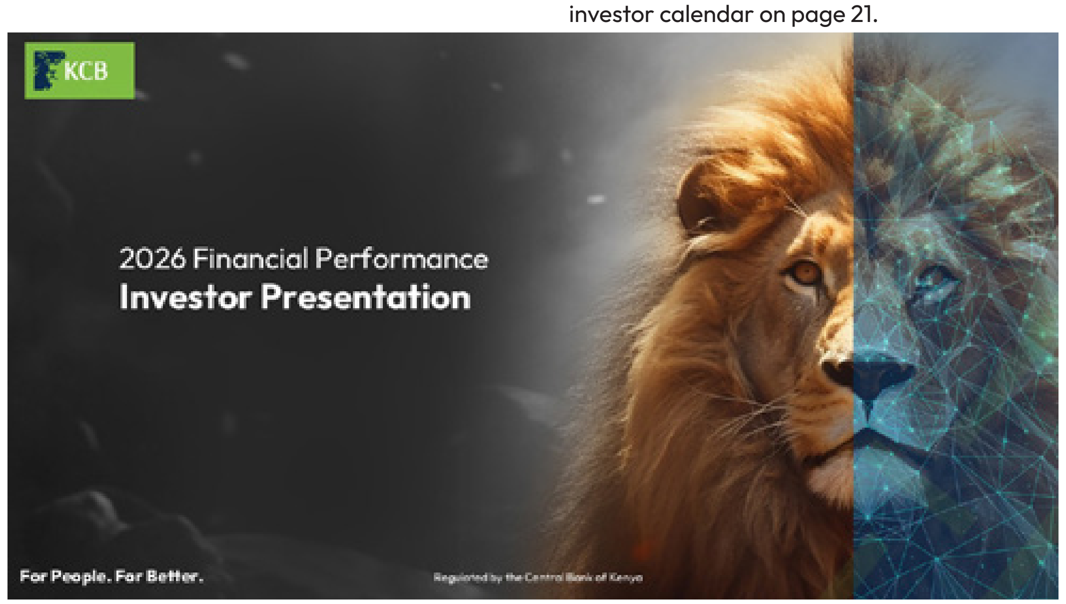
Group Sustainability Report:
This report details our progress in integrating environmental, social, and governance (ESG) practices in our strategy. In preparation of this report, KCB Group has referenced the following sustainability reporting standards and frameworks:

- The International Financial Reporting.
- Standards (IFRS) S1 and IFRS S2 issued by the International Sustainability Standards Board (ISSB) and adopted by the Institute of Certified Public Accountants of Kenya (ICPAK).
- The GRI Standards.
- The Central Bank of Kenya Guidance on Climate-related Risk Management

The report is available at www.kcbgroup.com/sustainability-page

Financial Disclosures:
- Quarterly financial statements and other disclosures.
- Quarterly investor presentations.

These disclosures provide an update on the Group's financial results and operations on a quarterly basis. The 2026 disclosures will be available at www.kcbgroup.com/investor-relations on the tentative dates listed on the investor calendar on page 21.



Shareholder Information
- **Notice of KCB Group's Annual General Meeting (AGM) and proxy form:** The notice and proxy form provide valuable information for shareholders who want to participate in the Group's 55th AGM to be held on 21 May 2026.
- **Outcomes from the AGM:** The polling results and responses to questions raised are published on our website upon the conclusion of the AGM.
- **Shareholding structure:** These quarterly disclosures provide a breakdown of the Group's shareholding structure. They are available at www.kcbgroup.com/investor-relations.

Where We Operate

Largest footprint in the region; opening doors of opportunity for millions of people. Our banking subsidiaries are among the top three banks in more than half of our markets, and top 10 in all.

We are a regional powerhouse and the largest banking Group in East Africa with a well-diversified footprint cutting across the width of Africa from the coasts of the Indian Ocean to the Atlantic Ocean. Between these two coasts, we deliver leading solutions that avail unmatched convenience, bring our purpose to life, drive sustainability and match our aspiration to play a meaningful role in the lives of our customers and the communities we serve.

In Kenya, we are an industry leader with the largest market share. Outside Kenya, we operate in Tanzania, South Sudan, Rwanda, Uganda, Burundi, and the Democratic Republic of Congo. Our subsidiaries, KCB Bank Kenya and Trust Merchant Bank have representative offices in Ethiopia and Brussels respectively.

With millions of customers, thousands of employees, and the largest balance sheet in the region, the Group has been a catalyst for development for more than a century, opening doors of opportunity by facilitating growth and economic advancement, promoting regional commerce, and linking millions of people throughout the world to possibilities on the African continent and beyond.

Our Footprint

34M
Customers

11,252
Employees

1,249
ATMs

456
Branches

1.3M
Agents & Merchants

Our Operating Brands

KCB BANK
bpr BANK
KCB BANCASSURANCE INTERMEDIARY
KCB INVESTMENT BANK
KCB Asset Management
KCB FOUNDATION
TMB
Riverbank

Our Purpose & Values

Our Purpose

For People. For Better.

Our Values

Closer

To be **closer** is to get to know the people you work with and the customers you serve beyond being just a colleague or a customer. It's about valuing the human being.

Connected

To be **connected** is to realize we are all part of one team, with one purpose. It's about breaking down silos and gaining inspiration about best-practice from other sectors.

Courageous

To be **courageous** is to challenge the way things are done today in a constructive way. It's about finding ways to do things differently and sharing ideas to make things better.

Our Business Structure

The Group has a well-diversified business model across geographical and business segments.

Our Key Subsidiaries

KCB Group Plc

- **Banking Subsidiaries**
  - KCB Bank Kenya 100%
  - KCB Bank Tanzania 100%
  - KCB Bank South Sudan 100%
  - Ethiopia Rep Office
  - 100% KCB Bank Burundi
  - 100% KCB Bank Uganda
  - 87% BPR Bank Rwanda
  - 85% Trust Merchant Bank
  - Brussels Rep Office
- **Non-banking Subsidiaries**
  - KCB Bancassurance Intermediary 100%
  - KCB Investment Bank 100%
  - KCB Asset Management* 100%
  - Riverbank Solutions Limited 75%
  - Pesapal Limited** (Minority Stake)

*KCB Asset Management is currently undergoing a regulatory process to change its name to KCB Corporate Trustee Limited.
**Acquisition in progress.
The full list of the Group's subsidiaries along with the respective beneficial ownership and share capital, is available on page 247 of this report.

Our Business Segments

We provide our customers with a full suite of tailor-made, market-leading financial solutions through four key segments of corporate banking, retail banking, treasury and mortgages. These are complemented by a range of digital financial services, bancassurance intermediary, investment banking, asset management, and shariah-compliant products.

Banking businesses

Corporate Banking

Offers:
A variety of payments, savings and loans solutions that are tailor made to match the unique business needs of our corporate customers with an annual turnover of over Ksh 1 billion.

Key differentiators:
Strong balance sheet, strong capital position, wide regional presence, market expertise, competitive products and unmatched deal & complex solutions structuring.

Contribution to revenue:	Share of loans:	Share of customer deposits:
15% (2024: 16%)	52% (2024: 47%)	50% (2024: 45%)

Retail Banking

Offers:
A wide bouquet of pay, save and borrow solutions for individuals, micro, small and medium sized enterprises with an annual turnover of less than Ksh 1 billion.

Key differentiators:
Wide footprint, strong brand, competitive products, robust digital solutions, unmatched convenience and transformative partnerships.

Contribution to revenue:	Share of loans:	Share of customer deposits:
38% (2024: 39%)	37% (2024: 40%)	45% (2024: 48%)

Treasury

Offers:
The Group's balance sheet management activities and investments in securities.

Key differentiators:
Strong deposit-based funding profile, solid capital position, wide network of correspondent relationships and market expertise.

Contribution to revenue:
32% (2024: 33%)

Mortgage

Offers:
A suite of lending solutions for purchasing or construction of residential and commercial buildings.

Key differentiators:
Market leadership, strong partnerships, wide distribution and competitive products.

Contribution to revenue:	Share of loans:	Share of customer deposits:
4% (2025: 5%)	11% (2024: 13%)	2% (2024: 3%)

Well balanced:
57% Residential and 43% Commercial mortgages

Non-banking businesses

KCB Bancassurance Intermediary

Offers:
A range of insurance products, from life to general insurance, including medical, motor, crop, and marine covers, among others.

Key differentiators:
Wide distribution network, robust back-office function, customer focus and strong growth prospects.

Contribution to revenue:
0.9% (2024 0.7%)

KCB Investment Bank

Offers:
Wealth and fund management, advisory, brokerage, and distribution of collective investment schemes with a focus on money market funds.

Key differentiators:
Wide distribution network, market expertise and captive business from KCB Group.

Contribution to revenue:
0.3% (2024: 0.2%)

KCB Asset Management

Offers:
Corporate trustee services.

Key differentiators:
Market expertise, strong brand and strategic position.

Contribution to revenue:
0.2% (2024: 0.1%)

Riverbank Solutions

Offers:
Agency banking, social payments, revenue collection and business solutions.

Key differentiators:
Strong digital capability, agile execution, wide network, market leadership and innovative solutions.

Key Highlights

KCB achieved strong revenue growth in 2025 on the back of deepening of digital channels, innovative customer value propositions, new business lines and diligent execution of our strategy, sustaining our track record of consistent growth.

Record profitability with net profit increasing to KSh **68.4 billion** in 2025

	2025	2024	2023
Total Revenue (Ksh billion)	211.8	202.9	159.3
Net Profit (Ksh billion)	68.4	61.8	37.5
Net profit share from subsidiaries outside KCB Bank Kenya	29.5%	30.3%	35.1%

Includes NBK's contribution as explained on page 62 of this report.

Solid balance sheet metrics

	2025	2024	2023
Net loans (Ksh billion)	1,151.6	990.4	1,095.9
Customer Deposits (Ksh billion)	1,592.6	1,382.0	1,690.9
Total Assets (Ksh billion)	2,147.2	1,962.3	2,170.9

Track record of superior and sustainable shareholder returns

	2025	2024	2023
Return on Equity	22.5%	24.6%	17.5%
Shareholders' Equity (Ksh billion)	331.5	274.9	227.5
Total Dividend (Ksh billion)	22.5	9.6	-

Leader in sustainability

	2025	2024	2023
Value of Green Loans Disbursed (Ksh billion)	48.8	53,2	22.1
Loans Screened Under ESDD (Ksh billion)	587.0	578.3	615.0

First Kenyan bank to receive GCF accreditation, implementing a USD 96.9 million project.

Strong brand and customer experience

	2025	2024	2023
Net Promoter Score	70	55	61
Customer Effort Score	14%	13%	13%

Strong focus on customer obsession powered by our brand purpose.

Leader in digital financial solutions

	2025	2024	2023
Mobile Loans Disbursed (Ksh billion)	543.9	407.2	337.4
Average Mobile Loans Disbursed per Day (Ksh billion)	1.5	1.1	0.9

Disbursed over Ksh 1.6 trillion on mobile in the past 5 years.

2025 Recap

Through sustained innovation and transformative partnerships, we continued to deliver compelling value propositions and deepen customer obsession across every touchpoint.

Our various initiatives led to a 21% increase in customer transactions to 1.6 billion interactions, an average of over 4.4 million per day. Notably, 99% of these transactions were completed through our digital platforms, underscoring the strength of our digital leadership strategic pillar. As we look ahead to an exciting 2026, we reflect with pride on some of the key milestones we achieved together in 2025.

January

KCB and Mastercard unveiled Kenya's first Platinum multi- currency card.

TMB was named as the Best SME Bank by Global Finance underscoring the Bank's strong commitment to supporting SMEs through tailored financial products, widespread branch network, and a large digital banking footprint.

KCB Bank Kenya committed Ksh 209 million to 2025 Safari Rally reaffirming its position as Kenya's leading sports sponsor by renewing its commitment to WRC for the fifth consecutive year.

February

KCB Bank Kenya secured USD 100 million tier II funding from British International Investment to fortify its total capital position and grow its loan book to climate-related projects and women-owned and led businesses.

BPR Bank Rwanda kicked off its 50th anniversary celebration with the unveiling of a commemorative logo and the launch of a platinum branch at its Kigali headquarters. The celebrations reinforced BPR's heritage, customer centricity, and future-focused strategy.

March

TMB was named Best Bank in DRC by Global Finance for the fifth time. This reflects TMB's excellence in offering a broad range of banking services, commitment to innovation, and strong performance despite difficult market conditions.

BPR Bank Rwanda re-launched mobi loan, enabling customers to access instant loans through mobile phones, making credit more convenient and accessible for thousands of Rwandans. Total disbursement stood at 5.3 billion RWF to a unique borrowing base of 49,170 customers in 2025.

April

KCB Foundation in Uganda graduated 225 youth through the Twekozese programme.

KCB Bank Kenya partnered with a renewable energy firm to roll out solar power solutions for learning institutions across the country.

KCB Foundation provided university scholarships for 300 students in Kenya. The Foundation invested Ksh 100 million to cover full tuition fees for the duration of their courses, along with ongoing mentorship and psychosocial support throughout their academic journey.

May

BPR Bank Rwanda launched 'Ikamba', a comprehensive financial and business support solution tailored to the needs of women-led and women-owned Small and Medium Enterprises (WSMEs).

KCB completed the sale of National Bank of Kenya Limited (NBK) to Access Bank Plc, following receipt of all regulatory approvals.

KCB Group Plc shareholders approved a Ksh 9.6 billion total dividend payout for the 2024 financial year, reaffirming sustained returns to shareholders.

June

KCB Bank Kenya reaffirmed its commitment to advancing Kenya's international trade and investment agenda during the official launch of Kenya's participation in the Expo 2025 Osaka, Japan.

KCB Bank Tanzania partnered to support a capacity building seminar for leaders of five porters' associations across Arusha and Kilimanjaro, a region home to over 25,000 porters whose work powers Tanzania's mountain tourism.

KCB provided Ksh 8 million to Athletics Kenya to support key events in the federation's calendar, further deepening KCB's long-standing investment in sports.

July

BPR Bank Rwanda sponsored four drivers in the Rwanda Mountain Gorilla Rally, the third leg of the Africa Rally Championship.

BPR Bank Rwanda acted as Mandated Lead Arranger and Facility Agent, leading a consortium of lenders in the issuance of bonds and guarantees totaling over USD 322 million to support the ongoing construction of the new Kigali International Airport in Bugesera District, Eastern Province.

BPR Bank actively participated in Rwanda Convention 2025 that took place in Dallas Texas, USA, with senior leadership contributing to discussions on sustainable finance and economic transformation.

August

KCB Group launched a revamped Mobile Banking App with enhanced features and security. The enhanced platform provides an all-in-one bespoke digital banking with self-onboarding capabilities, allowing customers to register and begin banking instantly, anytime, anywhere.

BPR Bank celebrated 50 years of service by honoring its roots and investing in community empowerment in Nkamba, Kayonza where the Bank started from. The Bank also launched its 50 Forward logo, depicting the next 50 years.

September

KCB Group PLC and pan-African multilateral development bank, African Export-Import Bank entered a Memorandum of Understanding aimed at providing financial and trade facilitation support to investors operating in the Vipingo Special Economic Zone in Kilifi County. Under the agreement, Afreximbank and KCB Group will provide initial funding amounting to USD 500 million and USD 300 million, respectively towards the initiative.

October

BPR Bank sponsored and hosted the BPR–KCB East Africa Golf Tour, strengthening brand visibility, stakeholder engagement, and regional presence through sports sponsorship.

KCB Bank Kenya signed a partnership with the Kenya Investment Authority to enhance facilitation and support for foreign investors looking to establish and expand their operations in Kenya.

KCB Bank Kenya reaffirmed its commitment to supporting local sports by injecting Ksh 4.5 million into the Safari Sevens Rugby Tournament.

November

KCB Group Plc paid interim and special dividends of Ksh 4.00 per share amounting to a payout of Ksh 13 billion.

KCB Group Plc entered into an agreement to invest in a minority stake in Pesapal Limited, in a transaction that is expected to significantly accelerate commerce, create pathways to prosperity, and drive digital and inclusive growth for businesses across Africa.

December

BPR Bank Rwanda was honored as 'Bank of the Year 2024 – Rwanda' for the second year in a row by the Financial Times and its subsidiary The Banker. The prestigious accolade was presented at a gala event held at the Peninsula Hotel, London.

KCB Bank Kenya and African Development Bank signed a USD 150 million financing package to support green finance, accelerate climate-smart investments and enhance KCB's trade finance capacity within the growing small business and corporate banking sector in Kenya.

KCB Group Plc completed the acquisition of 75% stake in Riverbank Solutions.

2025 Awards and Recognition

We take pride in having consistently been recognised and ranked among the continent's leading financial institutions across multiple performance indicators.

In 2025, we earned numerous accolades from both local and international bodies, further reinforcing our leadership position and strengthening our commitment to delivering exceptional customer experiences while accelerating the transition to a digital future. Key accolades in 2025 included:

2025 The Banker Awards
BPR Rwanda - Bank of the Year

2025 FiRe Awards
Best in Integrated Reporting Early Adopters IFRS S1 & S2

Euromoney Awards
Best Commercial Bank Kenya
Best Bank in Sustainability
Best CSR Bank Kenya

Global Business & Finance Magazine
Best SME Bank Kenya
Best Bank In ESG Kenya

Finance Derivative
Best CSR Bank Kenya 2025
Best Sustainable Bank Kenya

Brand Finance
Most Valuable Banking Brand in 2025: Ranked #7 in the World

Euromoney Awards
Africa's Best Bank for CSR
Kenya's Best Bank for ESG
Kenya's Best Bank

Global Banking & Finance Review Awards
Best Corporate Bank
Best CSR Bank
Best ESG Bank

Kenya ESG Awards
Best Organisation in ESG

World Business Outlook Awards
Most Preferred Bank in Africa
Best Sustainable Bank Kenya
Best Bank Kenya

International Business Magazine
Best Corporate Brand Kenya
Outstanding Contribution to Economic Development Kenya

Global Finance
Best SME Bank in Kenya

Our Capitals: What Drives Value Creation

Financial Capital	We maintain a well-optimised capital position to support our growth goals, drive investment opportunities, and meet regulatory needs. To power our operations and implement our strategy in 2025, we leveraged a well-balanced mix of shareholders' equity, customer deposits, and borrowings.	Our investors, both equity and debt, play a big part in the makeup of our financial capital and the operationalisation of our strategy. Additionally, our retained earnings form part of the financial capital used in the execution and growth of our strategic investments.
Manufactured Capital	Our manufactured capital consists of cutting-edge digital systems, tools, and our operational philosophy, all of which help to speed the flow of knowledge and information. These capitals are in the form of leased or totally owned systems, whose value is earned through the delivery of products and services.	Our wide distribution network, which includes the region's largest branch network as well as robust digital platforms, is a key source of our competitive advantage. We remain a leading financial institution because of our continued investment in digitisation, innovative solutions, improving ease of access to banking services, and ensuring system reliability.
Intellectual Capital	Intellectual capital refers to our collection of brand value, intellectual property, technical know-how, and innovation in delivery of products and deployment of technology. We place a high value on intellectual capital to gain a competitive advantage. For us to remain adaptable and sustainable, our products and services must be reflective of ever-evolving industry practices.	Through constant stakeholder engagement, regulatory compliance, and a strategic communications approach, the Group ensures that its reputation credentials stay strong. In this regard, the Group has continued to outperform the market on key intellectual capital metrics. Every year, the Bank's research arm conducts a brand health assessment, identifying top brand drivers and stress spots, as well as specific remedial steps.
Human Capital	Human capital is a significant component of the Group's strategy and a key differentiator. Talent attraction, retention, motivation, and development continue to drive our transformational strategy. The most significant ingredient in generating exceptional results from all other capitals remains our people, who carry out the Group's mission.	Our reputation and track record of strong performance contribute to the Group's capacity to attract exceptional talent across our markets. In addition, our employee compensation and benefit plans are continually benchmarked to ensure that we remain competitive in the market.
Social and Relationship Capital	We believe that a business should exist not just for profit, but also to transform communities around it. As such, the Group has adopted a shared value approach in its operations — integrating social programmes into business — in collaboration with other stakeholders, which is the baseline of our social and relationship capital.	Through our social investment arm, KCB Foundation, the Group nurtures enterprises across East Africa to enable them to scale and enhance their social impact through innovative and sustainable business models.
Natural Capital	We are committed to creating long-term value for shared prosperity through the alignment of our strategy with sustainable practices. As we deepen our presence across the region, we continuously seek to embed best sustainability practices as we endeavour to build a future-proof business.	We are at the forefront, in this region, leading the transition to a net-zero society and a circular economy. This shift is not only good for the environment but also presents opportunities for the Group to channel financing towards projects aimed at addressing climate change, while contributing to our goal to be Net Zero by 2050.

Our Business Model

We harness our strengths and capabilities to achieve our strategic objectives and create sustainable value for all stakeholders. Our Transforming Today Together strategy drives focused growth while ensuring that we put our customers first and deliver sustainable returns for our shareholders.

1. We leverage our strengths and capabilities...

- Wide footprint
- Diversified revenue streams
- Track record in delivering sustainable shareholder returns
- Exceptional talent
- Leader in digital financial solutions
- Leader in sustainability and governance
- Strong brand and customer experience

2. to fulfil our Purpose and bring our values to life...

For People. For Better.

- Connected
- Closer
- Courageous

3. by harnessing our capitals...

Financial Capital
- Total shareholders' equity: **Ksh 331.5 billion.**
- Total capital: **Ksh 379.9 billion.**
- Borrowings: **Ksh 90.2 billion.**
- Customer deposits: **Ksh1,592.6 billion**

Manufactured Capital
- **456** branches.
- **1.3M** agents and merchants.
- Robust digital banking channels.
- **99.90%** core banking system uptime.

Intellectual Capital
- Strong customer value proposition.
- Innovative digital products.
- Prudent risk management.
- Strong brand.

Human Capital
- Exceptional talent and skillset.
- Strong employee value proposition.
- **11,252** employees.
- **44%** are women.
- **70%** are under 40 years of age.
- **85%** full-time employees.

Social Capital
- **34 million** customers.
- Diverse pool of suppliers with focus on special interest groups of women, youth, and differently abled persons.
- Transformative partnerships.
- Impactful KCB Foundation programmes.

Natural capital
- Industry leader in sustainability.
- Signatory to key alliances to champion sustainable practices.
- Alignment towards growing our green loans portfolio.

4. to deliver on our strategy...

- Customer-centered value propositions.
- Leverage Group capabilities for efficient scale.
- Optimise data and analytics.
- Digital leadership.

5. and avail market leading solutions...

- A well-diversified business model that offers an extensive suite of tailor-made, market leading financial solutions to enable our customers to transact, save, and make payments.
- We extend secured and unsecured credit to our customers, based on their repayment ability and our risk appetite.
- We offer investment banking solutions and asset management services.
- We facilitate provision of protection against insurable risks.

6. that create sustainable value for all stakeholders.

Value for customers
- Market-leading customer value propositions.
- **Ksh 417 billion** trade finance book.
- **Ksh 149 billion** in loans to female-led/owned businesses.
- **99%** of transactions conducted on digital channels.
- NPS score of **70**.

Value for employees
- Strong employee value proposition.
- **Ksh 37 billion** in total employee benefits.
- **630 Promotions** in 2025.
- **82%** Group Culture Engagement Score.

Value for investors
- Sustainable shareholder returns.
- **22.5% return on equity**.
- Strong internal capital generation capacity.
- **Ksh 7.00 total dividend** per share.

Value for government and regulators
- Partner of choice for impactful government-led initiatives.
- Compliance with regulatory requirements.
- **Ksh 51 billion** in total taxes paid in 2025.
- Banker of choice for several collection and distribution services, required by the governments in the region we operate in.

Value for society

ESG leader.
- Green loans worth **Ksh 49 billion** disbursed.
- Procurement contracts worth **Ksh 1.2 billion** awarded to special interest groups.
- **KCB Foundation** programmes continue to deliver meaningful impact across the region.

Value for Stakeholders: How We Delivered in 2025

Engaging our stakeholders is essential to building long-term resilience and ensuring the sustainability of our Group, and it lies at the heart of how we implement our strategy. We actively consider the perspectives and needs of our diverse stakeholders, along with the long-term implications of every decision we make.

Stakeholder engagement takes place in a variety of ways and through various channels. We review stakeholder feedback and use this feedback when defining strategic objectives and making decisions. Our stakeholders include those individuals, entities, or groups who have an interest in our Company or can either affect or be affected by our operations. They include our customers, employees, investors, governments, regulators, and society.

Customers

Who they are

Over 34 million customers across seven countries. They include:

- Personal banking customers.
- Micro, small, and medium size entities.
- Medium and large corporates.
- Public sector including county governments, national government ministries, departments, and state-owned entities.
- Mortgage customers.

How we engaged during the year

We engage and serve customers through multi-channel touchpoints. Our customers have access to 456 branches in the region. Through these branches, we manage customer relationships, sell and cross sell products, onboard customers to digital touchpoints, and process customer transactions. Our non-branch channels encompass mobile banking, internet banking, agency banking outlets, and merchant points of sale. In addition, we have a 24/7 multichannel contact centre.

During the year, besides regular engagements undertaken by regional and branch managers, we also conducted a series of customer engagement events across the region. These sessions were led by our Group Chief Executive Officer and Managing Directors across all subsidiaries. They were primarily focused on understanding and addressing the specific needs of our customers.

What they tell us matters to them

- Exceptional customer service.
- Accessible and reliable touchpoints.
- Affordable financial solutions.
- System stability and security on digital channels.
- Timely service and faster turnaround times.
- Credible brand.
- Responsible banking with transparent pricing.

Key metrics that we track

- Net Promoter Score (NPS).
- Customer Effort Score (CES).
- System uptime.
- Proportion of transactions conducted through non-branch channels.
- Credit processing turnaround times.
- Brand health score.
- Product value propositions for priority customer segments.

Value created, preserved or eroded in the year

- (Value created) Group Net promoter score improved to **70** (2024: 55)
- (Value created) Loans disbursed grew to **Ksh 596 billion** (2024: Ksh 521 billion) providing vital financing for businesses and households.
- (Value created) Loans disbursed to women owned and led businesses grew to **Ksh 149 billion** (2024: Ksh 139 billion)
- (Value preserved) Interest income earned by our depositors stood at **Ksh 47 billion** (2024: Ksh 52 billion)
- (Value created) Safeguarded customer deposits worth **Ksh 1.6 trillion** at competitive rates (2024: Ksh 1.4 trillion)
- (Value created) Facilitated import of key commodities through our trade finance solutions. Trade finance book stood at **Ksh 417 billion** at the end of the year (2024: Ksh 333 billion)
- (Value eroded) Customer Effort Score increased marginally to **14%** (2024: 13%)
- (Value eroded) Non-performing loans reduced to Ksh **212 billion** (2024: Ksh 226 billion), we continue to implement measures to improve asset quality. Read more on page 60 of this report.

Value created | Value preserved | Value eroded

Read more on how we place our customers first through delivering leading value propositions on page 64 and how we created value for customers on page 78

Employees

Who they are

The Group has a diverse and exceptionally talented staff complement. The key highlights of our staff complement are:

- **11,252** employees (2024: 12,090)
- **44%** Female / **56%** Male
- **70%** Below 40 years / **93%** Below 50 years
- **85%** Full-time / **15%** Part-time employees

How we engaged during the year

We promote a culture of transparent and open communication across the Group. In 2025, KCB held a wide range of staff engagements aimed at strengthening relationships, keeping teams informed, and ensuring every employee feels valued and connected to the Group. The year began with the "Ushering 2025 in Faith and Unity" session, followed by extensive retail cascade engagements across regions to align teams on the year-long strategy. Key moments included the launch of the World Rally Championship (Safari Rally) and the KCB Bank Kenya Simba Awards, which celebrated and recognised staff contributions.

Throughout the year, various Directors led "Adopt a Branch" engagements across the network, complemented by regular staff forums and engagements led by managing directors of subsidiaries to listen, connect, and inspire. The Bank also marked important international days such as International Women's Day, Men's Day and Father's Day, alongside wellness, learning, leadership, and culture-focused forums, reinforcing KCB's commitment to an inclusive, supportive and high-performing workplace. The Human Resource Division is responsible for the overall employee experience and feedback gathering.

What they tell us matters to them

- Competitive employee value proposition.
- Safe and ethical workplace.
- Career progression and training opportunities.
- Job security and strong leadership.

Key metrics that we track

- KCB Culture Survey Score.
- Learning and development outcomes.
- Career progression and talent cover.
- Skill development programmes outcomes.

Value created, preserved or eroded in the year

- (Value created) Employee benefits increased to **Ksh 37 billion** (2024: Ksh 35 billion) on enhanced performance-based remuneration, amid a drop in headcount.
- (Value created) Promoted **630** employees across the Group upon demonstrating their ability to handle greater responsibilities (2024: 627)
- (Value created) Trained **890** inaugural cohort of leaders across the Group under the KCB Leadership Academy.
- (Value created) Achieve a **98%** closure rate of identified culture improvement action points by the end of 2025.
- (Value preserved) Sustained a diverse workforce, **44%** of employees are female (2024: 45%)

Value created | Value preserved | Value eroded

Read more on how we drive diversity and inclusion, build talent, enhance our employee value proposition, and empower employees to thrive within and outside the workplace on page 80.

Investor Community

Who they are

Our investor community comprises both equity and debt investors who provide the financial capital to run the Group's activities. This capital, alongside our retained earnings, powers the deployment of our strategy. This community is composed of:

- Over 193,000 local and foreign shareholders, including individual and institutional shareholders.
- Debt investors.
- Fund managers and investment analysts.
- Credit rating agencies.
- Prospective investors.

How we engaged during the year

The Group maintains a strong shareholder engagement programme that promotes open and transparent dialogue with both existing and prospective investors. We are committed to treating all shareholders equally. The Board engages with shareholders at annual general meetings (AGM) and extraordinary general meetings (when necessary) and will continue this engagement at the upcoming AGM scheduled for 21 May 2026. In addition, the Board will provide ongoing updates to shareholders on significant developments throughout the year.

Our primary contact with institutional shareholders and debt holders is through our senior management team which provides a standing invitation to shareholders and debt holders to meet and discuss any matters of concern. Our annual results, half-year results, and quarterly results announcements are supported by a combination of investor presentations and results conference calls. The presentations and the statutory financial performance publications are uploaded to our website. The website also provides our shareholders with access to the Group's press releases and other important corporate actions.

Over the course of 2025, our senior management team engaged with various institutional investors and participated in investor conferences and road shows, most of which were virtual. The key topics from these interactions included:

- The region's macroeconomic outlook, regulatory developments, and growth prospects.
- Business growth and earnings projections.
- Updates on progress of the divestiture from National Bank of Kenya as well as progress on proposed acquisitions of shareholding in Riverbank (now completed) and Pesapal.
- Asset quality trends and outlook.
- Capital levels and outlook.
- Dividend stance and outlook.
- Cost of funding and liquidity.

What they tell us matters to them

- Timely reporting and effective communication.
- Consistent capital gains and predictable dividend yield.
- Strong revenue growth and sustainable profitability.
- Prudent risk management.
- Strong capital and liquidity ratios.
- Sound ESG practices.
- Operational efficiency.
- Access to management.
- Consistent narrative and the delivery of the strategic plan.

Key metrics that we track

- Relative share price performance to relevant peer groups.
- Dividend per share, dividend yield and earnings per share.
- Return on equity.
- AGM voting outcomes and investor feedback.
- Adherence to financial covenants.

Value created, preserved or eroded in the year

- Grew shareholders' wealth. Total equity attributable to equity holders of the Group increased to **Ksh 332 billion** (2024: Ksh 275 billion)
- Paid out largest interim, special and final dividends amounting to **Ksh 22.5 billion** in 2025 (2024: Ksh 9.6 billion)
- KCB share was among the best performing stocks at the Nairobi Securities Exchange (NSE), gaining **58%** in 2025 (2024: gained 90%)
- Maintained stock liquidity, KCB counter ranked **#2** by turnover at the Nairobi Securities Exchange (2024: #4)

Value created   Value preserved   Value eroded

Read more on our business performance and guidance for 2026 on page 58

Investor Information

The Group has a diverse base of investors and has been listed on the Nairobi Securities Exchange since 1988. It has since been cross listed on the Dar-es-Salaam Stock Exchange, Uganda Securities Exchange, and Rwanda Stock Exchange. As at the end of 2025, the Group had 193,981 individual and institutional shareholders. We are proud of our solid fundamentals and our earnings-generation capacity. Our dividend policy provides for the distribution of up to 50% of net earnings, underscoring the need to strike a balance between adequate capital buffers to support key strategic business growth initiatives and shareholder returns.

KCB Share Information

Description	2025	2024
Number of issued shares	3,213,462,815	3,213,462,815
Total number of authorized shares	4,500,000,000	4,500,000,000
Number of shareholders	193,981	193,344
Free float	80%	80%
End of period share price (Ksh)	65.75	41.60
Market capitalization (Ksh billion)	211.3	133.7
Return on equity	22.5%	24.6%
KCB Group shareholders' equity (Ksh billion)	331.5	274.9
Total borrowing (Ksh billion)	90.2	69.3
Debt to equity ratio	27.2%	25.2%

Shareholding per category

	2025	2024
Local Institutional Investors	66.1%	63.0%
Local Individual Investors	24.9%	25.9%
Foreign Investors	9.0%	11.1%
Total	**100.0%**	**100.0%**

Major shareholders (above 5%)

Shareholder	2025	2024
C.S. National Treasury of Kenya	19.76%	19.76%
National Social Security Fund	10.20%	10.01%

2026 Investor Calendar

Tentative Date	Activity
20 May 2026	Announcement of Q1 2026 Unaudited Financial Results
21 May 2026	55th Annual General Meeting
12 August 2026	Announcement of H1 2026 Unaudited Financial Results
18 November 2026	Announcement of Q3 2026 Unaudited Financial Results

Government and Regulators

Who they are

Government and regulatory entities in our markets include:

- National and local governments in Kenya, Tanzania, South Sudan, Uganda, Rwanda, Burundi, and Democratic Republic of the Congo.
- Central Banks and tax authorities in the above countries.
- Capital market regulators in Kenya, Uganda, Tanzania, and Rwanda.

How we engaged during the year

We continuously build and maintain solid relationships with governments and regulators in the markets we operate in. Our engagement with these two key stakeholders is led by our Group Chief Executive Officer supported by managing directors of subsidiaries and members of senior management teams.

We are cognizant of the important role we play in catalysing economic activities in the region. In 2025, we continued to deliver on this role via tailor-made products to channel financing to key segments and provided robust and affordable payment solutions for businesses.

In addition, the Group continues to uphold regulatory requirements and ensure total adherence to guidelines and regulations. We also ensure that we pay the appropriate taxes and fees in the markets where we operate in.

What they tell us matters to them

- Contribution to national development goals through financing, market creation, and direct and indirect employment creation.
- Responsible taxpayer in our markets.
- Compliance with regulatory requirements.

Key metrics that we track

- Compliance with regulatory ratios.
- Timely reporting and filing of statutory and regulatory requirements.
- Direct and indirect taxes paid.
- Strong corporate governance.

Value created, preserved or eroded in the year

- (Value created) Total taxes paid increased to **Ksh 51 billion** (2024: Ksh 40 billion) on improved profitability.
- (Value preserved) Partnered with governments in the region to deliver key programmes.
- (Value preserved) All our subsidiaries were compliant with regulatory core and total capital requirements.
- (Value preserved) Maintained strong liquidity positions across all our subsidiaries.

Value created | Value preserved | Value eroded

Society

Who they are

- Communities
- Suppliers
- Media
- Natural environment

How we engaged during the year

Media remains a critical stakeholder for the Group. In 2025, we leveraged various media platforms (print, broadcast and social media) both locally and internationally to bolster our brand image, customer engagement, and overall business objectives.

Social media was also instrumental in driving KCB's strategic goals, strengthening the brand, and fostering a deeper connection with the community. Social media served as a platform for engagement and as a pivotal tool for managing reputation, promoting thought leadership, and amplifying KCB's positive impact across the region.

Our Foundation also maintained regular engagements with partners, county governments and beneficiaries. This enabled the building of strong relationships and nurtured a culture of collaboration.

The Group worked closely with its partners in driving sustainability. These were undertaken through bilateral sessions, collaborations through working groups and participation in international fora such as the 30th United Nations Climate Change Conference (COP 30).

The Group held a forum with suppliers during the year aimed at strengthening partnerships for sustainable growth. This provided a key platform to exchange ideas and receive feedback from our suppliers on how to strengthen our relationship.

What they tell us matters to them

- Contribution towards addressing socioeconomic challenges.
- Responsible procurement.
- Enhanced brand value and solid reputation.
- Contribution towards attaining the Sustainable Development Goals (SDGs)

Key metrics that we track

- Level of support to social initiatives through sponsorship and thought leadership.
- Procurement spend on special interest groups and local suppliers.
- Our impact on the environment.
- Contribution to SDGs.

Value created, preserved or eroded in the year

- (Value created) Disbursed green loans worth **Ksh 49 billion** (2024: Ksh 53 billion)
- (Value created) Screened loans worth **Ksh 587 billion** through our environmental and social due diligence tool (2024: Ksh 513 billion)
- (Value created) Grew **3.4 million** trees (2024: 1.3 million)
- (Value created) Our Foundation supported **265,300** jobs through livelihoods programmes namely DiGiFLME, 2Jiajiri, Young Africa Works, and Mifugo ni Mali (2024: 60,686)
- (Value created) Our Foundation sustained **4,261** students through our Scholarship programme (2024: 5,752)
- (Value created) Increased value of procurement contracts awarded to enterprises owned by youth, women, and persons living with disabilities to **Ksh 1.2 billion** (2024: 913 million)
- (Value eroded) Faced reputation risks borne out of legal disputes for recoveries of nonperforming loans. The Group voluntarily disclosed information on the status of legal disputes even when not legally required, to preempt negative media coverage and demonstrate transparency.

Value created | Value preserved | Value eroded

Read more on highlights of our sustainability programmes on page 74 and how we created value for our communities on page 84.

Our Transforming Today Together strategy drives focused growth while ensuring that we put our customers first and deliver sustainable returns for our shareholders.

Delivering our Strategy

Group Chairman's Statement

Dear Shareholders,

In mid-2023, when my fellow Board members elected me to serve as the Group Chairman, I accepted the role with deep humility, having witnessed firsthand, over the years I have served in the public service, the role KCB has played in enabling businesses to grow and households to succeed—not only in Kenya, but across the region. At the time, I had served on the Board for only two months, and I was still deepening my understanding of the drivers of our impact for all our stakeholders.

Over the past three years, I have had the privilege of working alongside a dedicated Board and an exceptional management team, which explains the success our organization has made in positively impacting all our stakeholders. I am pleased to inform you that the impact we deliver has not only grown in leaps and bounds but has remained meaningful and relevant across the region and beyond.

It is, therefore, my pleasure to share with you our performance in the year under review—and my thoughts on how we are positioning the Group for the future.

Operating Environment

The year 2025 was characterised by resilience across the economies of the seven countries in which our Group operates. East Africa remained the fastest growing sub-region on the continent, driven by expanding trade, digital innovation, and deeper regional integration. Most economies in the region recorded growth rates significantly above the global average.

Growth in gross domestic product (GDP), remained steady at mid-single digits in six countries, with South Sudan outperforming the rest to post an estimated growth of 24%. Indications are that economic growth recorded in 2025 will be replicated in 2026, thus providing a strong base for the KCB Group to play its role, both as a driver and a beneficiary of this progress.

It is, however, important to note that the geopolitical landscape remains fluid, characterised by significant shifts, including the ongoing US/Israel-Iran conflict. Conscious of that political risk, we will, therefore, continue to monitor closely the geopolitical developments, assess potential implications for our business, and act in good time to safeguard it.

Business Performance

In 2025, the Group demonstrated disciplined strategy execution and resilience to deliver a strong performance. We strengthened our market position through targeted investments, while embedding sustainability and responsible business at the core of our operations. Key highlights included the successful completion of the sale of National Bank of Kenya Limited (NBK) to Access Bank Plc.; the acquisition of a majority stake in Riverbank Solutions Limited, a financial technology firm; and an investment in a minority stake in Pesapal Limited, a digital payments firm. These actions reflect our commitment to sharpen our focus on core growth markets, and redeploy capital where returns are strongest to power our growth into the future and, more importantly, to optimize the wealth of our shareholders.

From a performance standpoint, KCB delivered a strong and resilient financial result. The Group's net profit grew by 11% to an all-time high of Ksh 68.4 billion, thus enabling a 22.5% return on equity and placing us among the top-performing companies on the Nairobi Securities Exchange. Total assets grew by 9% to Ksh 2.1 trillion, despite the sale of NBK, which accounted for close to 10% of the Group's total assets.

This performance underscores KCB's fundamentals as both a fast-growing and high-yielding company. In addition, our regional diversification strategy continued to strengthen resilience and drive performance. Subsidiaries outside KCB Bank Kenya delivered 29.5% of the overall net profit and accounted for 30.5% of total Group assets.

Shareholder Value

It is worth noting that because of the strong performance the Group recorded in the year and supported in part by proceeds from the completion of the sale of NBK, the Board proposed the payment of interim and final dividends. In doing so, we have balanced shareholder returns with prudent capital retention to support growth and regional expansion.

In November 2025, the Board approved the payment of an interim dividend of Ksh 4.00 per ordinary share. This comprised an even split of Ksh 2.00 per ordinary share as interim dividend for the year and a special dividend from the sale of NBK. The Board, in 2026, has further recommended an additional final dividend of Ksh 3.00 per ordinary share for your consideration and approval at the upcoming Annual General Meeting (AGM). This will comprise Ksh 2.00 per ordinary share as final dividend for the year and Ksh 1.00 per ordinary share as a further special dividend from the sale of NBK.

This brings the total dividend for the year 2025 to Ksh 7.00 per ordinary share, equivalent to Ksh 22.5 billion—an increase of 133% compared to the previous year.

Safeguarding Value

Touching on our commitment to safeguard value, I am, happy to report that the KCB Group governance structures remain solid. We have put in place frameworks that are aligned with regulatory requirements and benchmarked against global best practice. These structures provide clear accountability, and they underpin a culture of integrity, innovation, and operational excellence.

Our directors regularly assess their capability development needs, staying informed on industry trends, market developments, and regulatory changes to support sound oversight and strategic alignment. We also continue to prioritise a Board with a diverse mix of skills, knowledge, and experience.

During the year, we reconstituted our Board committees to align with our evolving strategic needs and improve effectiveness in our oversight responsibility. This re-alignment saw the decoupling of the Audit and Risk committee to two separate committees, one focusing on Audit, and the other on Risk and Compliance. The Governance function was moved to the Nominations committee, and Oversight was consolidated within the Strategy and IT committee. Further details on the roles and composition of the respective committees are provided within this report.

In the year, several directors across the Group and subsidiary boards completed their tenures, and I thank them for their service to the organisation. At the Group level, Alice Kirenge retired from the Board in August 2025. In 2026, the Board nominated Lyn Mengich to fill the casual vacancy occasioned by Alice's retirement. This nomination will be presented to you for your deliberation and ratification at the upcoming AGM. We are confident, Lyn's expertise in human capital development, and in public and private sector management, will deepen and enrich our Board deliberations.

Our efforts to embed sustainability across our business and operations, continued to yield positive results in 2025. We made progress on environmental, social, and governance metrics, and across the region we supported enterprises and enabled millions of small and medium-sized businesses to grow.

We remain committed to our overarching purpose: **For People. For Better.** In this regard and through the work of our philanthropic arm, the KCB Foundation, our focus on youth enterprise development continued to bear encouraging results. The Foundation, through its livelihood's Improvement programmes, supported over 265,000 people in 2025 compared with 61,000 people in 2024.

Acknowledgments

In conclusion, I thank all our stakeholders—especially you, our shareholders—for your unwavering support and trust over the years. I remain convinced, KCB would not be the regional powerhouse it is today without you. You are the bedrock of our success, and for that, we salute you.

I also acknowledge the directors of the Group and subsidiary boards for their dedication and steadfast oversight. In addition, I thank all our employees, led by our Group Chief Executive Officer, Mr. Paul Russo, for steering the business with diligence and ensuring that KCB continues to deliver value to all its stakeholders.

Outlook

As we look to 2026, we remain optimistic about our prospects. East Africa continues to present significant opportunities, and I am confident, KCB Group is well positioned to harness them. With a focused strategy and execution culture, resilient fundamentals, and a deep commitment to our people and our customers, we will continue to serve as a cornerstone of the region's financial system—and a trusted partner in shaping the next phase of economic growth and shared prosperity.

FCS Dr. Joseph Kinyua, EGH
Chairman

KCB Group Plc
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Taarifa kutoka kwa Mwenyekiti

Wanahisa wapendwa,

Katikati ya mwaka wa 2023, wakurugenzi wenzangu waliponichagua kuhudumu kama Mwenyekiti wa Kikundi, nilikubali jukumu hili kwa unyenyekevu mkubwa. Katika miaka yangu ya huduma kwa utumishi wa umma, nimeshuhudia hatua za ufanisi zilizopigwa na KCB katika kusaidia makuzi ya biashara na familia mbalimbali kufanikiwa—sio tu nchini Kenya, bali katika kanda nzima ya Afrika Mashariki. Wakati huo, nilikuwa nimehudumu kwenye Bodi kwa miezi miwili pekee, na nilikuwa bado ninaendelea kuelewa kwa undani vyanzo vya mabadiliko tunayoleta kwa wadau wetu wote.

Katika kipindi cha miaka mitatu iliyopita, nimepata fursa ya kufanya kazi pamoja na Bodi ambayo imedhihirisha bidii na wasimamizi wakakamavu . Si ajabu kwamba matokeo ni ya mafanikio katika shirika letu na wadau wetu. Nina furaha kuwafahamisha kuwa mabadiliko tunayoleta yameongezeka kwa kiasi kikubwa na yameendelea kuwa muhimu kote katika kanda hii na kwingineko.

Kwa hivyo, ni furaha yangu kushiriki nanyi matokeo yetu ya mwaka uliopita—na tafakari yangu kuhusu jinsi tunavyokiandaa Kikundi kwa ajili ya siku zijazo.

Mazingira ya Biashara

Mwaka wa 2025 ulishuhudia uthabiti katika makuzi ya uchumi katika nchi saba ambazo Kikundi chetu kinaendesha biashara zake. Afrika Mashariki iliendelea kuwa kanda inayokua kwa kasi zaidi barani Afrika, ikichochewa na ongezeko la biashara, ubunifu wa kidijitali, na ushirikiano wa kikanda. Uchumi wa nchi hizi katika kanda hii zilirekodi viwango vya ukuaji vilivyo juu zaidi ya wastani wa kimataifa.

Ukuaji wa Pato la Taifa (GDP) ulibaki thabiti katika nchi sita, huku Sudan Kusini ikiongoza kwa ukuaji uliokadiriwa kuwa 24%. Kuna dalili kuwa ukuaji wa kiuchumi ulioshuhudiwa mwaka 2025 utajirudia tena mwaka 2026, hivyo kutoa msingi imara kwa KCB kutekeleza wajibu wake kama mchochezi na mdau anayenufaika na maendeleo haya.

Hata hivyo, ni muhimu kutambua kuwa hali ya kisiasa duniani bado haina uhakika, ikichochewa na mabadiliko makubwa ikiwemo mzozo unaoendelea kati ya Marekani/Israel na Iran. Kwa kuzingatia hatari hizo za kisiasa, tutaendelea kufuatilia kwa karibu matukio duniani, kutathmini athari zinazoweza kutokea kwa biashara yetu, na kuchukua hatua mapema ili kuilinda.

Matokeo ya Biashara

Katika mwaka wa 2025, Kikundi kilionyesha utekelezaji makini wa mikakati na uthabiti ili kupata matokeo bora. Tulimarisha nafasi yetu katika soko kupitia uwekezaji wa kimkakati, huku tukizingatia maono ya malengo ya muda mrefu ya kibiashara na uwajibikaji kama msingi wa shughuli zetu. Mambo muhimu yaliyofanyika ni pamoja na:

Kukamilika kwa mauzo ya benki ya NBK kwa Access Bank Plc. Ununuzi wa kiwango kikubwa cha umiliki katika kampuni ya teknolojia ya kifedha ya Riverbank Solutions Limited, uwekezaji wa hisa chache katika kampuni ya malipo ya kidijitali ya Pesapal Limited.

Hatua hizi zinaonyesha azma yetu ya kuangazia zaidi masoko makuu yanayokua, na kuelekeza mtaji pale ambapo faida ni kubwa zaidi ili kuchochea ukuaji wetu na, muhimu zaidi, kuongeza utajiri wa wenyehisa wetu.

Kuhusu matokeo ya kifedha, KCB ilipata faida nzuri na thabiti. Faida halisi (Net Profit) ya Kikundi ilikua kwa 11% na kufikia kiwango cha juu zaidi cha Ksh 68.4 bilioni. Hii ilitupa mapato ya 22.5% kutokana na usawa wa mtaji (return on equity), na kutuweka miongoni mwa kampuni zinazofanya vizuri zaidi katika Soko la Hisa la Nairobi (NSE). Jumla ya rasilimali ilikua kwa 9% hadi kufikia Ksh 2.1 trilioni, licha ya uuzaji wa NBK, ambayo ilichangia karibu 10% ya rasilimali zote za Kikundi.

Matokeo haya yanathibitisha misingi imara ya KCB kama kampuni inayokua haraka na inayotoa faida kubwa. Aidha, mkakati wetu wa kupanua biashara katika kanda uliendelea kuimarisha uthabiti wetu. Kampuni tanzu nje ya KCB Bank Kenya zilichangia 29.5% ya faida yote halisi na 30.5% ya jumla ya rasilimali za Kikundi.

Thamani kwa Wamiliki Hisa

Ni vyema kutambua kuwa kutokana na matokeo mazuri ya Kikundi mwaka huu, yakisaidiwa kwa kiasi na mapato ya uuzaji wa NBK, Bodi ilipendekeza malipo ya mgao wa muda na mgao wa mwisho. Katika kufanya hivyo, tumeweka uwiano kati ya faida ya wenyehisa na salio la mtaji kwa ajili ya kusaidia kukuza KCB kikanda.

Mnamo mwezi Novemba 2025, Bodi iliidhinisha malipo ya mgao wa muda wa Ksh 4.00 kwa kila hisa. Hii ilijumuisha Ksh 2.00 kama mgao wa muda wa mwaka na Ksh 2.00 kama malipo maalum kutokana na uuzaji wa benki ya NBK. Mwaka wa 2026, bodi, imependekeza mgao wa mwisho wa ziada wa Ksh 3.00 kwa kila hisa ya kawaida kwa matumaini ya kwamba mutaidhinisha katika Mkutano Mkuu wa Mwaka (AGM) ujao. Hii itajumuisha Ksh 2.00 kama mgao wa mwisho wa mwaka na Ksh 1.00 kama gao lingine maalum kutokana na uuzaji wa NBK.

Hii inafanya jumla ya mgao wa mwaka wa 2025 kuwa Ksh 7.00 kwa kila hisa ya kawaida, sawa na Ksh 22.5 bilioni—ongezeko la 133% ikilinganishwa na mwaka uliopita.

Ulinzi wa Thamani ya Biashara

Kuhusu azma yetu ya kulinda thamani, nina furaha kuripoti kuwa miundo ya uongozi wa kikundi cha KCB inasalia kuwa imara. Tumeweka mifumo inayozingatia mahitaji ya kisheria na kulinganishwa na mbinu bora za kimataifa. Miundo hii inatoa uwajibikaji wazi na inakuza utamaduni wa uadilifu, ubunifu, na utendaji bora.

Wakurugenzi wetu hupima mahitaji yao ya kujiendeleza mara kwa mara, wakitathmini habari mpya kuhusu mienendo ya sekta, mabadiliko ya soko, na mabadiliko ya kisheria ili kusaidia usimamizi thabiti. Pia tunaendelea kutoa kipaumbele kumiarisha Bodi yenye mchanganyiko wa ujuzi, maarifa, na uzoefu wa aina mbalimbali.

Katika mwaka huu, tulilinda upya kamati zetu za Bodi kuambatana na mahitaji yetu ya kimkakati yanayobadilika. Mabadiliko haya yalisababisha kutenganishwa kwa kamati ya Ukaguzi na udhibiti wa hatari kuwa kamati mbili tofauti: moja ikizingatia Ukaguzi, na nyingine ya kuzingatia hatari za kibiashara . Majukumu ya Utawala yalihamishiwa kwenye Kamati ya uteuzi, na jukumu la uangalizi liliunganishwa ndani ya Kamati ya Mikakati na Teknolojia ya Habari. Maelezo zaidi kuhusu majukumu na muundo wa kamati hizo husika yametolewa ndani ya ripoti hii.

Katika mwaka huo, wakurugenzi kadhaa katika Kikundi na bodi za kampuni tanzu walimaliza muda wao wa kuhudumu, na ninawashukuru kwa huduma yao. Katika ngazi ya Kikundi, Bi. Alice Kirenge alistaafu mnamo Agosti 2025. Mwaka 2026, Bodi ilimteua Bi. Lyn Mengich kujaza nafasi hiyo. Uteuzi huu utawasilishwa kwenu kwa ajili ya majadiliano na kuidhinishwa katika mkutano wa mwaka ujao. Tuna imani kuwa utaalamu wa Lyn katika usimamizi wa rasilimali ya watu na sekta ya umma na binafsi utaimarisha majadiliano ya Bodi yetu.

Juhudi zetu za kuimarisha uendelevu katika biashara yetu ziliendelea kuzaa matunda mwaka 2025. Tulipata maendeleo katika vigezo vya mazingira, kijamii, na uongozi (ESG), na katika kanda nzima tulisaidia mamilioni ya biashara ndogo na miradi (SMEs) kukua.

Tunaendelea kuwajibika kutekelez ahadi yetu kuu: "Kwa Ajili ya kila mtu. Kwa Maisha Bora." Katika muktadha huu, kupitia KCB Foundation, lengo letu la kukuza biashara za vijana liliendelea kuleta matokeo ya kutia moyo. Wakfu wa KCB ulisaidia zaidi ya watu 265,000 mwaka 2025 ikilinganishwa na watu 61,000 mwaka 2024.

Shukran

Kwa kumalizia, nawashukuru wadau wetu wote—hasa ninyi, wenyehisa wetu—kwa msaada wenu usioyumba na imani yenu kwetu kwa miaka mingi. Ninaendelea kuamini KCB haingekuwa nguzo ya kikanda kama ilivyo leo bila ninyi kama msingi wa mafanikio yetu.

Pia ninawashukuru wakurugenzi wa kundi na bodi katika kampuni tanzu kwa kujitolea kwao. Nawapatia wafanyikazi wetu wote shukrani zangu za dhati pia, wakiongozwa na Afisa Mkuu Mtendaji wa kikundi cha KCB, Bw. Paul Russo, kwa kuongoza biashara hii kwa bidii na kuhakikisha kuwa KCB inaendelea kutoa thamani kwa wadau wake wote.

Mtazamo wa Baadaye

Tunapotazama mwaka wa 2026, tuna matumaini makubwa. Afrika Mashariki inaendelea kutoa fursa nyingi, na nina imani kuwa kikundi cha KCB kiko katika nafasi nzuri ya kuzitumia vyema. Tukiwa na mkakati thabiti, msingi imara, na ahadi kwa watu na wateja wetu, tutaendelea kuhudumu kama nguzo ya mfumo wa kifedha wa kanda hii—na mshirika anayeaminika katika kuunda awamu ijayo ya ukuaji wa kiuchumi na ufanisi wa pamoja.

FCS Dkt. Joseph Kinyua, EGH
Mwenyekiti

Group Board of Directors

Standing L-R

1. **Ahmed Mohamud** Independent Non-Executive Director	2. **Agnes Lutukai** Independent Non-Executive Director	3. **Lawrence Njiru** Independent Non-Executive Director

Seated L-R

4. **Lyn Mengich** Independent Non-Executive Director	5. **Geoffrey Malombe** Alternate to Cabinet Secretary National Treasury	6. **FCS Dr. Joseph Kinyua, EGH** Independent Non-Executive Chairman

Standing L-R

7. **Lawrence Kimathi** Group Finance Director	8. **Bonnie Okumu** Company Secretary	9. **William Asiko** Independent Non-Executive Director

Seated L-R

10. **Paul Russo, EBS** Group Chief Executive Officer	11. **Anuja Pandit** Independent Non-Executive Director

KCB Group Plc
2025 Integrated Report & Financial Statements
OVERVIEW STRATEGY ESG CORPORATE GOVERNANCE RISK & INTERNAL CONTROLS FINANCIAL STATEMENTS ADDITIONAL INFORMATION

Board of Directors' Profiles

FCS Dr. Joseph Kinyua, EGH (74 Years)
Group Chairman

Date of Appointment to Designation:
Appointed Group Chairman in May 2023
Date of Appointment to Board: March 2023

Education and Professional Background:

FCS Dr. Joseph Kinyua, EGH is the immediate former Head of Public Service. He has had an illustrious career spanning over 44 years in public service and has a wealth of experience in public administration. He is credited with the effectively holding a pivotal role in implementing key government initiatives and reforms including the liberalization of the financial services sector, the foreign exchange market and the trade and capital accounts of the balance of payments among other initiatives.

Prior to his appointment as the Head of Public Services in 2013, he had served in various senior positions in the government, including as Permanent Secretary to the National Treasury. He has also served in various roles at the Central Bank of Kenya, including as a the Chief Economist as well as an Economist with the International Monetary Fund.

Current KCB Group Board Appointments:

Dr. Kinyua is the chairman of the Nominations and Governance committee of the board.

Geoffrey Malombe (54 Years)
Alternate Director to C. S. – National Treasury

Date of Appointment to Board as Alternate:
December 2023

Education and Professional Background:

FCPA Geoffrey Malombe, HSC, ndc (K) is currently the Director, National Assets and Liabilities Management Department. Prior to this, he was the Ag. Director, National Assets and Liabilities Management Department. Prior to that, he was the Senior Deputy Accountant General. He holds a Master of Arts in International Studies from the University of Nairobi, a Master of Business Administration (Finance Option) from the University of Nairobi and a Bachelor of Science in Agricultural Economics from Egerton University.

Geoffrey is a member of the Institute of Certified Public Accountants of Kenya (ICPAK) and the Registration of Accountants Board (RAB). He has previously served as a member of the boards of Kenya Medical Research Institute, Kenya School of Law, the Leather Council of Kenya, the National Water & Soil Conservation Corporation, the Consolidated Bank of Kenya and ICPAK. He currently serves on the board of the Kenya Defence University.

Current KCB Group Board Appointments:

Geoffrey is the chairman of the Strategy & Oversight committee and is a member of the Risk & Compliance committee.

He is the alternate to the C.S. National Treasury on the board of KCB Bank Kenya Limited and is a member on the board of KCB Bank South Sudan Limited.

Lawrence Njiru (53 Years)
Director

Date of Appointment to Board:
August 2018

Education and Professional Background:

Lawrence Njiru holds a Bachelor of Commerce (Accounting) degree from Kenyatta University and is a member of the Institute of Certified Public Accountants of Kenya (ICPAK).

He has over 10 years' experience in Board leadership and has served as a non-executive director of Kenya Seed Company where he chaired the Audit Committee and previously as Chairman of Simlaw Seeds Company Limited. In addition, he has over 20 Years senior management experience in business strategy, finance, commercial, audit and accounting. He worked at Standard Media Group Kenya Limited as Group Commercial Director and served as Group Financial Controller in the same Group. Prior to this, he worked as a senior auditor at KPMG East Africa.

Current KCB Group Board Appointments:

Lawrence is the chairman of the People & Remuneration committee and is a member of the Nominations & Governance committees.

He a member of the board of KCB Bank Burundi Limited.

Ahmed Mohamud (50 Years)
Director

Date of Appointment to Board:
August 2020

Education and Professional Background:

Ahmed Mohamud is an advocate of the High Court of Kenya and an experienced commercial lawyer specializing in financing agreements and Islamic finance, corporate law, and transactions agreements.

He holds a Master's Degree in Law (LLM) and Bachelor of Law Degree (LLB) from the University of Liverpool in the United Kingdom and a Post Graduate Diploma in Law from the College of Law, London, England.

Current KCB Group Board Appointments:

Ahmed is a member of the Audit, the Strategy & Oversight, the People & Remuneration and the Nominations & Governance committees.

He is a member of the board of KCB Bank South Sudan Limited and is the chairman of KCB Foundation.

Anuja Pandit (55 Years)
Director

Date of Appointment to Board:
August 2022

Education and Professional Background:

Anuja Pandit holds an MBA in Strategic Management (USIU, Nairobi); A BSc in Accounting and Finance (USIU, Nairobi); and a Distinction in the ACI Dealing Certificate from the ACI Financial Markets Association. A senior banker of more than two decades, Anuja has amassed a wealth of experience leading diverse teams in Sub-Saharan Africa, having worked with Citibank in their Global Markets Business, and most recently serving as their Regional Director, driving their Digital Strategy in Automated Trading Systems.

A pioneer in Digital Treasury Transformation and an e-Fx Specialist, she has been instrumental in leading, developing and executing strategic business initiatives; adopting new technologies that delivered strong efficiencies through value added automation and business culture transformation; thereby achieving a distinguished market presence in the region. Anuja currently runs a consulting firm, leading a team that provides property management solutions, assisting residential and commercial developments to streamline their operations.

Current KCB Group Board Appointments:

Anuja is the chairman of the Risk & Compliance committee and is a member of the Audit committee.

She is a member of the board of KCB Bank Tanzania Limited.

Agnes Lutukai (64 Years)
Director

Date of Appointment to Board:
March 2024

Education and Professional Background:

Agnes Lutukai is a seasoned Chartered Accountant with over 35 years' experience at KPMG, 24 of which were at partner level. Her distinguished career spans various leadership roles at KPMG East Africa, South Africa and Nigeria. She also worked as a part time consulting Partner on audit quality initiatives within the Europe, Middle East & Africa region until February 2024.

Agnes has previously served as the chairman Central Bank Nigeria Technical Work Group of Regulators and External Auditors of Deposit Money Banks in Nigeria; a committee member, Financial Reporting Council of Nigeria; and a Committee Member, National Insurance Commission, Nigeria.

Agnes is a fellow member of the Institute of Certified Public Accountants of Kenya (ICPAK), where she serves as member of the Professional Standards Committee. She is also member of the Institute of Certified Secretaries of Kenya (ICS-K), a member of the Association of National Accountants in Nigeria, a member of Women on Boards Network and an Alumni of Centre for Corporate Governance.

Current KCB Group Board Appointments:

Agnes is the chairman of the Audit committee and a member of the Strategy & Oversight committee.

She is a member of the board of BPR Bank Rwanda Plc.

William Asiko (63 Years)
Director

Date of Appointment to Board:
September 2024

Education and Professional Background:

William Asiko is the Rockefeller Foundation's Vice President for Africa, a role he has held since 2019, leading all of the Foundation's work on the continent. He is an experienced tri-sector leader having worked in and attained leadership positions in the public, private and philanthropic sectors. His experience and exposure in leadership, business, government engagement and regulatory management from both a public and private sector standpoint gives him a unique perspective across all sectors.

His career started in the public sector working for the Government of Kenya as a State Counsel. He later joined the law firm of Hamilton Harrison and Mathews where he was a Partner. In the private sector William worked for The Coca-Cola Company. In a career spanning 20 years his roles included Mergers and Acquisitions Counsel for Africa, Director of Corporate Affairs and finally, President of The Coca-Cola Africa Foundation, where he presided over the expansion of the Foundation's programs to make it the largest Corporate Foundation by footprint in Africa.

William holds an LL.B (Hons) from the University of Nairobi's Law School and an MBA from the Goizueta Business School at Emory University in the United States. William is a non-practicing Advocate of the High Court of Kenya.

Current KCB Group Board Appointments:

William is a member of the Strategy & Oversight, the People & Remuneration and the Nominations & Governance committees.

He is a member of the board of KCB Foundation.

Lyn Mengich, EBS (63 Years)
Director

Date of Appointment to Board:
February 2026

Education and Professional Background:

Lyn Mengich, EBS, is an accomplished corporate governance and business leader, strategic Human Resource professional and a certified mediator. She has worked in the public sector and in the private sector across different sectors and multiple countries. She has a strong background in strategic leadership with demonstrated success in organizational transformation having served in various leadership roles, including HR Director KCB, HR Director Barclays (Absa), Talent Manager Shell Oil Products Africa, Change Manager Shell Oil Products Africa, Regional Manager Shell East Africa and HR Director SmithKline Beecham (GlaxoSmithKline).

Lyn has extensive board experience having served in various corporate governance roles, including Chairperson Salaries and Remuneration Commission, Board Member Jamii Bora Bank, Board member NSSF, Board member Sovereign Group, Vice Chairperson Kenya Institute of Bankers. She currently serves as the Board Chairperson of Kashia Services Limited, Council Member and Vice Chairperson KCA University Council and a Council Member at St. Paul's University.

She is a fellow of the institute of Human Resource Management Kenya (FIHRM), a certified mediator and a Member of the Chartered Institute of Arbitrators (MCIArb). She holds a Master of Science degree in Human Resource Management from Jomo Kenyatta University of Agriculture and Technology (JKUAT), Advanced Management Program from Strathmore & IESE Business Schools and a Bachelor's degree in Arts from the University of Nairobi.

Current KCB Group Board Appointments:

Lyn is a member of the Risk & Compliance, People & Remuneration and Nominations & Governance committees.

Paul Russo, EBS (50 Years)
Chief Executive Officer

Date of Appointment to Board:
May 2022

Education and Professional Background:

Paul Russo, EBS, is the Chairman of the Kenya Bankers Association Governing Council, the banking industry lobby. He is also the Chancellor of Kibabii University and the Chairman of the Council of Consolata International University. He serves in the United Nations Environment Program Finance (UNEP-FI) Leadership Council, joining other global leaders in mainstreaming and deepening sustainable business practices across economies.

He has extensive experience in banking, strategy, operational and people management, having been involved in the running of key strategic assignments within the Group, including serving as receiver manager for Chase Bank (in Receivership), National Bank of Kenya Managing Director, KCB Group Regional Business Director and KCB Group HR Director. He has also served in other organisations such as Barclays, PwC, K-Rep Bank, EABL, and Unga Holdings.

He holds an MBA from Strathmore University Business School and a Bachelor of Business Management from Moi University and is also a Certified Human Resource Professional, Kenya (CHRP-K). He also has a Senior Executive Program for Africa Certificate from Harvard Business School.

Current KCB Group Board Appointments:

Paul is a member of the People & Remuneration, Nominations & Governance and Strategy & Oversight committees He is a member of the boards of KCB Bank Kenya Limited, BPR Bank Rwanda Plc., KCB Bancassurance Intermediary Limited, KCB Asset Management Limited and Trust Merchant Bank S.A.

Lawrence Kimathi (56 Years)
Group Finance Director

Date of Appointment to Board:
May 2015

Education and Professional Background:

Lawrence Kimathi is a seasoned finance leader with over 25 years of senior leadership experience. Prior to joining KCB, Lawrence was the Group Supply Chain Finance Director at EABL. Before that he held various roles at BAT including Head of Finance for Eastern Europe, Middle East and Africa (EEMEA) based out of London and Finance Director for BAT Sub Sahara Africa (SSA).

He sits on the board of Central Depository and Settlement Corporation Limited (CDSC) and is a member of the UN Global Compact CFO coalition. Lawrence holds a Master of Business Administration (MBA) with merit from Warwick Business School UK, a Bachelor of Science degree majoring in accounting from United States International University – Africa (USIU) and is a Certified Public Accountant of Kenya, CPA (K). He is a member of the Institute of Certified Public Accountants of Kenya and Institute of Directors.

Current KCB Group Board Appointments:

Lawrence is a member of the Risk & Compliance committee.

He is a member on the board of KCB Bank Uganda Limited.

Bonnie Okumu (46 Years)
Group General Counsel
Company Secretary

Date of Appointment:
March 2021

Education and Professional Background:

Bonnie Okumu has been the Group General Counsel since January 2021. Prior to this, she was the Director, Legal Services having been appointed as such in July 2018 following a promotion from the role of Head, Legal Services which she held since January 2014 when she joined KCB.

Before joining KCB, she was the Chief Legal and Regulatory Affairs Officer & Company Secretary at Telkom Kenya Limited. Prior to this she was the General Counsel & Company Secretary at Unilever Kenya Limited where she oversaw the legal and company secretarial functions for nine operating companies in seven countries in East and Southern Africa. Until she joined Unilever, she was the Regional Legal Manager for Nestle where she set up the legal department and led a team of lawyers in providing legal and tax advisory services to 14 operating entities in 20 countries in the Equatorial African Region.

Earlier in her career, she was an associate at Dentons, Hamilton Harrison & Mathews and an audit assistant at Deloitte & Touché. She holds an LL.B from the University of Nairobi, is an advocate of the High Court of Kenya as well as a Certified Secretary (CS). She also holds a senior executive programme for Africa (SEPA) certificate from the Harvard Business School.

Operating Environment

Kenya

Our Performance	2025 Ksh million	2024 Ksh million
Total income	140,841	129,524
Opex	(49,419)	(46,784)
Net profit	48,495	45,029
Total assets	**1,497,700**	**1,277,766**

Our Footprint	
Branches	220
ATMs	491
Agency outlets	22,413
POS/Merchant outlets	9,203
Staff	6,891

Contribution to Group revenue 69.2%

Share of Group's total assets 69.8%

GDP growth in 2025 4.6%

Kenya's economic growth moderated to 4.6% in 2025 from 4.7% in 2024, mainly on account of slower growth of agriculture and services sectors, which outweighed the recovery in the industrial sector.

Growth in the agriculture sector decelerated to 3.1% from 4.4% in 2024, mainly reflecting the contraction in the fourth quarter of 2025 due to uneven weather conditions and underlying structural factors. While favorable long rains supported production in some regions, below average short rains constrained output for rain-fed crops. There was a drop in production of wheat, tea and sugarcane. However, coffee, fresh horticultural produce and milk production increased by 3.8%, 13.8% and 3.5% respectively.

Manufacturing sector's gross domestic product (GDP) growth stood at 2.0% in 2025 compared to 3.0% in 2024. Agro-based industries contracted by 1.2% in 2025 due to a 24.8% decline in the manufacture of sugar. Services sector's growth also slowed to 5.3% from 6.0% in 2024. This was driven by notable deceleration in accommodation & food services, information & communication, and real estate sectors.

The industrial sector rebounded to post a 4.7% expansion in 2025 compared to 1.1% in 2024, supported by strong growth in construction, mining and quarrying, and electricity and water supply sectors.

Growth in the construction sector improved to 6.8% in 2025 compared to a contraction of 0.7% that was registered in 2024. Government initiatives, particularly under the affordable housing programme, continued to support the sector while expanding the supply of housing units across the country. Cement consumption increased by 20.3% and production of galvanized sheets increased by 16.9%.

Estimates for FY 2025 indicate that real gross domestic product (GDP) growth improved to 5.0% compared to 4.7% in 2024, supported by a rebound of the industrial sector, resilience of the services sector, and stable agriculture sector growth.

The year-on-year headline inflation rate in December 2025 was recorded at 4.5% compared to 3.0% in December 2024, mainly on account of increase in food and energy prices. Low fuel prices in the international market, stability in the exchange rate, adequate rainfall driving stable food production kept inflation anchored despite some increase in aggregate demand as depicted by the increase in core inflation.

The average inflation eased to 4.1% in 2025 compared to 4.5% recorded in 2024. Food inflation increased to 7.8% in December 2025 from 4.8% in December 2024, with notable increases in prices of vegetables. Housing, water, electricity, gas and other fuels inflation increased to 1.6% in December 2025 from -0.2% in December 2024. Transport inflation accelerated to 5.2% in December 2025 compared to 0.1% in December 2024, with prices of petrol and diesel increasing. Core inflation, which excludes highly volatile items, was recorded at 2.0% in December 2025, from 2.2% in December 2024, while non-core inflation increased from 4.9% to 11.2%.

Board of Directors - KCB Bank Kenya


Amb. Amina Mohamed (Chairman)


Geoffrey Malombe Alternate to C.S. National Treasury


Caroline Okongo


Joseph Muigai


Eunice Nyala


Kendi Ntwiga


Paul Russo


Annastacia Kimtai (Managing Director)


Bonnie Okumu (Company Secretary)

The Kenyan shilling remained stable during the year to close at Ksh 129.01 against the US dollar. Year-on-year, the shilling appreciated by 0.2% supported by adequate reserves. The mean exchange rate for the shilling against the US Dollar, Sterling Pound and Euro closed at Ksh 129.12, Ksh 172.63 and Ksh 151.08 respectively for the month of December 2025.

The usable foreign exchange reserves remained adequate at USD 12.2 billion equivalent to 5.3 months of import cover as of December 2025. This remains above the Central Bank of Kenya's (CBK) statutory threshold to maintain at least 4 months of import cover.

The current account deficit is estimated at 2.4% of GDP in 2025 compared to 1.3% of GDP in 2024, due to lower service receipts and secondary income transfers as a share of GDP. Goods exported increased by 6.1%, driven by horticulture, coffee, tea, manufactured goods, and apparel. Goods imported rose by 9.1%, reflecting an increase in intermediate and capital goods imports. Services receipts increased by 1.1%, mainly supported by higher receipts from travel services.

Total diaspora remittances increased by 1.9% in 2025 to USD 5,037 million compared to USD 4,945 million in 2024. Remittance inflows remain a key source of foreign exchange earnings and continue to support the balance of payments.

During the year, the CBK's Monetary Policy Committee (MPC) cumulatively reduced the central bank rate by 225 bps from 11.25% in January 2025 to close the year at 9.00%. In the year 2025, yields from treasury bills trended downward as interest rates dropped. As at the end of December 2025, the average yields for the 91-day, 182-day, and 364-day Treasury bills had declined to 7.77%, 7.80%, and 9.26%, respectively. Treasury bond yields also continued to fall, with a reopened 30-year and 25-year bond issued in December 2025 priced at a weighted average interest rate of 13.3% and 13.6% respectively.

The banking sector remained stable and resilient, with strong liquidity and capital adequacy ratios. The ratio of gross non-performing loans (NPLs) to gross loans stood at 15.4% in December 2025 compared to 16.4% in December 2024. Decreases in NPLs were noted in the real estate, manufacturing, trade, building and construction, and personal and household sectors.

> The Kenyan shilling remained stable during the year to close at Ksh 129.01 against the US dollar. Year-on-year, the shilling appreciated by 0.2% supported by adequate reserves.

> The year-on-year headline inflation rate in December 2025 was recorded at 4.5% compared to 3.0% in December 2024, mainly on account of increase in food and energy prices.

> During the year, the CBK's Monetary Policy Committee (MPC) cumulatively reduced the central bank rate by 225 bps from 11.25% in January 2025 to close the year at 9.00%.

Growth in commercial banks' lending to the private sector continued to improve and stood at 5.9% in December 2025 compared to -1.4% in December 2024. Increase in credit to key sectors of the economy, particularly building & construction, trade and consumer durables, remained strong reflecting improved demand for credit in line with the declining lending interest rates.

The period also saw S&P Ratings upgrade Kenya's sovereign credit rating to 'B' from 'B-' with a stable outlook on reduced near-term external liquidity risks. In the first quarter of 2026, Moody's Ratings also upgraded Kenya's rating to B3 from Caa1 and revised the outlook to stable. Moody's attributed the upgrade to stronger foreign exchange reserves, a narrower current account deficit, improved market access, and successful Eurobond liability management.

KCB Bank Kenya recorded a 17% growth in its balance sheet to Ksh 1.5 trillion driven majorly by a 17% growth in customer deposits which financed an 18% increase in loans and advances. Total revenue grew by 12% to Ksh 141.0 billion driven by a 19% increase in net interest income on the back of sustained drop in interest expense. This led to an 8% increase in net profits in the year to Ksh 48.5 billion.

In 2025 KCB Group Plc completed the sale of its entire 100% shareholding in National Bank of Kenya Limited (NBK) to Access Bank Plc, marking the conclusion of a transaction that began in March 2024. The Group also completed the acquisition of a 75% stake in Riverbank Solutions. As at the date of the publication of this report, the acquisition of a minority stake in Pesapal Limited was in progress.

KCB INVESTMENT BANK

OurPerformance KCB Investment Bank	2025 Ksh million	2024 Ksh million
Total income	523	398
Opex	(175)	(133)
Net profit	261	203
Total assets	**1,318**	**1,178**

Contribution to Group revenue	0.3%
Assets under management (Ksh)	25B
Number of Staff	30

In 2025, KCB Investment Bank (KCB IB) continued to leverage the Group's network to increase the retail client coverage for wealth management products as well as equities and fixed income trading. The subsidiary also pursued regional syndication and advisory opportunities having acted as the financial advisor in a leveraged buyout merger and acquisition (M&A) deal in DRC.

During the year, KCB IB also rolled out the KCB Wealth Special Fund as a collective investment scheme. The fund adopts a multi-asset strategy and is specially designed for sophisticated investors. It targets affluent and high-net-worth investors looking for diversification opportunities.

Key transactions facilitated:

i. The take-over of Bamburi Cement PLC by Amsons Industries (K) Limited. KCB IB's role as the Transaction Adviser spilled over to 2025. The Investment Bank facilitated the squeeze out process of minority shareholders following the attainment of the required threshold for a squeeze out.

ii. KCB IB acted as a bookrunner and placement agent in the landmark securitization of the sports fund levy in Kenya to create an asset backed security (ABS) whose funds were used in developing Talanta Stadium. The deal was unique in that it was the first publicly listed ABS asset in the Kenyan Capital Market.

iii. KCB IB acted as the mandated transaction advisor for KCB Group Plc in the acquisition of a majority stake in Riverbank Solutions Limited and the proposed investment in a minority stake in Pesapal Limited.

Key initiatives undertaken during the year:

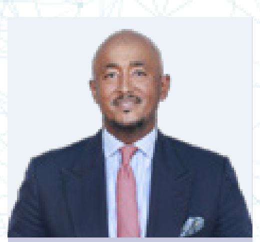
Initiative	Implementation
• Upscaling debt advisory placement programmes in Kenya and regional markets targeting corporate issuances.	• Placement of structured products. • Aligned with local, regional and international partner syndication banks. • Established relationships with regional fund managers and Investment banks.
• Active equity and bonds trading business through regional and global partnerships. • Wealth management including launch of KCB Wealth Fund.	• Pursued regional and international brokerage houses for partnerships and collaborations for foreign investors looking at the local Kenyan market and providing foreign markets access to Kenyan investors. • Embedded analytics for data driven investment recommendations.

Board of Directors - KCB Investment Bank


Duncan Onyango


Eunice Nyala


Albert Sigei


Mohamed Ali


Anthony Mulisa


Maurice Opiyo
(Managing Director)

KCB BANCASSURANCE INTERMEDIARY

OurPerformance KCB Bancassurance Intermediary	2025 Ksh million	2024 Ksh million
Total income	1,796	1,372
Opex	(617)	(481)
Net profit	808	615
Total assets	**4,024**	**2,624**

Contribution to Group revenue	0.9%
Gross written premiums (Ksh)	10B
Number of Staff	120

Our Bancassurance business delivered strong performance in 2025, driven by strategic growth initiatives, digital transformation, and enhanced partnerships. Premiums grew by 61%, reflecting successful market expansion, improved product uptake, and stronger customer engagement.

Key strategic initiatives implemented in 2025 included:

i. Scaled business through partnerships for individual life products and commercialization of wealth builder products and pension business.

ii. Enhanced focus on delivering corporate medical schemes for government institutions and county governments, reinforcing its presence within the public-sector segment

iii. Accelerated digital self-serve offerings. Products including private motor vehicle insurance, last expense, and personal accident were fully enabled across mobile App and digital portal. This resulted in 4,219 customers onboarding digitally in 2025.

In 2025, the regulatory landscape governing Kenya's insurance sector, particularly for bancassurance intermediaries, continued to evolve, with heightened focus on market conduct, consumer protection, AML/CFT compliance, data protection, and financial transparency. This period also marked a major reform phase driven by the introduction of draft regulatory instruments by the Insurance Regulatory Authority (IRA), aimed at strengthening governance, enhancing market conduct oversight, improving consumer safeguards, and elevating overall supervisory effectiveness.

Enhanced expectations from both the IRA and the Financial Reporting Centre have necessitated stronger governance structures, improved risk data aggregation capabilities, and increased investment in compliance systems and staff competencies. In addition, the issuance of updated guidance on revenue classification and commission recognition has influenced short-term financial performance indicators, prompting adjustments to accounting treatments as well as disclosure practices.

While there is increased compliance demands and operational costs, the new regulatory environment presents strategic opportunities for bancassurance intermediaries. This is through strengthened governance frameworks, expanded digital channels, and broader partnership ecosystems which position the sector to enhance customer trust and deepen market penetration.

New products launched in 2025

i. **Flexi Future:** Enables customers to save and invest while benefiting from extended protection for critical illness, permanent disability and death.

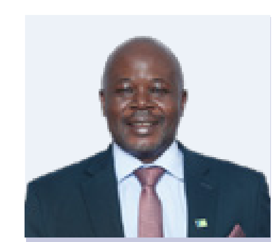
ii. **E-mobility insurance:** Provides motorcycle insurance for bank financed customers. It offers protection against accidents, theft, fire and third-party liabilities. It further provides cover to the rider against permanent total disability and a last expense component.

iii. **Livestock index-based insurance:** Avails cover against drought/lack of pasture in arid and semi-arid regions currently covering 21 counties in Kenya. This cover also provides a savings avenue for farmers.

Board of Directors - KCB Bancassurance Intermediary


Margaret Kositany


Paul Russo


Aggrey Mulumbi
(Managing Director)

KCB Asset Management

OurPerformance KCB Asset Management	2025 Ksh million	2024 Ksh million
Total income	399	189
Opex	(239)	(85)
Net profit	114	73
Total assets	**501**	**434**

Contribution to Group revenue 0.2%

Number of Staff 15

With the largest distribution network in the region, KCB Group provided a strong platform for growth of our asset management arm through synergies such as:

- Branch-led distribution, enabling seamless referrals and client acquisition.
- Collaboration with branch staff and relationship management teams to cross-sell investment solutions.
- Leveraging the Group's regional footprint to support asset management growth beyond Kenya.

This integrated approach significantly contributed to growth in assets under management (AUM) and the pool of investors served by the unit. As the market increasingly adopted money market funds (MMFs) and similar products, the unit focused on the below areas for the benefit of its customers:

- Positioned its MMF product as a core liquidity and cash management solution.
- Emphasized daily liquidity, competitive yields and professional fund management.
- Enhanced visibility and accessibility through Group channels.

This translated into strong AUM growth, increased retail participation, and broader institutional uptake, reinforcing MMFs as a strategic growth pillar.

Asset management across the regional businesses continued to show steady growth, with increasing awareness and adoption of collective investment products. This growth was further supported by:

- Provision of technical expertise, governance frameworks, and product structuring support to regional subsidiaries.
- Sharing of best practices in portfolio management, compliance, and reporting.
- Rollout and scaling of asset management capabilities in regional markets.

Key initiatives implemented in the year included:

i. Deepening retail participation through enhanced MMF distribution and simplified onboarding journeys and better customer experience. As a result, KCB Unit Trust funds under management grew to over Ksh 25 billion in 2025 with a further Ksh 80 billion in assets under management through corporate trusteeship.

ii. Leveraging KCB mobile App to improve customer experience, turnaround times, and ease of access.

iii. Product diversification to address varying customer risk profiles, investment horizons, and Shariah-compliant needs. KCB Fixed Income Fund was launched to address the rising demand for high-yielding secure investments.

iv. Strengthening institutional and pension solutions, including tailored mandates for corporates, trusts, and welfare schemes.

v. Operational efficiency and governance enhancement, ensuring robust risk management, compliance, and reporting standards across portfolios.

Board of Directors – KCB Asset Management


Patricia Kiwanuka


Paul Russo


Charles Langat


Florence Nduba
(General Manager)

In 2025, the Group commenced a process to consolidate wealth and fund management services into KCB Investment Bank (KCB IB) following a comprehensive review of the KCB IB and KCB Asset Management (KCBAM) businesses.

Consequently, at the time of the publication of this report, KCBAM was undergoing a regulatory process to change its name to KCB Corporate Trustee Limited. This adjustment will enable our business to be more focused on delivering our strategic goals while scaling growth for both investment banking and trustee services.

KCB FOUNDATION

KCB Foundation Strategic Objectives	Performance in 2025
SO1 Workforce Development	16,652
SO2 Businesses Supported	67,090
SO3 Jobs Supported	265,300
SO4 Students Supported	4,261

Number of Staff 59

The KCB Foundation is a vital arm through which we drive the creation of shared value. It was established in 2007 and mandated to implement the Group's corporate citizenship responsibilities. The Foundation creates shared prosperity by translating funding and capital, partnerships, and market reach into social impact interventions across workforce development, enterprise growth, job sustainability, education, and targeted philanthropic investments.

The Foundation's strategy is anchored on four external-facing strategic objectives consistent with its 2023–2027 strategy. These objectives focus on outcomes that reflect the Foundation's contribution to shared prosperity and economic participation. These objectives are:

- **Workforce Development:** This is through expansion of access to market-relevant skills, training, and work-readiness pathways that improve employability and labour market participation.
- **Enterprise Development and Access to Finance:** This is through provision of support which drives the growth and sustainability of nano, micro, small, and medium sized enterprises by strengthening business capacity and facilitating access to appropriate financial services via KCB Banking entities.
- **Jobs Supported:** This measures employment and income-generating opportunities enabled through the Foundation's workforce and enterprise interventions.
- **Students Supported:** Increases access to quality secondary and post-secondary education for talented students from underserved backgrounds, with emphasis on completion and transition outcomes.

Board of Directors – KCB Foundation


Ahmed Mohamud


William Asiko


Joseph Muigai


Sigee Koech


Annastacia Kimtai


Rosalind Gichuru


Mendi Njonjo
(Managing Director)

Read more on the impact the Foundation delivered in 2025 on page 84 of this report.

Riverbank

The Group completed acquisition of 75% shareholding in Riverbank Solutions on 19 December 2025 for total cash consideration of Ksh 1.4 billion. No revenues and Profits were consolidated into the Group as at 31 December 2025 since they were considered immaterial to the financial statements. If the acquisition had occurred on 1 January 2025, the revenue and loss before tax for the year ended 31 December 2025 would have been Ksh 248 million and Ksh 212 million respectively.

The acquisition is part of our ongoing strategy to increase innovation of digital MSME offerings, focusing on seamless transaction and payment services, instant digitized lending, provision of business management tools and offering nonbanking solutions such as business training and marketplace presence for our customers.

The transaction will help the Group accelerate its strategy to interconnect with partner platforms and fintechs to offer services such as virtual wallets and payment APIs. This will see KCB consolidate its agency banking channels into one platform.

Board of Directors – Riverbank


Nicholas Mwendwa


Robert Maoga

Tanzania

Our Performance	2025 Ksh million	2024 Ksh million
Total income	7,790	6,280
Opex	(3,034)	(2,832)
Net profit	3,263	2,608
Total assets	**96,829**	**82,806**

Our Footprint	
Branches	18
ATMs	21
Agency outlets	631
POS/Merchant outlets	801
Staff	380

Contribution to Group revenue 3.8%

Share of Group's total assets 4.5%

GDP growth in 2025 6.0%

Tanzania's real GDP growth remained strong in Q3 2025 at 6.4% compared to 6.1% in a similar period in 2024. This was mainly driven by expansion in financial & insurance, information & communication and electricity services which grew by 14.2%, 13.6%, and 12.3% respectively. Economic growth is estimated at 6.0% in 2025 and is projected to accelerate to 6.3% in 2026. This will be supported by increased investment in railway lines, oil pipelines, ports, and hydro power stations coupled with robust export of minerals and agricultural produce.

In 2025, inflation was moderate, averaging 3.3%, marginally up from 3.1% in 2024. This was supported by stable food and fuel prices.

The shilling depreciated by 2.2% to US dollar, compared to an appreciation of 4.4% in 2024. The moderate depreciation was largely driven by rising import bill (fuel imports and capital goods for infrastructure projects), decline in foreign exchange from tourism and reduced export of cash crops.

During the year, the 364-day treasury bill yielded an average of 8.35%, down from 10.72% in 2024. In July 2025, the Bank of Tanzania (BOT) reduced the Central Bank Rate (CBR) by 25 basis points to 5.75% from 6.0% as part of its monetary easing measures to drive private sector credit growth.

The current account deficit is estimated to have reached 2.2% of GDP in 2025, down from 2.4% in 2024, despite mounting pressures from geopolitical conflicts. As at the end of 2025, foreign exchange reserves stood at USD 6,329.0 million, sufficient to cover 4.9 months of projected imports.

In June, the IMF Executive Board concluded the 2025 Article IV Consultation, completed the fifth review under the Extended Credit Facility (ECF) arrangement, and the second review under the Resilience and Sustainability Facility (RSF) arrangement. This paved way for an immediate disbursement of about USD 448.4 million (SDR 326.47 million) under both the ECF and the RSF.

The banking sector remained stable, with strong liquidity and adequate capital buffers. Loan portfolio continued to improve, supported by a stable business environment and prudent credit risk management. Private sector credit growth was steady at 22.8% on the back of accommodative monetary policy and strong demand by businesses and households.

KCB Bank Tanzania expanded its footprint in the country, opening one new branch at the border town of Tunduma and two service centres in Mwanza. The subsidiary also relocated its Stone Town branch in Zanzibar to make it more accessible to customers in readiness to business expansion. The Bank's total income grew by 24% to Ksh 7.8 billion on the back of increased interest income. This led to a 25% growth in net profit in 2025 to Ksh 3.3 billion.

Board of Directors - KCB Bank Tanzania


Amb. Peter Khallaghe (Chairman)


Santina Benson


Anuja Pandit


Fred Otieno


Jacqueline Woiso


Anael Mshana


Rosalind Gichuru


Cosmas Kimario (Managing Director)


Frida Shirima (Company Secretary)

South Sudan

Our Performance	2025 Ksh million	2024 Ksh million
Total income	3,414	4,101
Opex	(1,706)	(1,461)
Net profit	836	(451)
Total assets	**27,752**	**22,806**

Our Footprint	
Branches	16
ATMs	12
Agency outlets	48
POS/Merchant outlets	32
Staff	247

Contribution to Group revenue 1.7%

Share of Group's total assets 1.3%

GDP growth in 2025 10.8%

Real GDP growth in South Sudan was projected to have accelerated to 10.8% in 2025 compared to a contraction of 25.2% in the preceding year. This was driven by a continued recovery in oil output following the reopening of the Petrodar pipeline in mid-2025. Rising oil production and higher global oil prices continued to support government spending and eased exchange-rate pressures.

The African Development Bank in December 2025 approved the extension of its Interim Country Strategy Paper for South Sudan through to 2027. The extension reflects the Bank's continued commitment to supporting peace, stability, and economic recovery.

The indicative exchange rate for South Sudanese Pound (SSP) against the US dollar at the end of December 2025 stood at SSP 4,554.9. During the year, the SSP retreated by 15.6% against the US dollar. This came on the back of a depreciation of 267.9% in the preceding year. Challenges on the currency continue from the Sudan conflict but the resumption of oil production will significantly improve macroeconomic outcomes.

During the year, the Bank of South Sudan lowered the policy rate by 200bps to 13.0% in June 2025 to stimulate growth of credit to the private sector.

South Sudan was assessed as hyperinflationary in 2025. Under IAS 29, an economy is considered hyperinflationary when the cumulative inflation rate over three years exceeds 100%. Accordingly, the above highlighted financial performance for 2025 and comparative figures for 2024 have been restated to reflect changes in the general purchasing power of the SSP.

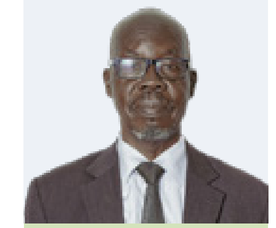
The country had previously been classified as hyperinflationary in 2016, exited hyperinflation in 2023, and re entered hyperinflation in 2024.

KCB Bank South Sudan remained resilient and bounced back to profitability in the year. Net profit grew to Ksh 836 from a net loss of Ksh 451 million in 2024. At the same time, total assets increased by 22% to Ksh 27.8 billion, up from Ksh 22.8 billion in the preceding year.

The Bank continued to make progress in digitization to drive business growth, including rolling out a mobile loan product. Digital products continue to show great potential in the market with commissions touching SSP 1 billion for the first time driven by internet banking. KCB Bank South Sudan also rebranded its branches and more than doubled its local currency deposit book to reach SSP 148 billion in 2025.

Board of Directors - KCB Bank South Sudan


Amb. John Mwangemi (Chairman)


Yacoub Leju


Garang Akuong


Ahmed Mohamud


Youlalia Thomas


Geoffrey Malombe


Dennis Volemi


Jaldesa Roba (Managing Director)


Stephen Muendo (Company Secretary)

Rwanda

Our Performance	2025 Ksh million	2024 Ksh million
Total income	10,198	10,110
Opex	(4,594)	(4,932)
Net profit	3,701	3,024
Total assets	**124,741**	**91,573**

Our Footprint	
Branches	72
ATMs	52
Agency outlets	2,514
POS/Merchant outlets	1,047
Staff	986

Contribution to Group revenue	5.0%
Share of Group's total assets	5.8%
GDP growth in 2025	9.4%

Rwanda's GDP growth accelerated to 9.4% in 2025, up from 7.3% in the preceding year. This was supported by strong activities across agriculture, industry, and services. The services sector contributed 52% to GDP while industry and agriculture sectors contributed 22% and 20% respectively. Output in the agriculture sector improved by 7% driven by a 32% increase in production of export crops and a 60% uplift in coffee production. The industrial sector expanded by 11% enabled by a 17% growth in mining and quarrying coupled with an 11% and 10% increase in construction and manufacturing activities respectively.

The country recorded an increase in inflation in 2025, driven by surge in food prices, but this eased towards end of the year closing at 5.2% in December 2025. Overall, inflation averaged 5.9% in 2025 compared to 1.8% in 2024. During the year, inflation hit a high of 8.3% in June 2025, above the upper target of 8.0%. This necessitated monetary policy tightening to counter the inflationary pressures.

The Monetary Policy Committee (MPC) of the National Bank of Rwanda increased the Central Bank Rate (CBR) by 25 bps in August 2025 to 6.75%. During its November meeting, the MPC held the CBR at the same level.

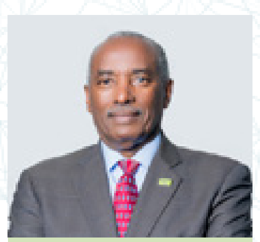
The yield on the 91-day, 182-day and 364-day treasury bills averaged 7.52%, 7.56% and 8.45% respectively in December 2025 compared to 7.75%, 7.30% and 7.16% respectively a similar period in 2024. The current account deficit widened in the first half of 2025 due to strong consumer and capital goods imports, but foreign reserves remained adequate.

During the year, the Rwanda Franc depreciated 5.1% compared to 9.4% in 2024 driven by the persistent trade imbalance from a strong demand for consumer and capital goods imports as well as development projects. The currency volatility affected cross-border trade flows and increased foreign exchange risk for clients engaged in regional commerce. In response, BPR Bank adopted a prudent and adaptive approach. Credit underwriting standards and risk acceptance criteria were reviewed to reflect the higher-risk environment, while greater focus was placed on value-chain financing.

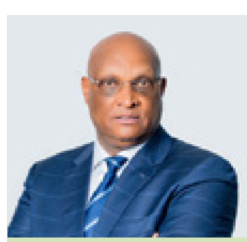
The Bank accelerated its digital and transactional banking initiatives, expanded alternative delivery channels, and deepened relationships with its customers. The Bank executed a focused growth and transformation strategy aimed at strengthening market relevance, deepening customer engagement, and supporting national development priorities.

In addition, BPR continued the branch rationalization and revamp of processes to improve service efficiency and rolled out a mobile loan product powered by a scoring engine to enhance retail credit access and turnaround time. It also deployed targeted Customer Value Propositions aligned to key corporate banking anchors, while revising its risk acceptance criteria to better participate in customers' value chains.

Board of Directors - BPR Bank Rwanda


George Rubagumya (Chairman)


Diana Haguma


Jean Malic Kalima

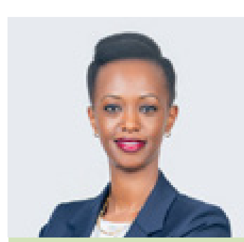

Pascal Nyiringango


Dr. Alexis Nsengumuremyi


Vanessa Umutoni


Agnes Lutukai


Paul Russo


Patience Mutesi (Managing Director)


Brice Manzi (Company Secretary)

Uganda

Our Performance	2025 Ksh million	2024 Ksh million
Total income	6,339	5,487
Opex	(3,415)	(2,605)
Net profit	1,777	1,128
Total assets	**78,306**	**61,015**

Our Footprint	
Branches	15
ATMs	24
Agency outlets	551
POS/Merchant outlets	403
Staff	430

Contribution to Group revenue	3.1%
Share of Group's total assets	3.6%
GDP growth in 2025	6.8%

Uganda's economy expanded by 6.8% in 2025, from a growth of 6.0% in 2024. This was largely driven by a resurgence in industrial activities and the services sector. Key contributors to this growth included construction (14.5%), trade (7.4%), real estate (6.8%), and transport & storage (11.1%). Agriculture, which accounts for 22.8% of GDP, expanded by 6.4% in 2025, supported by increased production of cash crops, livestock, and fishing activities. Real GDP growth is projected at 6.9% in 2026.

The annual average headline inflation in 2025 stood at 3.6% compared to 3.3% recorded in 2024. Annual average core inflation stood at 3.8% in 2025 compared to 3.6% in the preceding year.

The Ugandan Shilling remained stable during the year supported by strong capital inflows, especially in oil and gas sector and increase in commodity exports especially gold and coffee. During the year, the shilling appreciated by 1.7% against the US dollar.

The yields on Uganda's treasury bills increased during the year. Yields on the 91-day, 182-day and 364-day treasury bills averaged 11.25%, 13.35% and 15.14% respectively, compared to 10.22%, 12.99% and 13.85% respectively in 2024. The Bank of Uganda held its policy rate at 9.75% throughout 2025, compared to the average of 9.94% in 2024.

The overall external position remained strong with the current account largely unchanged at USD 4.1 billion (5.0% of GDP) in the year to December 2025, as the narrowing of the trade balance was offset by widening of the services account. The financial account recorded a strong surplus of USD 6.2 billion driven by robust foreign direct investment, particularly in the oil sector, and growth in portfolio inflows. As a result, the overall balance of payments registered a surplus of USD 2.69 billion, leading to a build-up of foreign exchange reserves to USD 5.99 billion (equivalent to 4.1 months of import cover) in December 2025.

During the year, KCB Bank Uganda increased its distribution network with the opening of two branches and deployment of six off-site ATMs. The Bank also rolled out tailored payment collection solutions for key corporate and SME clients through the KCB pay platform and deployed four cash deposit machines (CDMs) at customer premises.

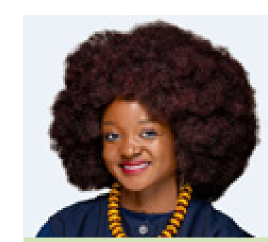
In addition, it revamped and launched an advantage banking proposition targeting high net worth individuals, enhanced the self-serve capabilities through the introduction of online bid applications and improved client engagements through various forums including regional financial literacy sessions for key SME clients and the oil & gas forum for key corporate clients.

In 2025, the Bank's total income increased by 16% to Ksh 6.3 billion. This together with prudent management of costs led to a 58% growth in net profit to Ksh 1.8 billion.

Board of Directors - KCB Bank Uganda

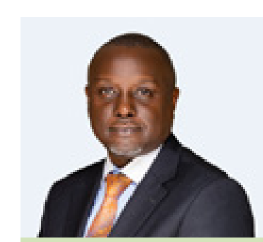

Mathias Katamba (Chairman)


Allen Asiimwe


Evelyn Namara


Dr. Joyce Tamale


Lawrence Kimathi


Edgar Byamah (Managing Director)


Agnes Mayanja (Executive Director)


Judy Wambaire (Company Secretary)

Burundi

Our Performance	2025 Ksh million	2024 Ksh million
Total income	2,505	1,919
Opex	(1,086)	(828)
Net profit	454	791
Total assets	**24,102**	**17,420**

Our Footprint	
Branches	9
ATMs	8
Agency outlets	383
POS/Merchant outlets	41
Staff	201

Contribution to Group revenue	1.2%
Share of Group's total assets	1.1%
GDP growth in 2025	4.6%

The IMF projects that Burundi's economy grew by 4.6% in 2025, up from an estimated 3.9% in 2024, supported by coffee & gold exports, and infrastructure investments. Growth is expected to further gain momentum in 2026, largely driven by recovery in agricultural production and service sectors alongside increased government spending on infrastructure projects.

The current account deficit is expected to narrow in the short term, amid continuing import compression. The reduction in the current account deficit is mainly driven by lower imports. Public debt is assessed as sustainable but with high risk of debt distress.

The exchange rate for the Burundian Franc (BIF) against the US dollar depreciated by 0.2% to close the month of December 2025 at BIF 2,970.3. During the year, the BIF depreciated 1.9% compared to a depreciation of 2.1% in 2024. The Burundian authorities have devised a roadmap towards external sustainability.

The roadmap aims at unifying the official and parallel exchange rates, liberalizing the foreign exchange market, and gradually transitioning towards a more flexible exchange rate regime.

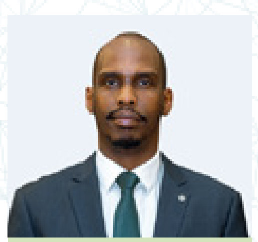
Yields on 91-day, 182-day and 364-day treasury bills at end of December 2025 were 8.14%, 9.21% and 10.56% compared to 6.90%, 7.82% and 8.94% respectively at the end of December 2024. The yields on 2-year, 5-year and 10-year treasury bonds issued in December 2025 were 13.96%, 10.57% and 10.87% respectively.

Average inflation in 2025 stood at 34.8% compared to an average of 20.0% in 2024. The increase in inflation was on account of surge in food prices due to below average rainfall, currency depreciation and strain on government revenue generation. By December 2025, inflation levels had declined to 15.2% and this is expected to further ease in 2026 on account of lower food prices, stabilization of the exchange rate and fiscal consolidation.

Burundi was classified as hyperinflationary in 2025. Accordingly, as required by IAS 29, the above highlighted financial results for 2025 and comparative information for 2024 have been restated to reflect the changes in the general purchasing power of the BIF. Burundi met the IAS 29 criteria as at 30 June 2025, after forward-looking projections indicated that the three-year cumulative inflation rate would remain above 100% through to the end of 2027.

Despite the challenging macroeconomic environment, the KCB Bank Burundi remained resilient. The Bank continued to support its customers and key sectors of the economy while maintaining compliance with regulatory capital and liquidity requirements. During the year, the Bank opened one mini-branch in Kamenge, located in the northern part of Bujumbura, to bring banking services closer to customers in a high-density economic zone.

Board of Directors - KCB Bank Burundi


Christian Nibasumba (Chairman)


Margaret Kositany


Lawrence Njiru


Yvette Munkurize


Alain Hutungimana


Amélie Nibomana


Dr. Jacques Nshimirimana


Japheth Achola


Masika Mukule (Managing Director)


Audry Ajeneza (Company Secretary)

DRC

Our Performance	2025 Ksh million	2024 Ksh million
Total income	28,662	31,168
Opex	(16,093)	(16,536)
Net profit	8,756	10,437
Total assets	**298,924**	**269,681**

Our Footprint	
Branches	106
ATMs	108
Agency outlets	4,718
POS/Merchant outlets	648
Staff	1,789

Contribution to Group revenue	14.1%
Share of Group's total assets	13.9%
GDP growth in 2025	5.7%

DRC's GDP is estimated to have grown by 5.7% in 2025 from 6.7% in 2024, driven by a booming mining sector, particularly copper, and rising exports. The decline in growth is attributed to the conflict in the Eastern part of the country as well as a four-month cobalt export suspension in February 2025 that caused temporary logistical challenges, but strong mining output and investment continued to drive the economy.

The IMF and the DRC authorities are implementing a 38-month arrangement approved on January 15, 2025, comprising a USD 1.73 billion Extended Credit Facility (ECF) and a USD 1.04 billion Resilience and Sustainability Facility (RSF).

The program aims to ensure macroeconomic stability, strengthen governance, and support climate resilience, with recent reviews in December 2025 releasing over USD 442 million. The IMF completed the second review of the ECF and first review of the RSF in December 2025, acknowledging resilient economic growth, which is projected to exceed 5.0% in 2025-2026.

Inflation averaged 7.5% in 2025, down from 17.8% in the preceding year. This was supported by a tight monetary stance by the Banque Centrale du Congo (BCC) where the key policy rate was held at a high of 25.0% during the year and dropped by 750 bps to 17.5% in October 2025, to drive credit growth in the private sector.

The marginal lending facility rate was also reduced from 30% to 21.5%. This decision was aimed at stimulating economic growth, reducing the cost of credit in Congolese Francs (CDF), and increasing the use of local currency.

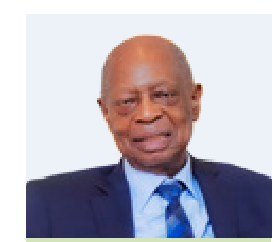
In 2025, CDF appreciated 21.6% against the US Dollar, compared to a depreciation of 6.6% in 2024. This strong appreciation against the US dollar was driven by central banks intervention in the foreign exchange market to stabilize the Franc through injection of foreign currency into the interbank market, adjustments to reserve requirements for dollar deposits and strong mining forex inflows.

Over the past 15 to 18 months, escalating security tensions particularly in the eastern regions led to a temporary closure of around 15 of our branches in the conflict-affected areas. However, our subsidiary in DRC, Trust Merchant Bank, remains resilient and continues to support customers in the region by leveraging its strong digital capabilities. As a result of the disruptions borne out of the conflict, the Bank's total income reduced by 8% to Ksh 28.7 billion in 2025. This led to a 16% drop in net profit for the year to Ksh 8.8 billion.

Board of Directors - Trust Merchant Bank, DRC


Robert Levy (Chairman)


Christian Mwamba


Celestin Tshibwabwa


Bernard De Gerlache


Lucine Le Moal


Djo Moupondo Falanga


Oliver Meisenberg


Paul Russo


Yannick Ngandu (Managing Director)


Alexandre Mandeiro (Executive Director)


Daniel Ilunga (Finance Director)


Papy Diawaku (Company Secretary)

Reflections from the Group Chief Executive Officer

Dear Shareholders,

I am pleased to present this statement, reflecting our Group's performance, posture and progress made in the past year in executing our strategy. This year's report is particularly important to me, as it marks my fourth address to you, a number which has long been associated with foundation, balance, and completeness.

I am therefore delighted to share with you the progress within the year to deliver on the promises which we made, and to position the organization for further sustainable growth in the coming years. As you remember, at the start of the year, we made four key promises to you: to continue delivering strong performance, to tackle non-performing loans, to close the sale of National Bank of Kenya (NBK), and to improve dividend payout. I am pleased to report that we delivered on these promises.

But before I delve into these, let me share with you a few reflections on our operating context during the year.

Operating Environment

In 2025, KCB operated in an environment characterized by resilient economic growth, stable currencies and moderate inflation in most of our markets. Indeed, East Africa region was the fastest growing region in Sub-Saharan Africa in the year, and this trend is expected to continue into 2026. Expansion in credit to the private sector also improved backed by accommodative monetary policy and increased infrastructure investments across the region. We also witnessed renewed interest from the continent in Kenya's financial and telecommunications sectors which served as key drivers of growth and drove positive sentiments in the economy.

Inflation remained moderate, in single digits in the year across all our markets save for Burundi and South Sudan. Currencies across our markets also remained fairly stable. Interest rates started trending downwards during the year, supported by accommodative monetary policy stance by central banks in the region and in major economies globally, as inflation targets remained well anchored in most markets. However, Geopolitical tensions, trade tariffs, and increased costs of doing business across most of our markets presented key challenges during the year.

Despite the challenging operating environment, we delivered solid growth driven by disciplined execution, continued investment in digital innovation, and our unwavering commitment to providing financing which catalyzes economic transformation across the region. We stayed focused on sustainable growth, supporting customers and delivering long-term value for our shareholders.

Allow me to now focus on the four promises and how we fared.

Our Strategy

2025 marked the second year of the implementation of our three-year strategy dubbed Transforming Today Together. The strategy is anchored on four strategic pillars to enable us to achieve our Purpose. These are customer-centered value propositions, leveraging Group capabilities for efficient scale, digital leadership and optimizing data & analytics.

Delivery of this strategy hinges on driving excellence by fostering a culture of innovation & swift execution, technology evolution through building future-ready capabilities, risk resilience by managing emerging threats, and sustainable citizenship by integrating priority Sustainable Development Goals.

2025 marked the second year of the implementation of our three-year strategy dubbed Transforming Today Together. The strategy is anchored on four strategic pillars to enable us to achieve our Purpose. These are customer-centered value propositions, leveraging Group capabilities for efficient scale, digital leadership and optimizing data & analytics.

Pillar 1: Customer Value Propositions

During the year, we continued to innovate and develop products that match the needs of our customers. In addition, we sustained our stance on enhancing customer experience, with a focus on delivering best-in-class customer relationship management.

Some of our interventions entailed increased focus on priority segments of youth & women, schools, affordable housing and trade finance. We also leveraged ecosystem banking and value chain financing to drive solutions uptake, partnered with Government of Kenya to solution for safety in road and transit over the long term, introduced a new unified multicurrency prepaid card and opened 11 new branches in strategic high growth areas across the region.

To drive financial access and inclusion, we signed a partnership with the United Nations High Commissioner for Refugees (UNHCR), to provide financial solutions to the refugee community across East Africa. The partnership will unlock economic opportunities for refugees and host communities and will also see communities benefit from KCB Foundation's programmes.

In addition, we signed up to the Pan-African Payment and Settlement System (PAPSS), reinforcing our commitment to enhancing cross-border trade and financial integration across the continent. The platform puts KCB at the forefront of facilitating trade across Africa as we continue to play a pivotal role in driving Africa's economic transformation and reinforcing our position as a leading financial institution in the continent.

We also entered a Memorandum of Understanding with African Export-Import Bank (Afreximbank) aimed at providing financial and trade facilitation support to investors operating in the Vipingo Special Economic Zone (SEZ) in Kilifi County. Under the agreement, Afreximbank and KCB Group will provide initial funding amounting to USD 500 million and USD 300 million, respectively towards the initiative.

This will enable prospective investors to benefit from competitive financing solutions to establish operations within the SEZ, with a focus on manufacturing, agro-processing, logistics, and value-addition enterprises. Through the partnership, we seek to empower both local and international investors to enjoy tailored financing solutions, including working capital facilities, project finance, trade financing, project preparation facility, guarantees and advisory support among others.

Pillar 2: Leveraging Group Capabilities

Our wide footprint in the region is a key differentiator for KCB. We are a regional powerhouse and the largest banking Group in East Africa with a well-diversified footprint cutting across the width of Africa. This positions us as a partner of choice for customers who operate businesses across the region and enables us to create sustainable shareholder value through leveraging our wide presence to build an efficient scale.

To deliver on this aspiration, in 2025 we continued to leverage centers of excellence for enabling functions to optimize subsidiary support and enhanced our Robotic Process Automation to boost operational efficiency by automating repetitive processes, optimizing resources and delivering significant cost savings.

During the year, we also continued to optimize our footprint to best serve our Purpose. We completed the sale of NBK to Access Bank, marking the conclusion of a transaction that began in March 2024. To further reinforce our regional play, we entered into an agreement to acquire a minority stake in Pesapal Limited (Pesapal), in a transaction that we expect will significantly accelerate commerce, create pathways to prosperity, and drive digital and inclusive growth for businesses across Africa.
Pesapal is a financial services provider licensed by the Central Bank of Kenya with a presence in Kenya, Uganda, Tanzania, Rwanda, and Zambia. The company serves businesses across key economic sectors including retail, hospitality, travel, petroleum, manufacturing, and B2B services.

Through this transaction, we seek to further build our digital capabilities, leveraging Pesapal's cutting-edge technology, footprint and agility, enabling customers and SMEs to benefit from simplified, secure, and scalable payment tools. By integrating payments, financing, and business tools, we want to empower SMEs to operate more efficiently, expand their markets, and participate fully in Africa's digital economy.

This investment follows our purchase of a 75% stake in Riverbank Solutions that I highlighted to you in my previous letter. I am pleased to inform you that the Group has received all the requisite approvals for Riverbank's acquisition, and thus it is now a subsidiary of the Group. This has brought on board Riverbank's footprint in banking agency, social payments, and business solutions. The subsidiary is currently building financial solutions for SMEs including schools, hotels & transport providers and we expect to leverage its capabilities to drive growth in non-funded income and scale impact of our Partner kwa Ground programmes in education, FMCG, public sector, manufacturing, infrastructure, NGOs, agriculture and faith-based organizations.

Pillar 3: Digital Leadership

On the Digital front, we achieved significant milestones during the year including the launch of a new unified mobile app featuring easy & fast self-onboarding for account and wallet opening, integrated money market fund access, and a mini-app ecosystem. We also continued to deepen digital channels usage. This enabled us to maintain our competitive edge, drive innovation, and meet the evolving needs of our customers.

The volume of transactions processed through our digital channels grew by 21% during the year to reach 1.6 billion, the bulk of them being processed through mobile. This represents 99% of all transactions conducted through KCB touchpoints during the year.

The value of transactions through digital channels increased by 3% to Ksh 7.5 trillion, with internet banking processing the bulk of these transactions amounting to Ksh 3.3 trillion, dislodging mobile banking as the preferred channel by value for the second year running. Overall, digital channels processed 63% of transactions by value, with branches handling the remaining 37%.

The value of mobile loans disbursed grew by 30% to Ksh 544 billion, translating to Ksh 1.5 billion per day. This was driven by enhanced limits, rollout of term loans and digital loans for small businesses. Cumulatively, the Bank has disbursed over Ksh 1.6 trillion on mobile in the past five years.

Pillar 4: Optimizing Data & Analytics

During the year, we accelerated usage of data and analytics to deepen customer obsession, enhance solutions, and drive cross-selling of our solutions. Advanced lead generation algorithms enabled our teams to pre-score customers, unlocking more effective cross-selling and upselling opportunities. At the same time, natural language processing of customer feedback allowed us to identify and resolve pain points in real time, delivering significant improvement in customer experience.

Our data and analytics team continued to serve as the engine of insight across the Group, sourcing and transforming data from diverse internal and external sources to create actionable use cases. These insights enabled smarter decision-making, optimized operational efficiency, strengthened risk management, and powered growth.

Financial Outcomes

I am impressed by the performance that the Group achieved during the year, thanks to the trust placed in us by our customers and the dedication of our employees. The Group maintained a strong balance sheet with total assets growing by 9% to Ksh 2.1 trillion despite divesting from NBK, demonstrating the Group's resilience, success of our regional diversification strategy and the relevance of our innovative financial solutions. Customer deposits grew by 15% to reach Ksh 1.6 trillion, while net loans and advances grew by 16% to Ksh 1.2 trillion. This impressive growth was registered across all subsidiaries in the region.

Total revenues grew steadily to Ksh 212 billion from Ksh 203 billion in a similar period last year. This was driven by higher net interest income as the Group continued to deepen its support for households, businesses and the public sector. Non-funded income delivered 31% of the total revenues, on the back of investments in digital banking.

We also maintained strong capital and liquidity ratios substantially above minimum regulatory requirements and made progress in tackling non-performing loans. This led to a reduction in both NPL stock and ratio to Ksh 212 billion and 16.9% respectively. We will continue to act to further improve asset quality as outlined by the Group Finance Director on page 60 of this report.

Shareholder Value

Disciplined execution of our strategy and prudent management of costs led to an 11% growth in net profit to Ksh 68.4 billion. This raised earnings per share to Ksh 20.80 from Ksh 18.70 in 2024. Following this strong performance, the Board proposed a final dividend payout of Ksh 3.00 per share, for your consideration and approval at the upcoming 55th annual general meeting. This is in addition to an interim payout of Ksh 4.00 per share which was paid out in November 2025.

If approved, this will bring the total dividend payout for the year to Ksh 7.00 per share, comprised of Ksh 4.00 and Ksh 3.00 per share in ordinary and special dividends (from the sale of NBK) respectively. In total, this amounts to Ksh 22.5 billion in dividends for the year, 133% higher than the amount paid in 2024. This takes our payout ratio to 34%, up from 16% in 2024, and places it towards our maximum of 50% aspiration.

Based on the 2025 closing price of Ksh 65.75, this equates to a dividend yield of 11%, up from 7% in a comparative period in 2024. This improvement, coupled with a 21% growth in shareholders' equity attributed to equity holders of the Group to Ksh 332 billion, anchored our strive to sustainably growth our shareholders' wealth.

We remain committed to growing shareholder value, and we will endeavor to continue enhancing dividend payout and yield, while balancing against the need to have adequate capital to match our appetite for business growth.

Sustainable Citizenship

We are dedicated to generating long-term value that drives shared prosperity. This commitment is actualized by aligning our strategy with sustainable practices and continuously embedding best environmental, social, and governance standards. In doing so, we strive to build a resilient, future-proof business that creates lasting impact for our stakeholders.

In 2025, the KCB Group assessed loans valued at Ksh 587 billion for environmental and social risks, further deepening the Bank's play in green financing. This brings the cumulative total assessed since 2020 to over Ksh 1 trillion under the Group's Environmental and Social Due Diligence (ESDD) process. KCB also disbursed Ksh 48.8 billion in green loans fostering energy transition, including initiatives in the blue economy, e-mobility, and climate change adaptation.

In March of 2026, KCB Bank Kenya received approval for a USD 96.9M financing from the Green Climate Fund (GCF) to accelerate green projects for Micro, Small and Medium Enterprises (MSMEs) and farmers in Kenya. This facility will be deployed towards supporting value-chain and gender-inclusive interventions through the adoption of solar-powered and clean cooking technologies, climate-smart agriculture, waste management and circular economy as well as energy efficiency improvements. This will enable the borrowers to build resilience, improve productivity, and transition to low-carbon practices.

> We are dedicated to generating long-term value that drives shared prosperity. This commitment is actualized by aligning our strategy with sustainable practices and continuously embedding best environmental, social, and governance standards. In doing so, we strive to build a resilient, future-proof business that creates lasting impact for our stakeholders.

During the year, KCB Kenya also raised USD 200M from British International Investment and African Development Bank to bolster its tier II capital and support lending to climate projects as well as businesses owned by women and young people in the country.

On the social front, we delivered high social value for our customers through providing access to capital, driving financial inclusion & access, supporting schools to broaden access to education, and delivering affordable housing among other key initiatives. KCB Foundation provided several impactful interventions during the year. The Foundation supported 265,300 jobs through livelihoods programmes and provided scholarships for 4,261 students from disadvantaged backgrounds including teen mothers, survivors of harmful cultural practices and persons with disabilities.

Our People

The strong performance delivered in 2025 could not have been possible without the dedication and diligence of our employees across the region. We therefore place significant focus on creating an enabling environment for our employees to deliver and thrive in and outside of the workplace.

Towards the end of 2025 we carried out a Group-wide Culture Survey to assess the health of our organization, from a culture perspective. This was specifically to measure the progress we have made in embedding our **For People. For Better.** culture transformation programme. The survey achieved an impressive response rate of 91.2% across the Group and returned a Group Culture Engagement score of 82. This was a marked improvement from the score of 80, recorded in the December 2023, when we last took a similar survey.

From the results, it is evident that progressively, the Group is making great strides in strengthening Culture and Leadership, anchored on customer obsession, execution excellence, performance management, robust talent and succession planning. I am pleased to note that our index continues to be stronger than our industry and regional peers.

Our diversity and inclusion policy also guides our organization to create and sustain an environment that attracts and retains a diverse and inclusive workforce. Through this policy, we ensure that we sustain an environment where each employee can develop to their full potential irrespective of their race, ethnicity, gender, age, disability, and religious beliefs.

To further sustain our growth, the Group continued to invest in enhancing staff capacity to deliver on their roles through continuous training. In 2025, training at KCB became more deliberate and strategically aligned, with learning interventions clearly linked to the Group's business priorities and long-term growth agenda. This intentional approach ensured that training investments directly supported performance, productivity, and institutional sustainability.

In 2025, we made two appointments at our Executive Committee level to sharpen execution and strengthen the organization. Mark Mwongela was appointed as the Group Director, Strategy & Innovation and Yannick Ngandu as the Managing Director of TMB. Mark and Yannick bring on board valuable expertise and experience to help steer our Group to even greater success.

2026 Outlook

As we enter 2026, we do so with confidence and determination as I believe it will be yet another pivotal moment for our Group. In the year, we will work to deliver transformative growth, reimagine banking experience, and create lasting impact. Our ambition will extend beyond financial performance, it will entail empowering our customers, unlocking the full potential of our employees, and strengthening the communities we serve. At the heart of this vision remains our unwavering commitment to delivering sustainable shareholder value.

We will continue to prioritize our people, ensuring we attract, retain, and develop the skills needed to meet the evolving demands of our business. At the same time, we will harness our technology, brand, and strategic partnerships, while deliberately fostering strong customer relationships through prompt and consistent delivery of our promises.

We will drive performance in the right segments through disciplined execution of our strategic and commercial initiatives, while actively managing the quality of our loan portfolio by reducing existing non-performing loans and curtailing the crystallization of new NPLs. At the same time, we will focus on commercializing the acquisitions and technology investments made in recent years to unlock their full value. In line with our commitment to shareholder returns, we aim to enhance our dividend payout in 2026, subject to capital requirements necessary to support sustained business growth.

In closing, I extend my sincere gratitude to all our employees for their dedication and commitment throughout the year. I also wish to acknowledge the guidance and support provided by the Board of Directors, which has been instrumental in steering the Group to success.

Paul Russo, EBS
Group Chief Executive Officer

Taarifa kutoka kwa Afisa Mkuu Mtendaji

Wanahisa wapendwa,

Nina furaha kubwa kuwasilisha taarifa hii, nikiangazia matokeo, msimamo, na hatua ambazo Kikundi chetu kimepiga katika mwaka uliopita tunapotekeleza mkakati wetu. Ripoti ya mwaka huu ni ya kipekee sana kwangu, kwani ni mara yangu ya nne kuwahutubia, nambari ambayo kwa muda mrefu imekuwa ikihusishwa na msingi imara, usawa, na ukamilifu.

Kwa hivyo, nimefurahi kuwashirikisha katika hatua tulizopiga mwaka huu katika kutimiza ahadi tulizotoa, na kuitayarisha taasisi yetu kwa maendeleo zaidi ya kudumu katika miaka ijayo. Kama mnavyokumbuka, mwanzoni mwa mwaka, tuliwapa ahadi nne kuu: kuendelea kupata matokeo mazuri, kupambana na mikopo isiyolipwa (NPLs), kukamilisha uuzaji wa Benki ya NBK, na kuboresha malipo ya gawio kwa wanahisa. Ninayo furaha kuripoti kwamba tumetimiza ahadi hizo zote kulingana na mpangilio tuliouweka.

Lakini kabla sijaingia kwa undani, nianze kwa kutoa taswira ya mazingira ya kibiashara tuliyofanyia kazi mwaka huu.

Mazingira ya Kibiashara

Katika mwaka wa 2025, KCB ilifanya kazi katika mazingira yaliyotawaliwa na ukuaji thabiti wa uchumi, sarafu imara, na mfumuko wa bei wa wastani katika masoko yetu mengi. Kwa kweli, ukanda wa Afrika Mashariki ulikuwa ndio unaokua kwa kasi zaidi katika kanda ya Kusini mwa Jangwa la Sahara, na mwelekeo huu unatarajiwa kuendelea hadi mwaka 2026. Utoaji wa mikopo kwa sekta binafsi pia uliimarika kutokana na sera rafiki za kifedha na uwekezaji mkubwa wa miundombinu katika ukanda huu. Pia tulishuhudia ongezeko la hamu ya uwekezaji kutoka nje katika sekta za kifedha na mawasiliano nchini Kenya, jambo ambalo liliimarisha imani katika uchumi wetu.

Mfumuko wa bei ulibaki kuwa wa wastani katika masoko yetu yote isipokuwa Burundi na Sudan Kusini. Sarafu zetu pia zilikuwa imara. Viwango vya riba vilianza kushuka mwaka huo, kutokana na hatua za Benki Kuu katika kanda hii na duniani kote. Hata hivyo, mivutano ya kisiasa duniani, ushuru wa biashara, na kuongezeka kwa gharama za uendeshaji biashara yalikuwa changamoto kuu.

Licha ya changamoto hizo, tulipata ukuaji thabiti kupitia utekelezaji wa nidhamu, uwekezaji katika uvumbuzi wa kidijitali, na dhamira yetu ya kutoa mikopo inayochochea mabadiliko ya kiuchumi. Tulielekeza nguvu zetu kwenye ukuaji endelevu, kuwasaidia wateja, na kutoa thamani ya muda mrefu kwa wanahisa wetu.
Sasa, niruhusuni niwaeleze jinsi tulivyofanyia kazi zile ahadi nne.

Mkakati Wetu

Mwaka 2025 ulikuwa mwaka wa pili wa kutekeleza mkakati wetu wa miaka mitatu uitwao Kubadilisha Leo Pamoja **("Transforming Today Together")**. Mkakati huu umejikita kwenye nguzo nne: kutoa huduma zinazolenga mahitaji ya mteja, kutumia uwezo wa Kikundi cha KCB kwa ufanisi, kuwa kinara wa kidijitali, na kutumia vizuri takwimu kwa manufaa ya mikakati yetu.

Ufanisi wa mkakati huu unategemea ubunifu, teknolojia ya kisasa, uwezo wa kuhimili hatari, na kufanisi wa mazingira bora kwa raia kwa kutoa kipa umbele kwa Malengo ya Maendeleo Endelevu ijulikanayo kama Sustainable Development Goals (SDGs).

> Mwaka 2025 ulikuwa mwaka wa pili wa kutekeleza mkakati wetu wa miaka mitatu uitwao Kubadilisha Leo Pamoja ("Transforming Today Together"). Mkakati huu umejikita kwenye nguzo nne: kutoa huduma zinazolenga mahitaji ya mteja, kutumia uwezo wa Kikundi cha KCB kwa ufanisi, kuwa kinara wa kidijitali, na kutumia vizuri takwimu kwa manufaa ya mikakati yetu.

Nguzo ya 1: Huduma kwa Wateja

Katika mwaka huo, tuliendelea kuvumbua bidhaa zinazoambatana na mahitaji ya wateja wetu. Tuliboresha mahusiano yetu na wateja wetu ili kuhakikisha wanapata huduma bora zaidi.

Tulilenga zaidi makundi maalum kama vijana na wanawake, shule, nyumba za bei nafuu, na ufadhili wa biashara. Pia tulishirikiana na Serikali ya Kenya katika masuala ya usalama barabarani, tulizindua kadi mpya inayoweza kutumika kwa sarafu mbalimbali , na kufungua matawi mapya 11 katika maeneo ya kimkakati.

Ili kuwafikia watu wengi zaidi, tulitia saini mkataba wa ushirikiano na Shirika la Wakimbizi la Umoja wa Mataifa (UNHCR) ili kutoa huduma za kifedha kwa wakimbizi Afrika Mashariki. Pia tulijiunga na mfumo wa Pan-African Payment and Settlement System (PAPSS), ambao unaiwezesha KCB kuwa mstari wa mbele katika kurahisisha biashara na malipo barani Afrika.

Aidha, tulitia saini makubaliano na Afreximbank kusaidia wawekezaji katika Kanda Maalum ya Kiuchumi (SEZ) ya Vipingo kule Kilifi. KCB itatoa dola milioni 300 huku Afreximbank ikitoa dola milioni 500 kwa ajili ya mpango huu, kusaidia viwanda, uzalishaji wa mazao, na usafirishaji.

Hatua hii itawawezesha wawekezaji wanaochipukia kunufaika na huduma za kifedha zenye ushindani ili kuanzisha biashara zao ndani ya Kanda hii Maalum ya Kiuchumi (SEZ). Tunalenga zaidi sekta za viwanda, usindikaji wa mazao ya kilimo, usafirishaji na usambazaji , pamoja na biashara zinazoongeza thamani ya bidhaa.

Kupitia ushirikiano huu, tunadhamiria kuwawezesha wawekezaji wa hapa nchini na wale wa kimataifa kupata suluhisho la kifedha lililoundwa kulingana na mahitaji yao; ikiwemo mahitaji ya kuendesha biashara , ufadhili wa miradi, ufadhili wa biashara za mipakani, usaidizi wa maandalizi ya miradi, dhamana za kibenki, na huduma za ushauri miongoni mwa nyinginezo."

Nguzo ya 2: Uwezo wa Kikundi

Uwepo wetu mpana katika kanda hii ndio unaweka tofauti kubwa kati yetu na wengine. Sisi ni kundi kikubwa zaidi cha benki Afrika Mashariki, tukiwa na mtandao kote barani Afrika. Hali hii inatufanya kuwa mshirika namba moja kwa wateja wanaofanya biashara katika kanda hii, na inatuwezesha kukuza thamani kwa wamiliki hisa kwa kutumia ukubwa wa mtandao wetu kuleta ufanisi wa kibiashara.

Ili kutimiza azma hii, katika mwaka wa 2025, tuliendelea kutumia vituo vyetu vya utaalamu kuboresha huduma na usaidizi kwa kampuni tanzu. Pia, tuliboresha mifumo yetu ya kijiditali (Robotic Process Automation) ili kuongeza ufanisi wa utendaji. Hatua hii imetusaidia kutumia rasilimali vizuri na kuokoa gharama kwa kiasi kikubwa.

Katika mwaka huo, tuliendelea pia kuboresha mtandao wetu ili kutimiza vyema malengo yetu. Tulikamilisha uuzaji wa NBK kwa Access Bank, ikiwa ni hitimisho la mchakato ulioanza mwezi Machi 2024. Ili kuimarisha zaidi nguvu yetu katika kanda, tuliingia makubaliano ya kununua hisa katika kampuni ya Pesapal Limited (Pesapal). Tunatarajia hatua hii itaimarisha biashara kwa kiasi kikubwa, kufungua milango ya mafanikio, na kuchochea ukuaji wa kidijitali unaomjumuisha kila mtu kwa biashara kote barani Afrika.

Pesapal ni mtoa huduma za kifedha aliyepewa leseni na Benki Kuu ya Kenya, akiwa na matawi nchini Kenya, Uganda, Tanzania, Rwanda, na Zambia. Kampuni hiyo inahudumia biashara katika sekta muhimu za kiuchumi ikiwemo biashara za rejareja, utalii na hoteli, usafiri, mafuta, viwanda, na huduma za biashara kwa biashara (B2B).

Kupitia uwekezaji huu, tunalenga kukuza zaidi uwezo wetu wa kidijitali kwa kutumia teknolojia ya kisasa, mtandao, na Pesapal. Hii itawawezesha wateja na biashara ndogo na za SMEs kunufaika na zana za malipo ambazo ni rahisi, salama, na zinazoweza kukua kulingana na mahitaji. Kwa kuunganisha mifumo ya malipo, ufadhili, na zana za kibiashara, tunatoka kuwezesha wajasirimali, SMEs, kujiendesha kwa ufanisi zaidi, kupanua masoko yao, na kushiriki kikamilifu katika uchumi wa kidijitali wa Afrika.

Uwekezaji huu unafuatia ununuzi wetu wa 75% ya hisa za Riverbank Solutions ambao niliwaeleza katika barua yangu iliyopita. Nina furaha kuwataarifu kuwa Kikundi kimepata vibali vyote vinavyohitajika kwa ajili ya ununuzi wa Riverbank, na hivyo sasa ni kampuni tanzu ya Kikundi chetu. Hatua hii imeleta ndani ya Kikundi chetu utaalamu wa Riverbank katika huduma za mawakala wa benki, mifumo ya malipo ya kijamii, na suluhu ya kibiashara. Kwa sasa, kampuni hiyo inatoa suluhisho za kifedha kwa ajili ya SMEs zikiwemo shule, hoteli, na wasafirishaji. Tunatarajia kutumia uwezo wake kukuza mapato yetu yasiyotokana na riba na kuongeza tija ya mipango yetu katika sekta za elimu, bidhaa zinazotumika haraka (FMCG), sekta ya umma, viwanda, miundombinu, mashirika yasiyo ya kiserikali (NGOs), kilimo, na taasisi za kidini.

Nguzo ya 3: Uongozi wa Kidijitali

Katika upande wa Kidijitali, tulipata mafanikio makubwa sana mwaka huu, ikiwa ni pamoja na kuzindua programu mpya ya simu (App) . App hii inamruhusu mteja kujisajili mwenyewe kwa urahisi na haraka ili kufungua akaunti au pochi ya kielektroniki, kupata huduma za mifuko ya fedha ya uwekezaji , na kutumia mfumo wa programu zilizojumuishwa. Pia, tuliendelea kuimarisha matumizi ya njia zetu za kidijitali, jambo ambalo limetusaidia kudumisha makali yetu katika ushindani, kuchochea uvumbuzi, na kukidhi mahitaji ya wateja wetu yanayozidi kubadilika.

Idadi ya miamala iliyofanywa kupitia mitandao ya kidijitali ilikua kwa 21% katika mwaka huo na kufikia miamala bilioni 1.6, huku sehemu kubwa ikifanywa kupitia simu za mkononi. Hii inawakilisha 99% ya miamala yote iliyofanywa kupitia sehemu zote za kutolea huduma za KCB katika mwaka Thamani ya miamala kupitia njia za kidijitali iliongezeka kwa 3% hadi kufikia Ksh 7.5 trilioni. Huduma za benki kupitia mtandao zilishughulikia sehemu kubwa ya miamala hii, yenye thamani ya Ksh 3.3 trilioni, na kushinda huduma ya benki kupitia simu kama njia inayopendwa zaidi kwa thamani ya pesa kwa mwaka wa pili mfululizo. Kwa ujumla, njia za kidijitali zilitumika kwa 63% ya miamala yote kwa thamani, huku matawi yakishughulikia 37% iliyobaki.

Thamani ya mikopo ya simu iliyotolewa ilikua kwa 30% hadi kufikia Ksh 544 bilioni, ambayo ni sawa na kutoa Ksh 1.5 bilioni kila siku. Ukuaji huu ulitokana na kuongezwa kwa viwango vya mikopo , kuanzishwa kwa mikopo ya muda maalum , na mikopo ya kidijitali kwa ajili ya biashara ndogo ndogo. Kwa jumla, Benki imetoa zaidi ya Ksh 1.6 trilioni kupitia simu katika kipindi cha miaka mitano iliyopita.

Nguzo ya 4: Matumizi ya Takwimu

Katika kipindi cha mwaka huu, tuliimarisha matumizi ya data na takwimu ili kuboresha zaidi azma yetu ya kumjali mteja kwanza, kufanisi mbinu za kutatua matatizo kwa wateja kupitia huduma zetu mbalimbali . Mifumo yetu ya kisasa ya kiteknolojia iliiwezesha timu yetu kuwafanyia wateja tathmini ya mapema, jambo lililofungua fursa nzuri zaidi za kuwapa wateja bidhaa na huduma zinazowafaa kulingana na mahitaji yao. Wakati huo huo, teknolojia ya uchambuzi wa maoni ya wateja ilituwezesha kutambua na kutatua changamoto wanazokutana nazo papo hapo, na hivyo kuleta uboreshaji mkubwa katika jinsi mteja anavyohudumiwa.

Timu yetu ya data na takwimu iliendelea kuwa kama “injini” inayotoa mwelekeo na maarifa ndani ya Kikundi chetu, kwa kukusanya na kuchakata taarifa kutoka vyanzo mbalimbali vya ndani na nje ili kutengeneza njia za kuboresha biashara. Maarifa haya yametusaidia kufanya maamuzi ya busara zaidi, kuongeza ufanisi wa utendaji kazi, kuimarisha usimamizi wa hatari za kibiashara, na kuchochea ukuaji wa benki yetu kwa ujumla.

Matokeo ya Kifedha

Nimevutiwa sana na matokeo tuliyopata. Wateja wetu asanteni kwa kutuamini, wafanyikazi wetu,shukran kwa bidii yenu. Kikundi kimeendelea kuwa na mizania ya kifedha imara, huku jumla ya rasilimali zikikua kwa 9% hadi kufikia Ksh 2.1 trilioni licha ya kuuza hisa zetu katika benki ya NBK. Hii ni ishara tosha ya uthabiti wa Kikundi chetu, mafanikio ya mkakati wetu wa kutanua biashara katika kanda, na umuhimu wa Suluhu bunifu za kifedha. Amana za wateja zilikua kwa 15% na kufikia Ksh 1.6 trilioni, huku mikopo halisi ikikua kwa 16% hadi Ksh 1.2 trilioni. Ukuaji huu wa kuvutia ulirekodiwa katika kampuni tanzu zote kwenye kanda hii.

Mapato yote yalikua kwa kasi ya kuridhisha hadi Ksh 212 bilioni kutoka Ksh 203 bilioni katika kipindi kama hiki mwaka jana. Hii ilichochewa na kuongezeka kwa mapato ya riba huku Kikundi kikiendelea kuimarisha usaidizi wake kwa jamii, biashara, na sekta ya umma. Mapato yasiyotokana na riba yalichangia 31% ya mapato yote, kutokana na uwekezaji mkubwa katika benki ya kidijitali.

Pia, tulidumisha viwango vya juu vya mtaji na ukwasi (liquidity) ambavyo viko juu zaidi ya viwango vinavyohitajika na wasimamizi wa sheria. Vilevile, tulipiga hatua katika kupambana na mikopo isiyolipwa (NPLs), jambo lililopelekea kupungua kwa jumla ya mikopo hiyo na uwiano wake hadi kufikia Ksh 212 bilioni na 16.9% mtawalia. Tutaendelea kuchukua hatua za kuboresha zaidi ubora wa rasilimali zetu kama ilivyofafanuliwa na Mkurugenzi wa Fedha wa Kikundi kwenye ukurasa wa 60 wa ripoti hii.

Thamani kwa Mwanahisa

Utekelezaji wa mkakati wetu na usimamizi uliomakinika wa gharama ulipelekea faida yetu halisi kukua kwa 11% na kufikia Ksh 68.4 bilioni. Hii iliongeza mapato kwa kila hisa hadi Ksh 20.80 kutoka Ksh 18.70 mwaka wa 2024. Kutokana na matokeo haya mazuri, Bodi imependekeza malipo ya mgao wa mwisho wa Ksh 3.00 kwa kila hisa, ili ninyi mlifikirie na kuliidhinisha katika Mkutano Mkuu wa 55 wa kila mwaka unaokuja. Malipo haya ni nyongeza ya mgao wa muda (interim dividend) wa Ksh 4.00 kwa kila hisa ambayo yalilipwa mwezi Novemba 2025.

Ikiidhinishwa, hii itafanya jumla ya mgao kwa mwaka mzima kuwa Ksh 7.00 kwa kila hisa. Gawio hili linajumuisha Ksh 4.00 za malipo ya kawaida na Ksh 3.00 za malipo maalum (kutokana na uuzaji wa benki ya NBK). Kwa jumla, hizi ni Ksh 22.5 bilioni kama malipo ya hisa kwa mwaka huu, kiasi ambacho ni kikubwa kwa 133% kuliko kile kilicholipwa mwaka 2024. Hali hii inaweka uwiano wetu wa kutoa malipo ya hisa kuwa 34%, kutoka 16% mwaka 2024, na kutusogeza karibu na lengo letu la juu la kufikia 50%.

Kulingana na bei ya kufunga soko ya hisa ya Ksh 65.75 mwaka 2025, hii ni sawa na faida ya mgao (dividend yield) wa 11%, ikilinganishwa na 7% mwaka 2024. Maendeleo haya, yakijumuishwa na ukuaji wa 21% wa rasilimali za wanahisa (shareholders' equity) kufikia Ksh 332 bilioni, ndiyo yameimarisha juhudi zetu za kukuza utajiri wa wanahisa wetu kwa njia endelevu.

Tunaendelea kujitolea kukuza thamani kwa mwanahisa, na tutajitahidi kuendelea kuboresha malipo ya mgao na faida yake, huku tukihakikisha tunabaki na mtaji wa kutosha kukidhi hamu yetu ya kukuza biashara zaidi.

Uwajibikaji kwa Jamii na Mazingira

Tumejitolea kutoa thamani ya muda mrefu inayochochea ustawi wa pamoja. Ahadi hii tunaitekeleza kwa kuoanisha mkakati wetu na kanuni endelevu, na kuendelea kuweka viwango bora vya mazingira, jamii, na uongozi bora (ESG). Kwa kufanya hivi, tunajitahidi kujenga biashara thabiti na iliyo imara kwa ajili ya siku zijazo, inayoweza kuleta matokeo ya kudumu kwa wadau wetu.

Katika mwaka wa 2025, Kikundi cha KCB kilifanya tathmini ya mikopo yenye thamani ya Ksh 587 bilioni ili kudadisi hatari zinazoweza kutukumba katika mazingira na jamii, jambo ambalo linaimarisha zaidi mchango wa Benki katika ufadhili wa miradi inayotunza mazingira . Hii inafanya jumla ya mikopo iliyofanyiwa tathmini tangu mwaka 2020 kufikia zaidi ya Ksh 1 trilioni chini ya mfumo wa Kikundi wa Ukaguzi wa Mazingira na Jamii (ESDD). Aidha, KCB ilitoa mikopo ya “kijani” yenye thamani ya Ksh 48.8 bilioni ili kuchochea matumizi ya nishati safi, ikiwemo mipango katika uchumi wa bahari (blue economy), usafiri wa umeme (e-mobility), na kukabiliana na mabadiliko ya tabianchi.

Mwezi Machi mwaka wa 2026, KCB Bank Kenya ilipata idhini ya ufadhili wa Dola za Kimarekani milioni 96.9 kutoka kwa Mfuko wa hazina ya Tabianchi (Green Climate Fund - GCF) ili kuharakisha miradi ya utunzaji mazingira kwa biashara ndogo,wajasirimali (MSMEs) na wakulima nchini Kenya. Fedha hizi zitatumika kusaidia kuimarisha thamani na miradi

inayojumuisha jinsia zote kupitia teknolojia za nishati ya jua na majiko sanifu, kilimo kinachostahimili mabadiliko ya tabianchi, usimamizi wa taka, na matumizi bora ya nishati. Hii itawawezesha wakopaji kujenga uthabiti, kuongeza uzalishaji, na kuanza kutumia mifumo inayopunguza uchafuzi wa mazingira.

Katika kipindi cha mwaka huo, KCB Kenya pia ilichangisha Dola za Kimarekani milioni 200 kutoka kwa Shirika la British International Investment na Benki ya Maendeleo ya Afrika (AfDB) ili kuimarisha mtaji wake (tier II capital) na kusaidia utoaji wa mikopo kwa miradi ya tabianchi, pamoja na biashara zinazomilikiwa na wanawake na vijana hapa nchini.

Katika upande wa kijamii, tulitoa thamani kubwa kwa wateja wetu kupitia kutoa fursa ya kupata mitaji, kuchochea ujumuishaji wa kifedha, kusaidia shule kupanua fursa za elimu, na kutoa nyumba za bei nafuu miongoni mwa mipango mingine muhimu. Wakfu wa KCB (KCB Foundation) ilitekeleza miradi mingi yenye tija mwaka huu. Taasisi hiyo ilisaidia upatikanaji wa ajira 265,300 kupitia mipango ya kujiinua kimaisha, na kutoa ufadhili wa masomo kwa wanafunzi 4,261 kutoka mazingira magumu, wakiwemo akina mama vijana, waathirika wa mila potofu, na watu wanaoishi na ulemavu.

Wafanyakazi Wetu

Matokeo bora tuliyopata mwaka wa 2025 yasingewezekana bila bidii na unyeti wa wafanyakazi wetu kote katika kanda hii. Kwa hivyo, tunaweka mkazo mkubwa katika kutengeneza mazingira rafiki yatakayowawezesha wafanyakazi wetu kuwajibika na kunawiri, ndani na hata nje ya mahali pa kazi.

Kuelekea mwishoni mwa mwaka 2025, tulifanya utafiti wa utamaduni wa kazi (Culture Survey) katika Kikundi kizima ili kupima hali ya taasisi yetu. Lengo kuu lilikuwa ni kuona hatua gani tumepiga katika kuimarisha mpango wetu wa mabadiliko ya kiutamaduni uitwao **For People. For Better.** Utafiti huo ulifanikiwa sana, huku wafanyakazi 91.2% katika Kikundi kizima wakishiriki, na kutupatia alama ya ushiriki (Engagement score) ya 82. Hili ni ongezeko la kuridhisha kutoka alama ya 80% tuliyopata mnamo Desemba 2023 tulipofanya utafiti kama huu mara ya mwisho.

Kutokana na matokeo haya, ni wazi kwamba Kikundi kinapiga hatua kubwa katika kuimarisha utamaduni na uongozi wetu. Hii imejikita katika kumthamini mteja kwa kiasi kikubwa, utendaji wa kazi uliotukuka, usimamizi wa matokeo, na mipango madhubuti ya kukuza vipaji na kurithishana madaraka. Nina furaha kusema kwamba viwango vyetu vinaendelea kuwa juu zaidi kuliko washindani wetu katika tasnia hii na kanda hii kwa ujumla
.

Sera yetu ya usawa na ujumuishi pia inaongoza shirika letu katika kutengeneza mazingira yanayovutia na kuongeza matamanio ya wafanyakazi kutoka asili mbalimbali kufanya kazi nasi. Kupitia sera hii, tunahakikisha kuwa tunadumisha mazingira ambapo kila mfanyakazi anaweza kukuza uwezo wake kikamilifu, bila kujali rangi, kabila, jinsia, umri, ulemavu, au imani ya dini.

Ili kuendeleza ukuaji wetu, Kikundi kiliendelea kuwekeza katika kukuza uwezo wa wafanyakazi wetu ili watekeleze majukumu yao vyema kupitia mafunzo ya kila mara. Katika mwaka wa 2025, mafunzo ndani ya KCB yalifanywa kwa mpangilio maalum na kulingana na mahitaji ya biashara pamoja na malengo yetu ya ukuaji wa muda mrefu. Mbinu hii ya makusudi ilihakikisha kuwa uwekezaji katika mafunzo unasaidia moja kwa moja kuongeza matokeo, tija, na kuimarisha taasisi yetu.

Katika mwaka wa 2025, tulifanya uteuzi wa viongozi wawili katika ngazi ya Kamati ya Utendaji ili kuimarisha utendaji na kulijenga shirika kuwa imara zaidi. Mark Mwongela aliteuliwa kuwa Mkurugenzi wa Kikundi wa Mkakati na Uvumbuzi, na Yannick Ngandu akateuliwa kuwa Mkurugenzi Mtendaji wa TMB. Mark na Yannick wanaleta utaalamu na uzoefu wa hali ya juu utakaosaidia kuendesha Kikundi chetu kuelekea mafanikio makubwa zaidi.

Mtazamo wa 2026

Tunapoingia mwaka wa 2026, tunafanya hivyo kwa ujasiri na azma thabiti, kwani ninaamini utakuwa wakati mwingine muhimu sana kwa Kikundi chetu. Katika mwaka huu, tutafanya kazi kuimarisha mageuzi, kubuni upya jinsi mteja anavyopata huduma za benki, na kuleta matokeo ya kudumu. Lengo letu halitaishia tu kwenye matokeo ya kifedha; itahusisha pia kuwawezesha wateja wetu, kukuza uwezo wa wafanyakazi wetu kikamilifu, na kuimarisha jamii tunazozihudumia. Kiini cha maono haya ni ahadi yetu isiyotikisika ya kutoa thamani endelevu kwa wanahisa wetu.

Tutaendelea kuwapa kipaumbele watu wetu, tukihakikisha tunavutia, tunawamudu wateja, na kukuza ujuzi unaohitajika ili kukidhi mahitaji yanayobadilika ya biashara yetu. Wakati huo huo, tutatumia vyema teknolojia yetu, jina letu, na ushirikiano wa kimkakati, huku tukijenga mahusiano ya karibu na wateja wetu kwa kutimiza ahadi zetu kwa haraka . Tutachochea matokeo bora katika sekta muhimu kupitia utekelezaji wa nidhamu wa mipango yetu ya kimkakati na kibiashara. Pia, tutasimamia kwa karibu ubora wa mikopo yetu kwa kupunguza mikopo isiyolipwa (NPLs) iliyopo sasa na kuzuia kuongezeka kwa mikopo mipya ya aina hiyo.

Wakati huo huo, tutaelekeza nguvu zetu katika kutoa faida kutokana na ununuzi wa kampuni na uwekezaji wa kiteknolojia tulioufanya katika miaka ya hivi karibuni ili kupata thamani yake kamili. Kwa kuzingatia ahadi yetu ya kuwazawadia wanahisa, tunalenga kuongeza malipo ya hisa mnamo 2026, tukizingatia mahitaji ya mtaji yanayohitajika kusaidia ukuaji wa biashara.

Nikimalizia, natoa shukrani zangu za dhati kwa wafanyakazi wetu wote kwa kujitolea na bidii yao katika mwaka uliopita. Pia, napenda kutambua mwongozo na usaidizi uliotolewa na Bodi ya Wakurugenzi, ambao umekuwa nguzo kuu katika kukiongoza Kikundi kuelekea kwa mafanikio.

Paul Russo, EBS

Afisa Mkuu Mtendaji wa Kikundi

Group Executive Committee

Our Group EXCO is a diverse and highly experienced leadership team comprising the Group Chief Executive Officer, the Group Finance Director, and 12 other senior executives. The team is responsible for providing strategic direction and ensuring the Group remains well positioned to capitalise on growth opportunities.

Paul Russo, EBS
Group Chief Executive Officer

Lawrence Kimathi
Group Finance Director

Annastacia Kimtai
Managing Director, KCB Bank Kenya

Cosmas Kimario
Ag. Group Regional Businesses Director & Managing Director, KCB Bank Tanzania

Japheth Achola
Group Human Resource Director

Changes at the Group EXCO since the previous report.

Mark Mwongela joined the Group on 1 May 2025 as the Director Strategy and Innovation. Mark spearheads the implementation of the Group Strategy while at the same time driving innovation across the business.

Yannick Ngandu was appointed as the Managing Director of Trust Merchant Bank on 7 January 2026. Yannick succeeds Mr. Oliver Meisenberg, whose tenure ended in accordance with the Banque Centrale du Congo regulatory provisions. Prior to his appointment, Yannick served as the Deputy Managing Director since August 2019.

Dennis Volemi
Group Director, Technology

Mark Mwongela
Group Director, Strategy & Innovation

Bonnie Okumu
Group General Counsel

Charles Lang'at
Group Shared Services Director

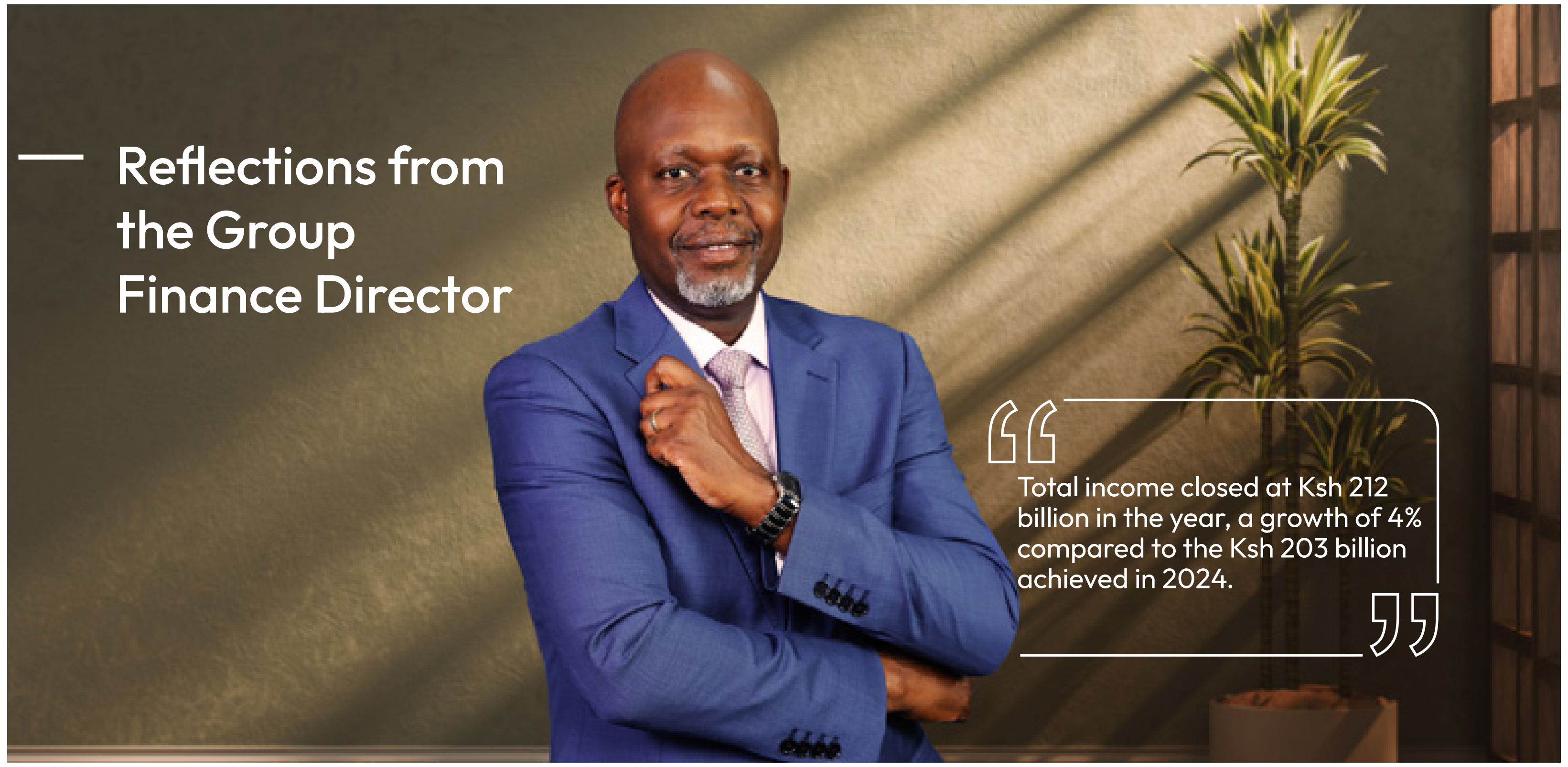
Rosalind Gichuru
Group Director, Marketing & Communications

Anthony Mulisa
Group Treasurer

Faith Basiye
Group Chief Risk Officer

Andrew Lisero
Group Internal Auditor

Yannick Ngandu
Managing Director,
Trust Merchant Bank, DRC



Overview of Financial Results

In 2025, KCB Group delivered another strong performance recording a 13.8% growth in interest earning assets which supported growth in earnings per share of 11% and return on equity closing at 22.5%.

The Group recorded all-time high earnings of Ksh 68.4 billion, a growth of 11%. Costs were well managed, but credit impairment charge increased to shore up coverage.

All our subsidiaries were compliant with statutory capital requirements.

Operating Environment

Despite continued global trade and geopolitical disruptions, global inflation and interest rates declined in 2025 and GDP grew 3.3% (IMF). Inflation eased across the markets where KCB operates in, allowing regulators to cut rates. GDP growth was supported by improvement in industrial and construction sectors in Kenya, rebound in agriculture & resilient service sector in Rwanda, oil sector investment in Uganda and infrastructure & energy projects in Tanzania. This was partial offset by conflict in Eastern DRC and hyperinflation in South Sudan and Burundi.

Funding and Utilization

The Group's balance sheet expanded by 9% in the year to reach Ksh 2.1 trillion driven by new to bank customers, drawn by our innovative customer value propositions for key segments. Excluding the impact of divesting from National Bank of Kenya (NBK), growth in the balance sheet accelerates by 18%, demonstrating the Group's resilience driven by our successful regional diversification strategy and financial solutions.

All our subsidiaries across the region posted double-digit growth in their balance sheets. Total assets in subsidiaries outside of KCB Bank Kenya (KCBK) increased by 20% to Ksh 656 billion, equivalent to 30.5% of the total Group assets.

Customer deposits grew by 15% to Ksh 1.6 trillion driven by new to bank customers across corporate and retail segments.

Exhibit 1: Customer deposits per subsidiary

	2025 Ksh million	2024 Ksh million	Change
KCB Bank Kenya	1,140,837	971,811	17%
Trust Merchant Bank	244,434	225,350	8%
KCB Bank Tanzania	60,238	51,305	17%
KCB Bank Uganda	59,908	44,148	36%
BPR Bank Rwanda	54,457	61,479	(11%)
KCB Bank Burundi	17,196	12,776	35%
KCB Bank South Sudan	15,984	15,106	6%
Total	**1,592,612**	**1,381,975**	**15%**

The deposit growth was utilized in funding a 16% increase in net loans and advances to reach Ksh 1.2 trillion. The tables below show loan growth by subsidiary and key segments.

Exhibit 2: Net loans and advances per subsidiary

	2025 Ksh million	2024 Ksh million	Change
KCB Bank Kenya	854,895	737,689	16%
Trust Merchant Bank	98,657	92,851	6%
BPR Bank Rwanda	74,259	58,358	27%
KCB Bank Tanzania	62,527	52,897	18%
KCB Bank Uganda	41,776	31,828	31%
KCB Bank Burundi	10,916	7,774	40%
KCB Bank South Sudan	8,548	9,016	(5%)
Total	**1,151,577**	**990,413**	**16%**

Exhibit 3: Net loans and advances per segment

	2025 Ksh million	2024 Ksh million	Change
Corporate	594,210	475,836	25%
Retail	430,560	381,487	13%
Mortgages	123,406	130,229	(5%)
Others*	3,400	2,861	19%
Total	**1,151,577**	**990,413**	**16%**

*Others consist of loans & advances at fair value.

Longterm debt increased by 30% to Ksh 90 billion from additional borrowings to optimize the balance sheets for our banking subsidiaries in Kenya, Uganda and Rwanda. More details on these borrowings are available on page 254 of this report. The additional funding is aimed at improving both currency and tenor matching coupled with supporting lending to priority segments in climate and businesses owned by women and youth.

Capital and Liquidity

In 2025, all our subsidiaries were compliant with statutory capital requirements. All our businesses generated strong organic capital, which was prudently allocated to support growth, build safety capital buffers and distribute to our shareholders. KCB Kenya and Uganda's total capital ratios were further enhanced by tier II funding raised during the year. The Group also maintained adequate liquidity ratios across all the subsidiaries throughout the year, adhering to our risk management framework.

Exhibit 4: Subsidiary total capital ratios

Banking subsidiary	2025	Regulatory Minimum	2024
KCB Bank Burundi	33.1%	14.5%	33.7%
KCB Bank Kenya	22.3%	14.5%	18.4%
KCB Bank South Sudan	21.0%	12.0%	13.0%
BPR Rwanda	20.6%	14.5%	21.6%
KCB Bank Uganda	19.8%	14.5%	17.6%
KCB Bank Tanzania	18.4%	14.5%	17.4%
Trust Merchant Bank	16.6%	10.0%	19.9%

Revenue Performance

Total income closed at Ksh 212 billion in the year, a growth of 4% compared to the Ksh 203 billion achieved in 2024. On a like-for-like basis (excl. NBK) the growth was 8%, driven by net interest income growing by 8% (15% excl. NBK). This growth was driven by higher loan volumes and margin expansion. Market benchmark interest rate (the Central Bank Rate) dropped by 225 basis points (bps) in Kenya which in turn led to decrease in asset yields. However, due to good planning and forecasting, KCB was able to reprice and wind out expensive deposits early enough, creating positive jaws at net interest margin.

Exhibit 5: Net interest margin trend

	2025	2024
Asset yield	11.5%	12.1%
Cost of funds	3.8%	4.5%
Net interest margin	7.7%	7.6%

Non-funded income declined by 3% primarily due to reduced foreign exchange income on low volumes and thin margins in Kenya and decline in fees and commissions owing to temporary branch closure in Eastern DRC caused by ongoing conflict in that region. Lending fees on the other hand grew by 18% on the back of 30% growth in digital loans disbursed during the period.

Operating Costs

Total operating costs declined by 3%, on account of divesting from NBK, excluding which operating costs grew by 7% driven by workforce expenses, investments in technology, and variable costs aligned with business expansion. We continue to focus on agile resource allocation balancing our investment priorities with prudent cost management.

Leveraging Group capabilities and increased digitization enabled us to achieve the best efficiency ratio in decades with cost to income ratio improving to 42.3% in 2025. Improvement in employee productivity resulted in a 130 bps reduction in staff cost to income ratio which closed at 18.2% and an overall 7% positive cost jaw.

Asset Quality

The Group's non-performing loans (NPL) ratio improved to 16.9% from 19.2% in 2024, driven by a proactive rehabilitation strategy, aggressive recovery and sale of NBK. The stock of gross NPLs also reduced to Ksh 212 billion from Ksh 226 billion in the previous year. Across our businesses, all our subsidiaries except KCB Bank South Sudan and Tanzania registered an improvement in their asset quality during the year. The NPL book is fully covered by cash provisions and collateral. The Group also continues to prudently build cash provisions, taking an additional Ksh 32 billion in loan loss provisions during the year, a growth of 8% compared to 2024, despite the reduction in NPL stock and ratio.

KCB continues to accelerate efforts to resolve these NPLs, with the aim of lowering the ratio to between 14% and 16% in 2026. Several initiatives are underway, including enhancing recovery efforts, rehabilitation, full & final settlements, engaging the Government of Kenya for associated entities and write-offs for accounts with full provisions & limited turnaround possibility.

To forestall additional migration to NPL, we have put in place measures to closely monitor the book with the aim of identifying distressed assets early and taking mitigation action. During the year, we implemented an improved debt collection system to highlight early warning signs for better portfolio and risk management thus reducing our migration rates. We also ensured appropriate target setting for front end teams to incorporate portfolio metrics that impact NPL, enhanced our NPL tactical plan to incorporate new entrants into NPL including large retail names and upgraded our loan origination system to enhance the onboarding and underwriting process thereby ensuring better quality loans are booked while also improving turnaround time.

Exhibit 6: NPL ratios

Banking subsidiary	2025	2024
KCB Bank Kenya	19.9%	21.9%
Trust Merchant Bank	11.5%	11.5%
KCB Bank South Sudan	6.8%	3.6%
KCB Bank Uganda	5.0%	5.9%
BPR Rwanda	2.8%	5.5%
KCB Bank Tanzania	2.4%	1.4%
KCB Bank Burundi	0.9%	1.5%
Group Consolidated	**16.9%**	**19.2%**

Exhibit 7: NPL vintage breakdown for KCB Bank Kenya

NPL Ratio	2025	2024
Below 3 months	0.19%	0.12%
Between 3 and 6 months	3.78%	0.09%
Between 6 and 12 months	0.08%	2.04%
Between 12 and 24 months	1.99%	2.91%
Older than 24 Months	13.80%	16.74%
Total	**19.84%**	**21.90%**

Profitability and Shareholder Value

The strong revenue growth and improved efficiencies led to an 11% increase in net profit to an all-time high of Ksh 68 billion in 2025. Net profit from subsidiaries outside of KCBK grew by 4% to Ksh 20 billion, as solid growth in BPR, Tanzania, Uganda and our non-banking subsidiaries more than offset the impact of NBK sale. The contribution to the Group net earnings from these subsidiaries settled at 29.5% from 30.3% in the prior year.

Our non-banking subsidiaries in Kenya also posted a stellar performance with our asset management, investment banking, and bancassurance arms growing their net profit by 54%, 31% and 29% respectively. This enabled them to upstream dividends to the Group, bolstering the shareholder reward kitty alongside contributions from KCBK, BPR and TMB.

The Group's return on equity eased to 22.5% from 24.6% in the prior year due to a 21% growth in shareholders' equity from retained earnings during the period. This growth saw the shareholders' wealth in the Group rise to Ksh 332 billion up from Ksh 275 billion in the prior year.

Backed by the robust performance during the year, the Directors have recommended a final dividend of Ksh 3.00 per ordinary share. This is in addition to the interim dividend of Ksh 4.00 per ordinary share paid in November making the total dividend for the year Ksh 7.00 per ordinary share amounting to Ksh 22.5 billion, an increase of 133% compared to 2024.

This dividend coupled with a 58% share price appreciation amounts to a total shareholder return of 75% in 2025, taking the total return over the past two years to 172%.

> The strong revenue growth and improved efficiencies led to an 11% increase in net profit to an all-time high of Ksh 68 billion in 2025. Net profit from subsidiaries outside of KCBK grew by 4% to Ksh 20 billion.

Value Created and Distributed

During the year, we created and distributed total value amounting to Ksh 234 billion among our various stakeholders. This comprises dividends to shareholders, employee benefits, income earned by suppliers, tax expenses, interest earned by depositors & lenders, allocation to KCB Foundation and retained earnings for business growth.

This highlights the key role that KCB plays in powering economic growth across the region over and beyond our core lending activity. Overall, the Group has created and distributed value amounting to Ksh 914 billion over the past five years.

More details on this distribution are available on page 63 of this report.

Total value created (Ksh billion)

2026 Outlook

2026 marks the final year of our Transforming Today Together strategy. Agile execution of our key initiatives will continue to drive business growth and support the delivery of superior shareholder value. Our performance in 2026 will be anchored on the below aspirations.

Key performance indicator	2025 performance	2026 guidance (As of 30 April 2026*)
Non funded income ratio	30.7%	**33% - 34%:** Uplift to be supported by growth in non-funded income from increased transactions and monetization of recent investments in Riverbank and Pesapal.
Cost-to-income ratio	42.3%	**42% - 44%:** Cost drivers will mainly be due to investments in technology, business expansion and customer acquisition expenses.
NPL ratio	16.9%	**14% - 16%:** Reduction to be driven by accelerating measures under our NPL resolution strategy.
Cost of risk	2.8%	**1.8% - 2.2%:** Improvement to be supported by better asset quality evidenced by low early vintage ratios.
Cost of funds	3.8%	**3.4% - 3.8%:** Improvement to be driven by decline in market interest rates and mobilization of low-cost CASA deposits.
Net interest margin	7.7%	**7.2% - 7.8%:** Possible moderation due to anticipated reduction in asset yield and implementation of revised risk-based credit pricing model.
Asset yield	11.5%	**11.0% - 11.2%:** Projected to drop due to an anticipated drop in yield from government securities and placements on lower market interest rates.
Loan growth	16.3%	**10.0% - 11.0%:** Expectation is to grow the book at par with the normalized 2025 performance driven by balanced growth in retail and corporate segments.
Deposit growth	15.2%	**9.0% - 11.0%:** CASA deposit mobilization across the region and enhanced customer value propositions to deliver growth similar to the normalized 2025 performance.
Return on equity	22.5%	**20.0% - 22.0%:** Performance moderated by a higher base from organic growth in shareholder funds from retained earnings.

*Management may review guidance during the year based on prevailing market conditions.

Lawrence Kimathi
Group Finance Director

Five-Year Review

Summary Statement of Profit or Loss

	31-Dec-21 Ksh million	31-Dec-22 Ksh million	31-Dec-23 Ksh million	31-Dec-24 Ksh million	31-Dec-25* Ksh million
Interest income	114,826	132,003	181,553	225,807	223,448
Interest expense	(24,463)	(31,098)	(60,841)	(76,056)	(61,705)
Net interest income	**90,363**	**100,905**	**120,712**	**149,751**	**161,743**
Non interest income	18,960	27,307	38,633	53,158	50,096
Operating income	**109,323**	**128,212**	**159,345**	**202,909**	**211,839**
Operating expenses	(47,726)	(60,852)	(83,477)	(90,611)	(89,290)
Loan loss provisions	(13,998)	(10,300)	(27,415)	(28,238)	(30,768)
Total expenses	**(61,724)**	**(71,152)**	**(110,892)**	**(118,849)**	**(120,058)**
Profit before tax and loss on monetary position	**47,599**	**57,060**	**48,453**	**84,306**	**91,781**
Gain/(loss) on monetary position	216	271	-	(2,333)	(877)
Profit before income tax	**47,815**	**57,331**	**48,453**	**81,973**	**90,904**
Income tax expense	(13,642)	(16,494)	(10,991)	(20,198)	(22,553)
Profit for the year	**34,173**	**40,837**	**37,462**	**61,775**	**68,351**

Summary Statement of Financial Position

	31-Dec-21 Ksh million	31-Dec-22 Ksh million	31-Dec-23 Ksh million	31-Dec-24 Ksh million	31-Dec-25 Ksh million
Assets					
Government and other securities	276,293	295,423	397,203	408,895	453,723
Net loans and advances to customers	675,481	863,268	1,095,944	990,413	1,151,576
Property and equipment	16,993	26,618	23,910	22,036	24,270
Other assets	170,905	368,721	653,817	540,976	517,637
Total assets	**1,139,672**	**1,554,030**	**2,170,874**	**1,962,320**	**2,147,206**
Liabilities					
Customer deposits	837,141	1,135,417	1,690,909	1,381,975	1,592,612
Lines of credit	85,378	156,397	176,467	112,290	153,314
other liabilities	43,646	55,939	67,939	185,076	60,725
Total liabilities	**966,165**	**1,347,753**	**1,935,314**	**1,679,341**	**1,806,651**
Total equity	**173,507**	**206,277**	**235,560**	**282,979**	**340,555**
Total liabilities and equity	**1,139,672**	**1,554,030**	**2,170,874**	**1,962,320**	**2,147,206**

*Income statement breakdown consists of NBK's line by line contribution for the period it was a subsidiary of the Group in 2025. In the consolidated annual financial statements on page 154 of this report, this contribution has been presented as net profit from discontinued operations in line with IFRS Accounting Standards.

Value Added Statement

Amount in Ksh million	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24	31-Dec-25
Interest income	96,261	114,826	132,003	181,653	225,807	223,448
Non funded income	20,012	18,960	27,307	38,533	53,158	50,096
Provision and depreciation	(33,426)	(20,026)	(16,915)	(37,216)	(37,985)	(39,498)
Value added	**82,847**	**113,760**	**142,395**	**182,970**	**240,980**	**234,046**

Distribution of value created	2020		2021		2022		2023		2024		2025	
Amount in Ksh million	**Amount**	**Share**	**Amount**	**Share**	**Amount**	**Share**	**Amount**	**Share**	**Amount**	**Share**	**Amount**	**Share**
Interest for depositors and lenders	21,209	25.6%	24,463	21.5%	31,098	21.8%	60,841	33.3%	76,056	31.6%	61,705	26.4%
Employee benefits	20,451	24.7%	25,070	22.0%	30,422	21.4%	38,469	21.0%	40,255	16.7%	39,337	16.8%
Shareholder dividends	3,213	3.9%	9,640	8.5%	6,426	4.5%	-	0.0%	9,640	4.0%	22,494	9.6%
Retained earnings and non controlling interest	15,418	18.6%	23,594	20.7%	35,024	24.6%	36,542	20.0%	53,585	22.2%	45,873	19.6%
Suppliers of goods and services	15,930	19.2%	16,952	14.9%	22,329	15.7%	35,351	19.3%	40,609	16.9%	41,223	17.6%
Government tax	6,115	7.4%	13,642	12.0%	16,494	11.6%	10,991	6.0%	20,198	8.4%	22,553	9.6%
Social capital - KCB Foundation	511	0.6%	399	0.4%	602	0.4%	776	0.4%	637	0.3%	861	0.4%
Value distributed	**82,847**	**100.0%**	**113,760**	**100.0%**	**142,395**	**100.0%**	**182,970**	**100.0%**	**240,980**	**100.0%**	**234,046**	**100.0%**

Strategy

2025 marked the second year of the implementation of our three-year strategy dubbed Transforming Today Together. The strategy is anchored on four strategic pillars to enable us to achieve our Purpose.

Pillar 1: Customer-Centered Value Propositions

Delivery of our aspirations under this pillar is driven by:

- Youth and MSME focus.
- End-to-end value-chain solutions.
- Deep client relationship management & engagement models.

During the year, we continued to innovate and deliver solutions which matched our customers' needs, enabling us to maintain market leadership. In addition, we sustained our stance on enhancing customer experience, with a focus on delivering best-in-class customer relationship management.

Some of the key initiatives we implemented include:

Redesign and Digitalization of Customer Journeys

In line with the Bank's digital-first strategy, we undertook an end-to-end redesign of priority customer journeys across key channels—mobile App, web, agency banking, tablet banking, and branches. The objective was to eliminate friction, standardize experiences, and shift customer interactions from assisted to self-service wherever possible.

The redesigned mobile App was launched in February 2025, while implementation across the remaining channels is progressing in phases to ensure stability, adoption, and consistent experience delivery.

This initiative positions the Group to scale efficiently, lower cost-to-serve, and meet evolving customer expectations for seamless, digital-led banking experiences.

Group Unified Contact Centre

To support the Group's growth and digital ambitions, KCB initiated the transformation towards a Group Unified Contact Centre, designed to operate at scale across Kenya and all subsidiaries. The target state is a cloud-ready, omni-channel solution covering voice, social media, and messaging platforms.

The unified contact centre strengthens operational resilience, improves cost efficiency, and enables the Bank to deliver consistent, high-quality customer experiences across all markets.

Enterprise Queue Management System Upgrade

To improve in-branch customer experience, the Bank completed an upgrade of the Enterprise Queue Management System (EQMS), including the operating system and controllers across branches. This upgrade focused on improving queue visibility, system stability, and service flow management for walk-in customers.

The EQMS upgrade reinforces KCB's commitment to delivering excellent a experiences, ensuring branches remain relevant within a digitally evolving ecosystem.

Governance and CX Accountability Framework

We institutionalized Service Councils at Group, country, and regional levels to strengthen CX governance, accountability, and execution discipline. These councils provide structured forums for reviewing customer feedback, service performance, and systemic pain points.

The Service Councils provide structured governance forums for the regular review of NPS, CES, customer complaints, and service incident trends, enabling early identification of systemic customer pain points. The councils also drive cross-functional decision-making to prioritize corrective actions, digital enhancements, and process improvements that reduce customer effort and improve customer experience.

Adopt A Branch Initiative

Following its launch in 2024, the Adopt a Branch Initiative continued into 2025 with sustained leadership involvement from Group Leadership Committee members, reinforcing accountability and consistent senior leadership presence at branch level.

The initiative achieved strong results, achieving 51% branch engagement, a 94% closure rate on issues raised, and a 98% satisfaction rate from branch teams across the network. Notably, the initiative also benefited from active participation by the Managing Director, Kenya, who recorded an 84% engagement rate with branches, further strengthening leadership visibility, accelerating issue resolution, and reinforcing a customer-centric culture across the branch network.

Leveraging Partnerships to Deliver Solutions for SMEs

During the year, BPR Bank Rwanda partnered with Impact Fund Denmark (IFDK) to drive lending to small and medium-sized enterprises (SMEs). Through the partnership, IFDK increased their portfolio guarantee cover from USD 5.6 million to USD 15 mllion. The first line had helped to bridge the collateral gap and enabled support for 193 SMEs, thus unlocking financing of up to RWF 18.7 billion to SMEs to grow their businesses.

Enterprise Statement Solution

This initiative focused on improving account statements to meet customer needs by ensuring meaningful customer-driven narration on account statement details. This is aimed at delivering a single point of truth for all account statements, redesigning the look and feel, security features and ensuring seamless access for customers through digital access.

The Voice of the Customer (VoC) Tool

The initiative revamped our voice of the customer research tool to ensure real-time feedback and actions. The new tool also introduced new ways of getting feedback from customers.

We institutionalized Service Councils at Group, country, and regional levels to strengthen CX governance, accountability, and execution discipline. These councils provide structured forums for reviewing customer feedback, service performance, and systemic pain points.

The Service Councils provide structured governance forums for the regular review of NPS, CES, customer complaints, and service incident trends, enabling early identification of systemic customer pain points.

Improving Customer Catisfaction

In 2025, the Group recorded continued improvement in Net Promoter Score (NPS) building on the positive momentum achieved over the past few years. NPS improved to 70 from 55 in the previous year while Customer Effort Score (CES) remained fairly steady at 14% compared to 13% in 2024.

This performance was driven by deliberate investments in journey redesign and digitalization, particularly the launch of the enhanced mobile app, and stronger service governance via Group, country, and regional service councils. Additional drivers included faster issue resolution, improved self-service capabilities, and increased leadership accountability through initiatives such as Adopt a Branch.

During the year, customer feedback remained central to service improvement. Insights from NPS, CES, complaints, social media listening, and frontline feedback were systematically reviewed through the Service Councils. This feedback informed targeted process reviews, journey redesigns, policy refinements, and product enhancements aimed at reducing effort and eliminating repeat pain points.

By closing the loop with customers and internal teams, we ensured that feedback translated into tangible improvements, reinforcing a culture of continuous improvement and responsiveness to customer needs.

To sustain and accelerate these gains, the Group will continue to simplify high-friction journeys, scale digital self-service, embed customer metrics into performance management, and use predictive analytics and VoC insights to proactively address emerging pain points.

During the year, the Bank also experienced a number of customer service incidents. These were managed through swift incident response, transparent communication with customers, and cross-functional collaboration to restore services. Beyond immediate resolution, we conducted structured root cause analyses to address underlying issues and implemented preventive controls, system enhancements, and process improvements to reduce recurrence.

Governance oversight through the Service Councils ensured accountability and tracking of corrective actions. Going forward, the Bank is strengthening incident management frameworks, investing in more resilient digital infrastructure, and enhancing proactive customer communication to minimize impact and protect trust when service disruptions occur.

Ensuring Access for Customers Living with Disabilities

KCB remained committed to furthering financial inclusion by ensuring that our services are accessible to all, including customers living with disabilities. The Group ensured that initiatives to revamp or open new bank premises have inclusion well embedded. These elements went further from the traditional focus on customers with mobility issues to design expectations for customers with hearing and visual impairments by providing solutions such as:

- Privacy booths for customer privacy and focused attention.
- Barrier-free workspaces.
- Height-adjustable furniture.
- Accessible restrooms with proper support fixtures.
- Tactile and visual cues: Braille signage, high-contrast colors for visually impaired customers and employees, and clear wayfinding systems.
- Adjustable lighting.

Cybersecurity

The Group has put in place a rigorous campaign to educate customers on how to keep their account information and PIN safe from fraudsters. We run such campaigns as "Kaa Rada" (Be alert) on a regular basis and awareness campaigns on the Bank's official communication channels which aim to ensure customers are not social engineered to share their account information with third parties and can easily identify impersonators when they receive calls from unofficial channels.

This is done through the various customer touchpoints; bulk messaging, e-shots, in-app notifications, videos on social media and customer education at the onboarding point. Technology solutions were also implemented to make it more difficult for fraudsters to take over compromised customer digital channels through social engineering leading to fraud attempt enquiries being reduced by over 95%. This included device and SIM pairing to ensure app downloads were only successful on devices that had the customer SIM card, restricting OTP activation on registered device only through automatic reading of the OTP messaging instead on manual keying in.

We have also put in place a stringent customer authentication and identification criteria before sharing any account information from the Bank to safeguard against breach of customer information confidentiality. This was complemented by regular fraud, data protection and cyber security awareness as well as eLearning courses for Bank staff.

In addition, we have a rigorous transaction monitoring mechanism in place to flag and act on any suspicious activities. Our Contact Centre is also empowered to act and restrict customer accounts on reported fraudulent activities to safeguard customer accounts where there has been a compromise.

Pillar 2: Leveraging Group Capabilities for Efficient Scale

Delivery of our aspirations under this pillar is driven by:

- Centers of excellence for enabling functions to optimize subsidiary support.
- Regional corporate client value propositions, trading and payments.
- Regional Treasury model.

During the year, the Group continued to enhance its operations across the region while making targeted investments in its subsidiaries. These efforts improved operational efficiency, strengthened governance & risk management frameworks, deepened customer relationships, and positioned the Group for scalable and sustainable growth.

The Group Treasury structure is now fully embedded across the organisation and assessment of resourcing gaps in key subsidiaries has been completed. The regional trading desk is also fully operational and actively enhancing access to global FX liquidity, strengthening execution capabilities and market responsiveness.

In addition, the upgrade of the core banking system in Trust Merchant Bank, DRC was also completed in early 2026. The upgrade will improve front-office productivity and increase transaction processing capacity. This will be achieved through the transition to automated processes and the introduction of alternative branch models, enabling front-office teams to focus more on client-facing and value-added activities.

Cost Optimization and Value Realization

The Group delivered tangible financial value by leveraging its collective capabilities to drive cost optimization and process efficiency. Contract consolidation initiatives unlocked savings through economies of scale, while improved visibility into card business cost structures enabled the recovery of legacy costs. Digitisation of asset disposal processes maximized value realization while eliminating agency fees. In addition, automation across reconciliation, treasury, and trade operations significantly reduced manual workloads, improved turnaround times, and minimized operational losses.

Increased Automation

The Group made significant progress in strengthening its intellectual capital through automation and process redesign. The implementation of a best-in-class front-to-back trade finance platform established the foundation for a fully digitised trade ecosystem, while bid bond digitisation expanded access for our customers.

Robotic process automation delivered measurable efficiency gains across key processes, including salary processing, mobile banking reversals, reconciliation, and treasury operations. Further progress was achieved through the rollout of the Recon Hub platform and the automation of 35 reconciliation processes across subsidiaries. This led to improved data accuracy, reduced turnaround times, and strengthened exception management. Enhancements to credit systems, including automated validations and green lending classification, reinforced risk management practices while enabling improved reporting and portfolio oversight.

Leveraging data and analytics in Bancassurance Intermediary enabled the business to cross-sell and upsell solutions. This led to improved conversion rates and deepened product reach through identification of stronger leads. Across the region, leveraging data and analytics also enabled the Group to scale up digital lending in Uganda, Tanzania and Rwanda.

Investment in modern and resilient infrastructure remained a key priority to support efficient service delivery at scale. The digitisation of approximately six million legacy account opening records enhanced data accessibility, strengthened compliance, and ensured operational continuity. The upgrade of SWIFT messaging to ISO 20022 standards enhanced the Group's cross-border payments capability by improving data quality, increasing transaction success rates, and elevating customer experience.

People Capability and Capacity Building

Automation initiatives enabled employees to focus on higher-value activities, improving productivity and job satisfaction. At the same time, structured training programmes, including Trade and Card Academies, strengthened technical expertise in trade finance and card operations across the Group.

Capacity building within the Group strengthened local ownership of processes, and improved responsiveness to regulatory and compliance requirements. Training on procurement systems, vendor onboarding, and contract management further enhanced operational competence across all our markets.

Digital Centre of Excellence

During the year, the Group advanced its regional technology agenda through the Digital Centre of Excellence (DCoE), a dedicated taskforce responsible for gathering requirements, prioritizing initiatives, and executing technology changes across the organization. The DCoE institutionalized agile ways of working by organizing structured scrums for group-wide technology delivery, enhancing coordination, transparency, and execution discipline.

The deployment of the DCoE delivered significant benefits to the Group, including faster commercialization through aligned go-to-market execution, improved deployment speed, and reduced production issues. The consolidation of services into dedicated squads enhanced efficiency and value delivery, while expanded delivery capacity increased the number of initiatives delivered and improved value realization tracking.

In addition, the DCoE strengthened governance through a more structured operating model and closer alignment with business priorities. Enhanced Executive visibility deepened oversight and accountability, while increased regional agility drove faster decision-making, stronger collaboration, and greater ownership across markets.

Outcomes

As a result of these initiatives, the Group achieved the best efficiency ratio in decades. Cost to income ratio decreased to 42.3% in 2025, from 45.4% in the preceding year on positive cost jaws occasioned by strong revenue momentum coupled with prudent cost management and improved efficiencies across the Group.

As at the end of 2025, the Group owned seven banking subsidiaries across seven countries. We also own a host of non-banking businesses in investment banking, bancassurance, payments and asset management to maximize on the opportunities available on the financial services ecosystem. During the year, profit after tax from subsidiaries outside of KCB Bank Kenya (KCBK) grew by 4% to Ksh 20.3 billion. As a share of total Group's net profit, contribution from these subsidiaries eased to 29.5% from 30.3% in the prior year on sale of National Bank of Kenya and slowdown in DRC as a result of the conflict in the eastern part of the country.

Net profit per subsidiary

	2025 Ksh million	2024 Ksh million	Growth
KCB Bank Kenya	48,495	45,029	8%
Trust Merchant Bank	8,756	10,437	(16%)
BPR Bank Rwanda	3,701	3,024	22%
KCB Bank Tanzania	3,263	2,608	25%
KCB Bank Uganda	1,777	1,128	58%
KCB Bank South Sudan	836	(451)	>100%
KCB Bancassurance Intermediary	808	615	31%
KCB Bank Burundi	454	791	(43%)
KCB Investment Bank	261	203	29%
KCB Asset Management	114	73	56%

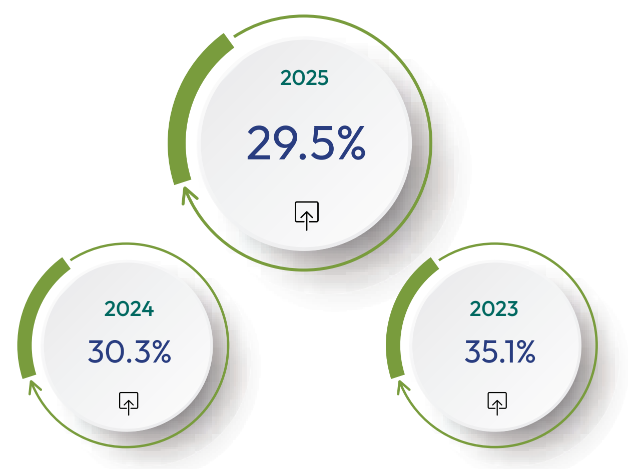
The total assets in our subsidiaries outside KCBK also increased by 20% to Ksh 656 billion, equivalent to 30.5% of the total Group balance sheet. All the businesses registered double-digit percentage growth in their balance sheets in the year.

Balance sheet size per subsidiary

	2025 Ksh million	2024 Ksh million	Growth
KCB Bank Kenya	1,497,700	1,277,766	17%
Trust Merchant Bank	298,924	269,681	11%
BPR Bank Rwanda	124,741	91,573	36%
KCB Bank Tanzania	96,829	82,806	17%
KCB Bank Uganda	78,306	61,015	28%
KCB Bank South Sudan	27,752	22,806	22%
KCB Bank Burundi	24,102	17,420	38%
KCB Bancassurance Intermediary	4,024	2,624	53%
KCB Investment Bank	1,318	1,178	12%
KCB Asset Management	501	434	15%

Net Profit from subsidiaries outside of KCB Bank Kenya (Ksh billion)

Share of Net Profit from subsidiaries outside of KCB Bank Kenya



Looking forward, the Group is aiming to leverage the API platform implementation across subsidiaries in Tanzania, Uganda, and Rwanda to accelerate digital product growth and enhance scalability. This initiative is expected to drive greater integration, improve customer experience, and unlock new revenue streams through expanded digital capabilities.

In addition, the Group is looking ahead to completing the reorganization of KCB Asset Management (KCBAM) and KCB Investment Banking (KCB IB) businesses. In 2025, the Group commenced a process to consolidate wealth and fund management services into KCB IB following a comprehensive review of the KCB IB and KCBAM businesses. Consequently, KCBAM is undergoing a regulatory process to change its name to KCB Corporate Trustee Limited. This adjustment will enable our business to be more focused on delivering our strategic goals while scaling growth for both investment banking and trustee services. Completion of this reorganization will ensure alignment with regulatory requirements while maximizing the Group's capabilities and network. This will support the broader rollout of investment banking and corporate trustee services across KCB, strengthening market reach and operational efficiency.

Pillar 3: Digital Leadership

Our digital banking platforms, anchored on a robust support system, continue to bring the Bank closer to our customers for convenient, anytime, anywhere access to our services. On the Digital front, we achieved significant milestones during the year including:

- Rolled out a new mobile banking platform across Kenya, Tanzania, South Sudan, and Burundi, providing a modern interface appealing to all age groups.
- Launched Target, Goal Account, and Fixed Deposit options with flexible terms, complemented by a savings calculator to help customers plan and optimize savings within the KCB mobile banking APP.
- Rolled out KCB Chama, onboarding 6,400 chamas to transact on mobile using a USSD code and a chama portal.
- Launch of merchant cash flow lending to over 225,000 active Lipa Na KCB merchants.
- Strengthened mobile onboarding through document verification and selfie matching.
- Enabled biometric authentication (fingerprint and facial recognition) on the mobile app.
- Expansion across markets with the growth of MoPesa (KCB/MTN Uganda Partnership) customers and disbursements. The product recorded an 85% YoY growth in its customer base with a corresponding growth of 62% in the customers with limits.
- Launched Digi-FLME and e-mobility financing, increasing access to credit for consumers and SME businesses.
- Onboarded strategic partners for Banking-as-a-Service (BaaS).
- Deployed Unified Agency Banking solution to enhance operational efficiency.
- Rolled out Pan African Payment & Settlement System (PAPSS) to facilitate cross-border payments.
- The Buni API platform attracted a vibrant and expanding community of 2,600 developers, innovators and small businesses. These partners are leveraging Buni to build solutions that address real-world challenges, thereby enriching user's digital experiences through bespoke, problem-solving applications.

These enable us to maintain our competitive edge, drive innovation, and meet the evolving needs of our customers. The volume of transactions processed through digital channels grew by 21% during the year to reach 1.6 billion, the bulk of them being processed through mobile. This represents 99% of all transactions conducted through KCB touchpoints during the year.

> Our digital banking platforms, anchored on a robust support system, continue to bring the Bank closer to our customers for convenient, anytime, anywhere access to our services.

Number of Transactions (M)	2025	2024	Change
Mobile Lending	1,386	1,006	30%
Mobile Banking Service	96.6	128.8	(25%)
Agency	49.1	62.3	(21%)
Merchant POS	27.0	25.3	7%
Internet Banking	17.3	16.0	8%
ATMs	8.4	8.8	(5%)
Total Digital	1,584.6	1,307.4	21%
Branch Teller	9.7	10.7	(9%)
Total Transactions	**1,594.3**	**1,318.0**	**21%**
Share of digital	99%	99%	

The value of transactions through digital channels increased by 3% to Ksh 7.5 trillion, with internet banking processing the bulk of these transactions amounting to Ksh 3.3 trillion. Overall, digital channels processed 63% of transactions by value, with branches handling the remaining 37%.

Values of Transactions (Ksh billion)	2025	2024	Change
Internet banking	3,252	2,728	19%
Mobile Banking Service	2,592	2,800	(7%)
Mobile Lending	519	407	28%
ATMs	448	407	10%
Agency	418	701	(40%)
Merchants POS	241	204	18%
Total Digital	7,470	7,247	3%
Branch Teller	4,346	4,152	5%
Total Transactions	**11,816**	**11,399**	**4%**
Share of digital	63%	64%	

Stellar Year for Vooma

Strong uptake in 2025 evidenced by consistent month-on-month growth, with over 20,000 new Monthly Active Users (MAU) in 2025. This confirms that customers are increasingly embracing Vooma as a reliable everyday payments tool, especially for merchant payments, P2P transactions, and lifestyle use cases.

Vooma's momentum is not just in numbers; it is in strategic maturity. In 2025, we completed the Vooma Wallet Positioning Strategy, clearly defining the role of Vooma within the larger KCB digital ecosystem. This has enabled us to sharpen our value proposition, differentiate from other market players, and better serve both buyers and merchants.

Launch of New Mobile App

- The new KCB mobile App, powered by a unified technology platform, aims for consistency and advanced features to ensure unmatched convenience for our customers. Its key attributes include:
- **Self-onboarding:** Customers can register and start banking instantly.
- **Advanced security:** Biometric authentication which ensures transactions are seamless and safe.
- **Speed and efficiency:** Faster navigation and quick hassle-free transactions.
- **Accessibility and simplicity:** Enabling customers to easily manage finances, pay bills, access loans and increase savings.

The new App enables:

- Scheduled payments through standing orders.
- Split bills feature.
- Purchase of motor private, personal accident, last expense insurance covers.
- Set up of Goal savings and fixed deposits.
- Utility payments.
- Card linkage and management services.
- Local and cross-border payments.
- Access to mobile loan products.
- Budgeting and finance management tools.
- Contactless payments.

Ksh 1.5 billion Disbursed per Day on Mobile

In 2025, mobile lending recorded strong performance, supported by improvements in customer assessment models, product optimization, and enhanced credit accessibility. The key drivers of growth included:

- Rollout of new digital lending products such as e-mobility, Digi-FLME, merchant cashflow and device financing.
- Expansion of application & behavioral scoring models. Introduction of a new KCB M-PESA application scoring model resulting to a 7% YoY growth in the number of customers in the credit-eligible pool and 17% corresponding increase in limits value. This translated to an 8% YoY growth in disbursements.
- Regular credit limit refresh cycles. Bi-monthly limit reviews for key lending products—including the KCB mobile loan and salary advance ensured that credit limits remained aligned with customers' financial activity.
- Updated KCB Mobi lending rules. Integration of M-Pesa and PesaLink inflows into credit decisioning led to a larger pre-scored customer base and higher credit limits. This directly contributed to increased loan disbursements throughout the year.

These initiatives saw the value of mobile loans disbursed grow by 30% to Ksh 544 billion, equivalent to Ksh 1.5 billion per day.

System Availability

System uptime is a Business Imperative. With most transactions being conducted on mobile, any downtime directly affects customer trust & satisfaction, revenue & transaction flow, brand and regulatory compliance. Ensuring 24/7 availability is fundamental to KCB's value proposition in digital banking. This is done through:

i. Robust monitoring & performance tracking: KCB actively builds real-time reporting and monitoring tools for mobile channels to track uptime/availability metrics, performance patterns and early degradation signals. This allows the Bank to proactively detect and act on issues before they impact customers.

ii. High Availability & Redundancy Engineering:
   a. Redundant infrastructure – no single point of failure.
   b. Load balancing – to distribute traffic and prevent overloads.
   c. Automated failover – so if a component fails, another takes over instantly.
   d. Multi-region/cloud deployments – spreading risk across data centers.
   e. Continuous replication of transactional data for consistency and fast recovery.

iii. Business continuity & disaster recovery (BC/DR): KCB ensures Business Continuity Plans (BCP) that include:
   a. Disaster recovery strategies for mobile/internet channels.
   b. Backup procedures and data replication across sites.
   c. Regular testing of recovery processes.

iv. Continuous improvement and upgrades. These include:
   a. Software updates that don't require downtime.
   b. Performance tuning ahead of predicted peak periods.
   c. Capacity planning with scaling mechanisms (e.g., auto-scaling clusters).
   d. This ensures the system not only stays up but stays responsive and secure as demand grows.

v. Cloud & modern architecture benefits such as:
   a. Cloud-based auto-scaling and redundancy.
   b. Multi-zone/multi-region failover.
   c. Disaster recovery integrated with operational service level agreements (SLAs)

vi. Real-time alerts & incident response modern uptime strategy includes:
   a. Automated alerts for anomalies.
   b. 24/7 on-call response teams.
   c. Incident playbooks and escalation protocols.
   d. Daily operational dashboards.
   e. This framework allows for rapid resolution of issues, often before customers are affected.

Pillar 4: Optimize Data and Analytics

Delivery of our aspirations under this pillar is driven by:

- 360-degree customer view through consolidated data warehouse & data lake.
- Hyper-personalized customer experiences.
- Monetization of data and robust data governance.

In 2025, KCB Group formalized its Enterprise Data Management (EDM) framework, fundamentally reinforcing the "Leverage Data & Analytics" pillar of our Transforming Today Together strategy. By transitioning from data silos to a unified ecosystem, we have positioned data as a high-velocity strategic asset.
Our EDM framework serves as the architectural backbone for four critical strategic data driven aspirations:

- **Unified Intelligence:** Achieving a 360-degree customer view by converging disparate data streams into a consolidated Data Warehouse and Data Lake.
- **Precision Engagement:** Powering hyper-personalized customer experiences through real-time behavioural insights.
- **Data Monetization:** Driving monetization while maintaining a rigorous, zero-compromise Data Governance posture.

The Data & AI Governance Operating Model

To ensure accountability and ethical scaling, KCB established a tiered governance structure designed to bridge the gap between boardroom strategy and technical execution:

- **Data & AI Governance Council:** The Group's ultimate authority, providing fiduciary oversight, strategic funding, and high-level advocacy for Data and AI initiatives.
- **Data Management & AI Steering Committee:** The operational engine responsible for cross-functional alignment, risk mitigation, and issue resolution. This body ensures every AI use case is rigorously mapped to the Group's broader commercial objectives.

2025 Impact: Analytics in Action

Throughout 2025, KCB continued to leverage sophisticated algorithms to catalyze growth and operational excellence across the following frontiers:

- **Sentiment & Experience Intelligence:** Deployed Text Analytics and Natural Language Processing (NLP) to synthesize feedback from NPS and CES surveys, transforming raw customer sentiment into actionable service improvements.
- **Digital Credit Lifecycle Automation:** Developed and scaled proprietary automated scoring models. These algorithms handle end-to-end appraisal, limit management, and business rule optimization, facilitating frictionless, instant credit access for both new and existing borrowers.
- **Algorithmic Sales & Propensity Modelling:** Empowered sales teams through lead-generation engines. By utilizing advanced customer segmentation and pre-scoring for lending and insurance products, we have moved from "cold outreach" to data-backed "precision targeting."
- **Risk & Revenue Vigilance:** Launched Early Warning Systems (EWS) for the Corporate Division utilizing Association Rule Mining to detect patterns in deposit outflows, turning potential attrition into business opportunities.
- **Revenue Assurance:** Automated protocols, leveraging data to eliminate leakage and optimize the Group's top-line performance.

Emerging Frontiers

The Data & Analytics team continued to expand the pillar's footprint with the high-impact use cases indicated below:

- **Sales Force Automation (SFA):** Integrating data-driven forecasting and pipeline management to move from manual sales planning to predictive performance tracking.
- **Self-Healing Reconciliation:** Transitioning from batch processing to near real-time reconciliation. By identifying and resolving discrepancies as they occur, we have drastically reduced resolution time for customer disputes and heightened operational integrity.

KCB Group is dedicated to creating long-term value and shared prosperity by embedding Sustainability and Environmental, Social, and Governance (ESG) principles into its decision-making processes and growth strategy.

Environmental and Social Impact

Our ESG Practices and Principles

KCB Group is dedicated to creating long-term value and shared prosperity by embedding Sustainability and Environmental, Social, and Governance (ESG) principles into its decision-making processes and growth strategy. Over time, we have continued to integrated Sustainability into our everyday operations.

As a result, KCB Group continues to be recognized as financially strong, socially responsible, and environmentally sustainable. The growing challenges of climate change, biodiversity loss, and pollution underscore the urgent need to transform our societies and economies to safeguard the planet. Addressing these issues requires both individual responsibility and coordinated, collective action to drive and implement meaningful solutions.

Environmental

Sustainability Focus

In 2025, KCB Group sustained its position as a leading institution in sustainable finance deepening green lending, expanding climate frameworks, broadening community impact, and forging strategic partnerships that extend the Group's sustainability footprint across the region. The Group recognizes its role in driving economic growth while promoting environmental stewardship and social responsibility across the markets it serves.

KCB seeks to reduce its environmental footprint through strategic initiatives and sustainable financing, including responsible lending, ethical sourcing, resource efficiency, and tree growing programmes. Through these efforts, we support inclusive growth, climate resilience, and the development of sustainable communities. Our Sustainability strategy blends environmental stewardship, social investment, and strong governance, positioning the Group as a key driver of sustainable development in all its markets.

KCB's sustainability journey is guided by the conviction that financial performance and positive impact are not competing objectives but mutually reinforcing. The Group is committed to transparent reporting, credible assurance, and consistent delivery against its stated targets, holding itself accountable to investors, customers, employees, regulators, and communities who depend on its success.

The Group publishes its Sustainability Report annually. It details the progress across various sustainability initiatives focusing on non-financial performance

The 2025 report is available on www.kcbgroup.com/sustainability-page

Summary of our 2025 Sustainability Disclosures

Pillar 1: Sustainability Governance

Through established governance structures and internal processes, the Board provides strategic oversight of sustainability performance and reporting, including the supervision of sustainability related and climate related risks to ensure that ESG considerations are embedded in enterprise risk management and long-term value creation.

During the year, the Board strengthened its oversight of environmental, social, and governance matters. The entire Board maintains oversight of ESG strategy and performance, with specific responsibilities allocated to specific committees as disclosed on page 100 of this report.

The Board's specific responsibilities in relation to sustainability include:

i. Instituting groupwide sustainability policies.
ii. Overseeing groupwide strategy, procedures and frameworks that support the integration of sustainability considerations into decision-making.
iii. Providing oversight on risks associated with the implementation of the sustainability agenda and receives independent monitoring and reporting from the Group Internal Auditor and Group Chief Risk Officer.
iv. Overseeing the monitoring of sustainability-related risks, compliance, and policy implementation.

Executive management, led by the Group Chief Executive Officer, oversees the implementation of sustainability policies across the Group by ensuring that the necessary structures, resources and processes are in place to effectively execute sustainability commitments and monitor progress.

The Group Director Strategy and Innovation drives sustainability strategy and monitors progress of achieving set metrics and targets. The day-to-day implementation of KCB's sustainability agenda is coordinated through a dedicated Sustainability function that supports the integration of ESG considerations across the Group.

For more information refer to page 22 of the 2025 Sustainability Report.

Pillar 2: Sustainability Strategy

The Group conducts materiality assessments to identify Sustainability-related risks and opportunities that could reasonably impact the strategy, business model and prospects over short, medium and long-term. The Group also conducts an analysis of its environmental and social impacts based on its financed activities, with a particular focus on translating portfolio exposure into meaningful impact insights.

In 2025, a higher emphasis was placed on interpreting the findings of the analysis, enabling a better understanding of how the Group's financing activities influence sustainable development objectives. The Group continued to apply a structured approach to identify and assess impacts across its portfolio, including:

i. Analysis of portfolio exposure by sector and geography.
ii. Identification of high-impact sectors based on level of financing.
iii. Mapping of sectors to key environmental and social impact areas.
iv. Consideration of impact interdependencies and trade-offs.

Over time, KCB seeks to be a key player in shaping a robust and sustainable financial ecosystem throughout East Africa. Our long-term direction includes:

- **Scaling green lending:** This will be enabled through strengthened collaboration with key financing partners to mobilise capital at scale, product innovation and accelerating the transition to a low-carbon and climate resilient economy throughout the region.

- **Implementing climate and nature risk management:** The Group has adopted a dynamic risk management strategy that aligns with the International Sustainability Standards Board's (ISSB) Risk Management framework to report on the financial impacts of sustainability-related risks and opportunities. In addition, we are in the process of aligning our scenario analysis and stress testing capabilities with the Central Bank of Kenya's Climate Risk Disclosure framework.

- **Social impact:** The KCB Foundation leads and coordinates the Group's social impact agenda across the region, addressing critical socio-economic challenges through targeted interventions in employment creation, education, and sustainable agriculture.

- **Scaling partnerships and collaboration:** The Group aims to actively engage with development finance institutions, climate funds such as the Green Climate Fund, governments, private sector actors, and local communities to unlock blended finance opportunities, de-risk investments, and expand access to climate-smart solutions for underserved communities.

For more information, refer to page 29 of the 2025 Sustainability Report.

Risk Management — Pillar 3:

Our approach to identifying, assessing, prioritising, managing, monitoring and communicating Sustainability-related risks and opportunities is consistent with our enterprise risk management process. The Group aims to fully embed Sustainability-related risks and opportunities into the enterprise risk management framework. Disclosures on our risk management framework are available on page 126 of this report.

KCB acknowledges that climate related risks pose significant and material challenges to its operations, customer base, and the wider economy. These risks are broadly categorised into physical risks and transition risks, both of which may influence the Group's financial performance, long term resilience, and stability.

Physical risks stem from the direct consequences of climate change, including acute events such as floods, heatwaves, and wildfires, as well as longer term shifts such as increasing temperatures and changing rainfall patterns. Transition risks arise from the economic and structural changes associated with the move toward a low carbon economy, including evolving regulations, market forces, consumer behaviour, and technological advancement. Together, these risk types have the potential to disrupt operations, affect customer portfolios, and influence the Group's overall financial position.

Climate related risks are identified, evaluated, and managed within the Group's Enterprise Risk Management framework. The Bank continues to enhance its risk monitoring and control capabilities to address the evolving nature of climate risk, including through capacity building initiatives aimed at strengthening staff expertise.

Through ongoing climate risk mapping initiatives, KCB continues to strengthen a framework capable of addressing immediate and longer term climate related challenges. By identifying regional and sector specific vulnerabilities and integrating data driven tools, the Group is better positioned to safeguard its portfolio, support customer resilience, and align with the region's transition objectives.

Climate scenario analysis: As climate risk assessment is a relatively new area, the Group is developing more fundamental and structural models to estimate the effects of climate scenarios on its financial position. This approach differs from traditional stress testing practices, which typically rely on historical events—such as past financial crises—to calibrate shocks, for example through GDP impacts.

Integration of nature risks: The Group is progressively embedding nature-related risks and existing climate risks into the enterprise risk management framework, strengthening resilience and preparedness across operations.

KCB continues to refine its capabilities, ensuring that its portfolio remains robust, its customers are supported, and its operations align with both national and global climate objectives.

For more information, refer to page 132 of the 2025 Sustainability Report.

Pillar 4:

Metrics and Targets

The Group has directed its efforts towards the incorporation of the ISSB guidelines. By aligning our disclosures with ISSB requirements, we enhance the transparency, consistency, and comparability of our ESG reporting. Adopting ISSB standards also demonstrates our commitment to the best global practice, investor confidence, and accountability, ensuring that sustainability considerations are embedded within our strategy, risk management, and financial reporting frameworks.

Resource Usage Trends

Managing the environmental footprint of the Group's direct operations remains a material responsibility for the Group. In 2025, we sustained our focus on reducing the consumption of key resources including water, paper, fuel and electricity. We continue to measure and track our resource consumption metrics across our branch networks and all our facilities while also investing in energy-efficient infrastructure within our branch network including solarization of six (6) branches by December 2025.

Progress Under Adopted SDGs

We have adopted and integrated 14 of the 17 Sustainable Development Goals into our strategy and operations with internal key performance indicators mapped and tracked for each SDG. A detailed tracker is available on page 40 of the 2025 Sustainability Report.

Green Finance

KCB Group has demonstrated a strong commitment to promoting environmental sustainability through strategic investments in green projects. Total green facilities approved in 2025 amounted to Ksh 48.8 billion, directed across:

- Renewable energy generation and distribution.
- Electric mobility including the expansion of the boda-boda e-mobility programme.
- Energy efficiency retrofits for commercial and residential buildings.
- Climate-resilient agriculture and water infrastructure.
- Affordable green housing.
- Clean cooking solutions for schools.

As part of verification of the green projects, the Bank uploaded Ksh 7 billion worth of projects onto the Climate Assessment for Financial Institutions (CAFI) platform. This further emphasizes our commitment to credible and verified data. The strongest uptake of these green projects was in the renewable energy sector and energy efficiency. These investments are supporting businesses to lower operating costs, improve efficiency, and transition towards more sustainable practices. The continued growth of our green portfolio reflects the increasing importance of sustainable finance. The Group continues to play a crucial role in contributing to the long-term responsible growth for both communities and the economy.

Environmental & Social Due Diligence (ESDD)

Alongside pursuing growth opportunities, the Group continues to ensure that all material lending decisions are assessed for environmental and social risk before disbursement. In 2025, loans totaling Ksh 587.8 billion were screened under the ESDD framework. To support consistent application of this framework, the Bank conducted training sessions for credit and business teams on the Smart ESDD Toolkit.

This strengthened risk identification processes, improved monitoring of mitigation measures, and enhanced overall portfolio oversight. In addition, the Sustainability team also support relationship managers in conducting site visits at customer premises to assist in the ESDD process for identification and mitigation of risks.

The breakdown of facilities screened in 2025 is as follows:

Subsidiary	Value
KCB Bank Kenya	Ksh 539.9 billion **Out of which;** Corporate: Ksh 533.3 billion Retail: Ksh 6.6 billion
BPR Bank Rwanda	Ksh 19.2 billion
KCB Bank Tanzania	Ksh 15.9 billion
KCB Bank Uganda	Ksh 12.8 billion
Total	**Ksh 587.8 billion**

Tree Planting & Ecosystem Restoration

KCB's tree growing initiative continued to scale in 2025. By December we had planted a total of 3,442,456 trees showcasing a significant increase from the 1,367,838 trees planted at the end of 2024. This achievement was made possible by the support received from the branch network and through partnerships with other institutions such as Mama Doing Good, Kenya's National Environment Management Authority, and Kenya Electricity Generating Company to accelerate our tree planting efforts across the country.

To strengthen the long-term impact of this programme, we leveraged our wide branch network to support tree planting in schools. This approach not only promotes greener environments but also actively involves students in the initiative, fostering a sense of ownership and encouraging them to become responsible stewards of the environment.

Sustainability eLearning & Capacity Building

Building internal capacity is a foundational aspect in ensuring that ESG practices at all levels of the Group are implemented. In 2025, 76% of the Bank's staff completed a mandatory e-learning course on climate risk management. The course provided practical insights into the importance of climate risk management and strengthened employees' ability to identify and assess climate-related risks within day-to-day operations. Beyond the e-learning programme, 4,837 staff members in KCB Kenya participated in additional training sessions covering ESDD, ESG awareness, the Green Climate Fund, and green lending.

These capacity-building efforts achieved a staff satisfaction score of 76%, providing useful feedback on the relevance, quality, and effectiveness of the training programmes. Relationship managers and credit officers were trained in green lending and ESDD applications, equipping them to assess and originate sustainable finance products with confidence.

The Group also carried out a training on climate risk management in 2025 with a focus on climate risk scenario mapping, stress testing, and implementation of the climate finance criteria – Kenya Green Finance Taxonomy.

Green Climate Fund

KCB Bank Kenya being the first financial institution in Kenya to receive accreditation from the Green Climate Fund (GCF), took steps to champion climate agenda and support businesses in their climate transition. In 2024 KCB Bank received an approval for a Project Preparatory Facility (PPF) to develop a financing solution which will enable Micro, Small and Medium Enterprises (MSMEs) to adopt Climate-Smart Technologies (CST) in Kenya. The Bank received USD 540,000 for the PPF which served as a critical initial phase to enable the Bank to develop a large-scale green financing proposal, which was submitted for GCF approval in 2025.

In March 2026, KCB Bank Kenya received approval for a USD 96.9 million (Ksh 12.5 billion) project to be co-financed by GCF and the Bank. The financing is aimed at accelerating green projects for MSMEs and farmers in Kenya. The blended finance initiative — a mix of concessional lending, a guarantee, and a grant — under the CST programme, is meant to support Kenya's most vulnerable communities.

This facility will be deployed towards supporting value-chain and gender-inclusive interventions through the adoption of solar-powered and clean cooking technologies, climate-smart agriculture, waste management and circular economy as well as energy efficiency improvements. The initiative will enable them to build resilience, improve productivity, and transition to low-carbon practices.

Approximately 60% of the investments will focus on adaptation, particularly climate-resilient agriculture and water management technologies, while the remainder will target mitigation technologies such as renewable energy and energy efficiency. Through this facility, KCB Bank Kenya will deploy financing solutions, including flexible credit products, mixed finance structures, and digital lending platforms, to reach underserved populations at scale.

The key objective of the programme is to scale up adoption of CSTs by the most vulnerable the hardest-to-reach smallholder farmers and MSMEs in agriculture, water and waste management, and energy sectors which will support Kenya updated Nationally Determined Contribution (NDC) goals. KCB is committed to translating its GCF accreditation into concrete on-the-ground impact at scale.

In March 2026, KCB Bank Kenya received approval for a USD 96.9 million (Ksh 12.5 billion) project to be co-financed by GCF and the Bank. The financing is aimed at accelerating green projects for MSMEs and farmers in Kenya.

Social

We position our products, policies, programmes, and actions to deliver social impacts in the markets we operate in. Through our social lens, we work to deliver impactful programmes that create value for our customers, employees and communities.

Driving Financial Inclusion and Access

We deliver high social value for our customers through providing access to capital, driving financial inclusion & access, supporting schools to broaden access to education, and delivering affordable housing among other key initiatives.

Supporting Women-owned Businesses

The Bank launched the Female-Led and Made Enterprises (FLME) proposition in 2022, aimed at availing Ksh 250 billion in financing over a five-year period. FLME is a 360° intervention platform that seeks to grow the base of female entrepreneurs by offering more unsecured lending to address the challenges that most female customers cite as the major impediment to financing. The proposition also prioritizes non-financial solutions through capacity building programmes, training, workshops, mentoring, coaching, and networking opportunities.

In 2025, loans disbursed and deposits mobilized through this programme continued to grow reaching Ksh 149 billion and Ksh 58 billion respectively. In addition, 30% of all loan facilities were offered to women entrepreneurs in 2025.

	2021	2022	2023	2024	2025
Cumulative value of loans disbursed (Ksh B)	45	75	114	139	149
Deposits (Ksh B)	22	28	30	36	47

In Rwanda, during the year, BPR made progress through its Ikamba value proposition which aims to support women-owned businesses to scale operations. The Bank partnered with GIZ and KCB Foundation to train over 200 women-owned businesses in business development, and unlocked financing for their firms.

Providing Banking Solutions for Refugee Communities

In 2025, KCB Group signed a partnership with the United Nations High Commissioner for Refugees (UNHCR), to provide financial solutions to the refugee community across East Africa. The partnership will unlock economic opportunities for refugees and host communities across the region. Beyond financing, this will also see communities benefit from KCB Foundation's driven programmes.

The partnership comes amid a growing global displacement crisis, with 42.7 million refugees recorded worldwide by the end of 2024 and UNHCR's 2025 funding needs of USD 10.6 billion facing a significant financing gap.

Banking Aligned to our Customers' Values

During the year, our Sahl business continued to make significant progress. Sahl is built on Shariah principles that are not only designed to drive financial inclusion but are also in line with our customers' values. It offers a variety of unique solutions that are Shariah compliant and is available across all our branches.

During the year, some of the notable milestones achieved include:

- Deepened relationships and increased product penetration within key segments through targeted campaigns, digital outreach and customer engagement forums.
- Supported various community initiatives including Jamia Health Fund, school fees for needy students in schools and universities and various Ramadhan initiatives with mosques/ organizations through KCB branches.
- Rolled out Sahl retailer financing solution.
- Grew market share and drove financial inclusion particularly in the consumer segment.
- Implemented various campaigns to increase visibility of Sahl's offering in partnership with community radio stations.
- Recruited 13 new Sahl bankers predominantly in regions with a large population of Muslim customers.
- Introduced Sahl banking Agents and Sahl Credit Card and partnered to deliver Shariah compliant asset financing.
- Drove financial inclusion and accessibility especially in remote areas with a large Muslim population including Wajir, Mandera, Takaba, Moyale, Marsabit, Garissa, Lamu, Kwale, Hola, Garsen areas in Kenya.
- Sensitized Imams on KCB Sahl banking creating a positive impact amongst our customers as they can freely engage with the products having full confidence that the products are in line with their religious principles.

Performance Highlights

	2025	2024
Financing (loan) book	Ksh 22.4 billion	Ksh 19.9 billion
Customer deposits	Ksh 31.8 billion	Ksh 26.6 billion
Number of customers	157,263	130,762
Net income	Ksh 1.4 billion	Ksh 1.9 billion

Delivering Affordable Housing

KCB advanced its social and affordable housing agenda through the Jenga Dreams campaign, leveraging digital banking to support a national tenant purchase scheme. This will see over 40,000 households enabled to pay their monthly rent with a credit scoring tool that will eventually enable conversion of the tenants to homeowners through mortgages.

Key initiatives during the year included:

- Appointment by the Affordable Housing Board as custodian and administrator of the Tenant Purchase Scheme, with pilot projects underway in Homabay and Machakos and 54 additional projects expected for delivery in 2026.
- Successful integration with the Boma Yangu platform to support customer onboarding, prequalification, income verification, and long-term rent collection, with pathways to mortgage conversion.
- Expansion of institutional housing partnerships, including financing student accommodation projects across multiple universities.
- Support for sustainable housing through green student housing developments in partnership with private sector players in Nairobi.

To scale its impact, KCB leveraged its partnership with Kenya Mortgage Refinance Company (KMRC) and employer supported mortgage programmes. The Bank also onboarded 17 additional mortgage schemes during the year.

- Mobilized Ksh 5.7 billion from KMRC for on lending, with financing capped at Ksh 10.5 million per borrower. The Bank disbursed Ksh 3.4 billion in 2025 to support 393 households, bringing the cumulative total to 609 households funded with Ksh 5 billion.
- 491 employees accessed housing through employer assisted schemes at single digit interest rates. Total disbursements in 2025 stood at Ksh 4.3 billion, raising the cumulative disbursement under the schemes to over Ksh 30 billion.

Responsible Procurement

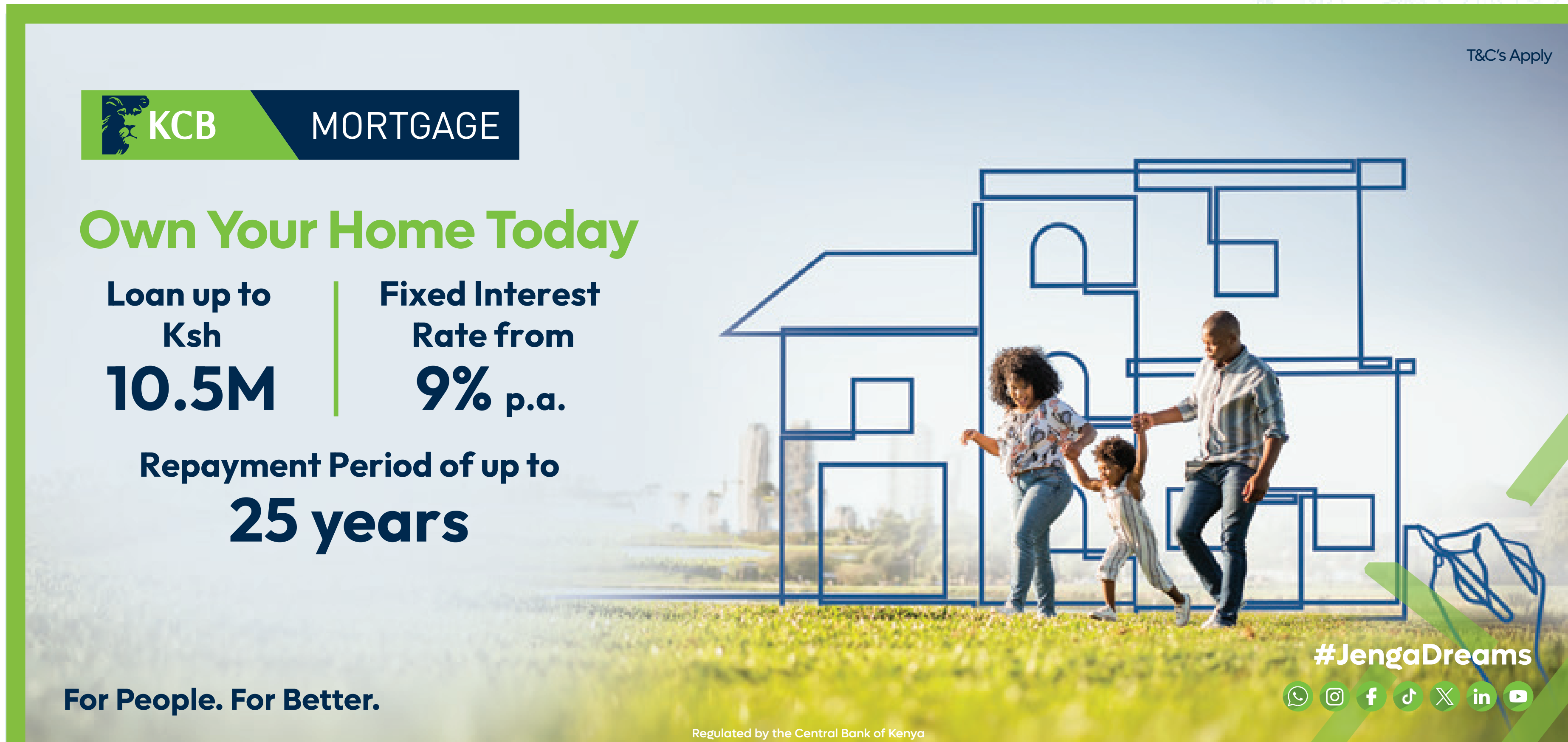
At KCB we promote responsible procurement and prioritize purchasing from local businesses. We are committed to dealing fairly with our suppliers, acting with integrity, and ensuring a responsible supply chain. We are also committed to involving local suppliers in our supply chain and contributing to local business development. Out of the top 100 vendors by value of contracts in 2025, 84 were locals reinforcing the Bank's commitment and dedication to supporting local businesses.

The Group has a zero-tolerance policy against all forms of corruption, bribery, and unethical business practices. We require all service providers to adhere to the Group Code of Ethical Conduct. We also have in place a policy to ensure equitable distribution of work to our suppliers. This policy places emphasis on MSMEs as well as special interest groups.

These special interest groups comprise enterprises owned by youth, women, and persons living with disabilities. We have put in place initiatives to increase the provision of business to special interest groups through a review of the selection framework and proactive stakeholder alignment on identified procurement requirements, which can be reserved for this category of vendors. We believe that these initiatives will improve the volume of business awarded to this category of vendors.

Overall, these groups were awarded procurement contracts worth Ksh 1.2 billion in 2025, up from Ksh 0.9 billion in 2024.

We also have in place a supplier performance framework to evaluate performance of our suppliers annually. In 2025 this evaluation was conducted for 360 key vendors, returning an average performance rating of 92% against a minimum of 85% on all deliverables. The selection of vendors to be included in the periodic supplier performance reviews is based on criticality, risk and strategic nature of the contracted goods and services.



Empowering our People

The KCB Group has a regional footprint that has enabled us to have a diverse and exceptionally talented staff complement across the region to deliver our strategy.

Our staff complement is composed of:

11,252
employees
(2024: 12,090)

44% female

56% male

70%
below the age of 40 years and 93% below the age of 50 years

85%
full-time and 15% part-time employees

During the year, our people agenda was focused on the below key areas:

i. Talent management with a focus on strengthening our talent bench to ensure solid talent pipeline for next level successors.
ii. Performance management aimed at optimizing productivity and effectiveness of individual employees and organization as a whole, whilst fostering a high-performance culture to achieve organization's strategy. It also entails building skill, capabilities and competence to boost employee performance, growth as well as implementation of reward mechanism.
iii. Culture and leadership through continued leadership training, visibility, communication and employee engagement initiatives at all levels.
iv. Change and reward supporting career growth through internal promotions (grow & retain internal talent), providing a competitive employee value propositions (EVP) that supports health and mental well-being and improves productivity, and implementation of reviewed organization designs.

Organization Design and Change

The KCB Group has a regional footprint that requires structures which are well designed across the region to support our current business, service to our customers and future growth of the Bank. Several initiatives have been undertaken to support alignment of our various operations organization structures, which has ensured well defined jobs and structures that support the business.

In 2024, we refreshed structures for three Divisions in Kenya – Customer Excellence, Credit and Shared Services. Through this refresh, we identified areas for automation opportunities, part of which have been implemented in 2025. These automations have contributed to improving service delivery for our customers and reduced turnaround time in our processes, especially in the Shared Service space which is the backbone of our banking operations.

At the end of 2025, in response to the changing market dynamics and statutory requirements, we reviewed our KCB Investment Banking structure by consolidating the Wealth and Fund Management business that was being managed under KCB Asset Management. This has enabled us to provide all our investment banking services under the same umbrella of KCB Investment Bank, providing better and holistic service for our customers. The KCB Asset Management business is in a process of being rebranded to KCB Corporate Trustees Services with a full focus on providing Trustee services to our customers.

Looking forward, we have commenced the exercise of refreshing our Retail Banking structure for KCB Kenya with a view of aligning to our strategic focus, providing a structure that supports growth, improves employees' productivity and supports scaling for growth into the future. The foundational work was done in the second half of 2025, and we are looking forward to successfully implementing the new structure in 2026.

Culture Change Journey

In 2025 we continued to embed our organization culture with our Brand Purpose **For People. For Better.** and Values of **Closer, Connected, Courageous.** We developed Groupwide actions to support us in transitioning our culture with a focus on empowering employees to delight the customer, learn and innovate together, fostering trust and a caring work environment, providing growth opportunities to fuel motivation and re-wiring and equipping leaders to drive culture change. During the year, we worked closely with the focus teams in all subsidiaries to address areas of concern, providing training and enhancing leadership visibility. Through this initiative we were able to successfully achieve a 98% closure rate of identified culture improvement action points by the end of 2025.

As part of increasing leadership visibility, we held quarterly town hall meetings with all staff led by our Group CEO and respective subsidiary managing directors. Each subsidiary adopted initiatives that improved employee engagement, leadership visibility and learning. These included Adopt a Branch engagements, structured learning journeys, health and wellness engagements, coaching and mentoring, benefit reviews and appreciation days including Simba Awards (KCB Groups' internal staff recognition program) ceremony. To increase visibility in Kenya, where we have the highest number of employees, KCB Bank Kenya Managing Director also held a monthly "Bonga na MD" (Chit-chat with your MD) virtual townhalls with all staff and a physical visit to a region every two months. This provided an opportunity to engage with employees and address any concerns raised on a timely basis.

As part of re-wiring leadership to drive culture change we implemented a three-year leadership learning program dubbed The KCB Leadership Academy. This is a leadership learning journey that equips our leaders with skills in leading self, leading teams and strategic leadership. In 2025 we successfully trained 890 leaders across the Group, focusing majorly on Heads of Departments and Senior Managers.

Our culture transition forecast is to continue supporting teams in addressing mapped action areas for the coming year. We will continue with our leadership development journey for the remaining categories of management staff in the Bank over the next two years as we work towards improving leadership and employee experience at KCB Group.

Towards the end of 2025 we carried out a Group-wide Culture Survey to assess the health of our organization, from a culture perspective. This was specifically to measure the progress we have made in embedding our **For People. For Better.** culture transformation programme. The survey achieved an impressive response rate of 91.2% across the Group and returned a Group Culture Engagement score of 82. This was a marked improvement from the score of 80, recorded in the December 2023, when we last took a similar survey.

We remain on a positive trajectory as a Group with a focus on People, Process and Technology. Our People agenda is critical; by focusing on people, we see better motivated employees who are committed to delivering the Group's strategy. We continue with our culture transition with the knowledge that it is the main catalyst in enabling us to remain the leading Bank.

Talent Management

The Group has continued to make great efforts towards talent retention through succession planning, learning and development initiatives. In 2025 we reviewed and refreshed our Talent Succession Cover across the organisation. This enabled us to achieve a 36% ready-now and 52% partial-ready succession across the Group for our leadership and critical roles.

During the year we promoted 64 successors into mapped roles across the Group as part of bringing to life our succession agenda, supporting internal career growth and employee retention. Going forward, we will continue with development initiatives for the respective successors as we prepare them to be ready for their respective roles. Our aim is to put in place a Group Management Training Program to support in identifying and developing talent for emerging skills that the Group will require in future. This will enable KCB to improve its talent-cover across the different levels of Management by providing career growth opportunities, support employee retention and improve our Employee Value Proposition.

Strong Employee Value Proposition

The Group offers a superior employee value proposition to attract and retain exceptional talent. Fair and responsible remuneration is a core principle for us; our specific actions reflect a deliberate decision to strengthen this stance over the years. This has enabled us to maintain a low staff attrition rate, with the backing of our competitive employee value proposition that rewards productivity and attracts the requisite talent to deliver our strategy.

We purposefully endeavor to maintain fairness and equity in employee remuneration and motivate high levels of employee performance. We recognize and reward individuals and teams who perform exceptionally and create a positive impact on the business through our annual Simba awards program. We also implement annual salary reviews and pay bonuses subject to individual and company performance.

The Group offers a superior employee value proposition to attract and retain exceptional talent. Fair and responsible remuneration is a core principle for us; our specific actions reflect a deliberate decision to strengthen this stance over the years

Enhancing Employees' Skills

Staff training continues to be a critical pillar in enhancing the capacity of employees to effectively deliver on their mandates. In 2025, training at KCB Group became more deliberate and strategically aligned, with learning interventions clearly linked to the Bank's business priorities and long-term growth agenda. This intentional approach ensured that training investments directly supported performance, productivity, and institutional sustainability.

As part of the KCB Group Human Resources Strategic Pillar for the 2024–2026 period, learning and development focused significantly on the establishment of structured learning academies. These academies, spanning both technical and leadership disciplines, were designed to equip employees with the requisite competencies to perform optimally in their respective roles. The academies provided targeted, role-relevant learning pathways that strengthened both core banking expertise and leadership capability, thereby enhancing overall organizational capacity.

In 2025, there was a strong emphasis on building future-ready skills in response to the dynamic operating environment within the banking sector. Training programs prioritized competencies that directly enabled effective mandate delivery, including leadership and people management, digital skills, data literacy, operational efficiency, risk management, and customer excellence. This focus ensured that employees were not only proficient in their current roles but were also prepared to navigate emerging challenges, regulatory expectations, and evolving customer needs.

Training delivery methods at KCB Group also evolved to become more inclusive, flexible, and scalable. Blended learning models that combined virtual and in-person sessions were widely adopted, alongside microlearning and modular course offerings. Coaching, mentoring, and peer learning circles were further integrated to reinforce learning and encourage knowledge sharing across the Group. This flexible approach enabled the Group to reach a broader segment of employees while minimizing disruption to operations and accommodating diverse learning styles.

When training is strategically aligned, competency-focused, flexibly delivered, and supported by leadership at all levels, it serves as a powerful driver of performance and organizational resilience. As the Group continues to implement its 2024–2026 HR Strategy, sustained investment in structured capability development will remain essential to achieving its strategic objectives. In 2025, the Group made significant progress in the rollout of both the Leadership Academy and the Retail Academy, reinforcing its commitment to deliberate, future focused workforce development.

KCB Leadership Academy

The KCB Leadership Academy was established as a flagship initiative aimed at building a strong, value-driven leadership pipeline across the Group. Over a three-year period, the Academy targets 3,561 employees, comprising 2,833 KCB Bank Kenya employees and 728 employees drawn from our subsidiaries across the region. This wide reach reflects the Group's intention to promote leadership consistency, succession readiness, and strategic alignment across all markets.

The Academy was co-created with an external learning partner to address clearly identified leadership capability gaps. The programme' s content was informed by the KCB Leadership Competency Framework, insights from employee surveys, and practical challenges encountered by leaders when managing self, leading teams, and operating with a strategic mindset. This ensured that the Academy addressed both behavioral and performance-related leadership requirements.Delivery of the Leadership Academy adopts a blended learning design, combining physical classroom sessions, digital learning modules, facilitated Action Learning Projects (ALPs), and psychometric tools such as Clarity 4D profiles. This approach enhances self-awareness, strengthens leadership effectiveness, and links learning directly to real business priorities.

By the end of 2025, a total of 474 leaders had been trained through the Academy. Notably, 89 Heads of Departments within KCB Bank Kenya successfully completed Action Learning Projects focused on solving real organisational challenges while reinforcing leadership behaviors and cross functional collaboration.

> The KCB Leadership Academy targets 3,561 employees, comprising 2,833 KCB Bank Kenya employees and 728 employees drawn from our subsidiaries across the region

> Staff training continues to be a critical pillar in enhancing the capacity of employees to effectively deliver on their mandates. In 2025, training at KCB Group became more deliberate and strategically aligned, with learning interventions clearly linked to the Bank's business priorities and long-term growth agenda

KCB Retail Academy

The KCB Retail Academy was designed to strengthen the technical, operational, and customer engagement capabilities of staff working in our Retail Division, recognizing the central role retail banking plays in the Group's growth strategy and customer promise. The Academy targets 4,800 Retail Division employees and offers customized, role-specific learning journeys tailored to the diverse roles within the retail function.

The learning journeys were deliberately designed to address both theoretical and practical competencies required for optimal performance in current roles, while also preparing staff for future operating models in an increasingly digital banking environment. Emphasis is placed on operational efficiency, risk awareness, product knowledge, service excellence, and customer experience, ensuring improved consistency and quality across the retail network.

Implementation of the Retail Academy has recorded strong uptake and engagement. Training penetration currently stands at 99% against an initial target of 85%, translating to 116% achievement. This level of participation reflects effective internal communication, leadership support, and the relevance of the training content to frontline roles. The programme is ongoing, with full completion targeted for 2026, ensuring sustained capability development and continuous skills enhancement.

In 2025, KCB Group continued to deepen its capability building agenda through the development, design, and implementation of additional Technical Academies, reflecting a deliberate shift towards structured, role based, and future oriented learning. This approach underscored the Group's commitment to building critical technical capabilities that directly support mandate delivery, operational excellence, and sustainable growth.

Building on the progress made, our key focus areas in 2026 will include the rollout and scaling of the Customer Experience Academy, the Technology Academy, and structured learning pathways for employees in support and non-business functions. These academies and pathways will be designed to strengthen specialized competencies, enhance digital fluency, improve service quality, and reinforce risk and governance practices across the Group.

Collectively, they will support the development of a highly capable, agile workforce that is well positioned to respond to evolving customer expectations, technological advancements, and regulatory demands.

> The KCB Retail Academy was designed to strengthen the technical, operational, and customer engagement capabilities of staff working in our Retail Division

Diversity and Inclusion

Our Diversity and Inclusion Policy guides our organisation to create and sustain an environment that attracts and retains a diverse and inclusive workforce. Through this Policy, we ensure that we sustain an environment where each employee can develop their full potential irrespective of their race, ethnicity, gender, marital status, age, disability, and religious beliefs. In testament of this deliberate effort to build a diverse work environment, neither gender constituted more than a third of our staff complement. During the year, our headcount was composed of 44% female and 56% male employees. In addition, we have 54 employees living with disabilities.

Proportion of female employees	2025	2024
Overall	43.87%	44.57%
Management	37.41%	43.10%
Senior management	33.72%	26.02%

We continue to sustain our diversity of employees across various age groups, currently with a workforce spanning four generations. This has been a key contributor is keeping our employee value proposition refreshed regularly to meet staff expectations across the different staff categories.

Group headcount breakdown by age	2025	2024
18 – 20 years	-	0.02%
21 – 30 years	32.95%	32.82%
31 - 40 years	37.31%	38.40%
41 – 50 years	23.02%	22.27%
51 - 60 years	6.24%	6.50%
Over 60 years	0.47%	-

The Group has continued to have a good proportion of employees who have worked for the Bank for over five years that has enabled talent and knowledge retention, while at the same time refreshing the workforce to ensure we have a staff complement that drives the adoption of innovation and new ways of working. This is reflected in the 63.1% share of employees who have worked for the bank for five years and below.

Group headcount breakdown by tenure	2025	2024
0 - 5 years	63.10%	58.78%
6 - 10 years	9.47%	12.82%
11 - 20 years	22.76%	23.22%
over 20 years	4.67%	5.18%

	2025	2024
Average employee tenure (years)	6.50	6.81
Average male employee tenure (years)	6.52	6.77
Average female employee tenure (years)	6.48	6.86

Supporting our Communities

As a responsible corporate citizen, we play an active role in supporting the various communities we operate in. This is through both our targeted Foundation programmes and initiatives undertaken by our banking subsidiaries in the region.

KCB FOUNDATION

Systems-Level Social Impact – Creating Durable Outcomes

Overview

KCB Foundation creates shared prosperity by translating funding and capital, partnerships, and market reach into social impact interventions across workforce development, enterprise growth, job sustainability, education, and targeted philanthropic investments.

The Foundation delivers impact by addressing the systems that shape economic participation, including skills pipelines, market access, financing readiness, and institutional coordination. This approach enables scale, durability, and outcomes that extend beyond individual beneficiaries.

KCB Foundation's Strategic Objectives

The Foundation's strategy is anchored in four external-facing Strategic Objectives (SO), consistent with the KCB Foundation's 2023–2027 Strategy. These objectives focus on outcomes that reflect the Foundation's contribution to shared prosperity and economic participation.

SO1: Workforce Development
Expands access to market-relevant skills, training, and work-readiness pathways that improve employability and labor market participation. Performance is assessed on the number of individuals supported during the reporting year.

SO2: Enterprise Development and Access to Finance
Supports the growth and sustainability of nano, micro, small, and medium enterprises by strengthening business capacity and facilitating access to appropriate financial services via KCB Banking entities. Performance is assessed on the number of enterprises supported during the reporting year.

SO3: Jobs Supported
Measures employment and income-generating opportunities enabled through the Foundation's workforce and enterprise interventions. Performance is assessed on jobs sustained, improved, and newly created during the reporting year.

SO4: Students Supported
Increases access to quality secondary and post-secondary education for talented students from underserved backgrounds, with emphasis on completion and transition outcomes. Performance is assessed on the number of high school and tertiary students supported during the reporting year.

Strategic Objectives	Performance in 2025
SO1 Workforce Development	16,652
SO2 Businesses Supported	67,090
SO3 Jobs Supported	265,300
SO4 Students Supported	4,261

Performance Strategic Objectives

a) Workforce Development

Total beneficiaries in 2025: 16,652

Youth unemployment in the region remains structurally high, in part due to limited access to market-linked training and ongoing misalignment between training provision and labor market demand. In response, KCB Foundation's workforce development efforts are oriented toward strengthening training-to-career pathways by seeking to align skills development with identified employer needs.

The Foundation also supports improved graduate visibility to employment opportunities and access to tools of trade to facilitate entry into wage employment or self-employment.

b) Enterprise Development

FY25 Actual: 67,090

Enterprise development in the region is constrained by the fragility of nano and micro, small, and medium sized enterprises, which account for a significant share of employment but are often growth-constrained due to gaps in business skills, limited access to appropriate capital, and, in some cases, weak market linkages.

As a result, many otherwise viable enterprises experience challenges in sustaining operations and jobs. To mitigate this, the Foundation provides young people with foundational enterprise skills to facilitate enterprise start-up and early-stage growth.

The Foundation's enterprise development efforts focus on targeted business support and structured linkage to finance through KCB Group banking entities and to market opportunities through partner networks. These interventions are intended to help enterprises strengthen operations, facilitate access to capital, and progress toward more sustainable growth pathways.

c) Jobs Supported

FY25 Actual: 265,300

Jobs are widely recognized as a key pathway to economic participation, income stability, and dignity. KCB Foundation approaches job outcomes through two reinforcing pathways: workforce development and enterprise development. Workforce development is oriented toward strengthening employability by supporting market-relevant training and, promoting access to employment opportunities.

Enterprise development focuses primarily on sustaining and improving existing jobs within nano and micro, small, and medium enterprises while at the same time enabling incremental new job creation.

When assessing jobs supported, the Foundation includes both existing jobs sustained or improved through enterprise and workforce interventions, as well as new jobs created during the reporting period. Our intervention prioritizes youth, women, and other populations that face structural barriers to labour market participation, with the objective of strengthening inclusive economic participation and overall market functioning.

d) Students Supported

FY25 Actual: 4,261

Education underpins long-term human capital development in the region and is widely recognized as an important pathway to employment, income stability, and dignity. In contexts of structural inequality, access to quality education can influence whether individual talent translates into economic participation or remains constrained.

KCB Foundation's education interventions focus on supporting high-potential students who, due to economic disadvantage or heightened vulnerability, may be at risk of discontinuing their education. These include children exposed to harmful cultural practices, children with disabilities, and student athletes whose training or competition demands may affect school continuity. The emphasis is not on access alone, but on supporting continuity and completion.

The program prioritizes gender parity and provides holistic scholarships that seek to address academic, financial, and psychosocial barriers to progression. Our support is concentrated at stages associated with higher dropout risk, particularly transition into secondary education and progression into tertiary institutions, with the objective of enabling students to remain in school while continuing to develop their academic or athletic potential.

SDGs Supported

In 2025, across core programs and community social investments (CSI), our programmes advanced 12 SDGs, targeting poverty reduction, education, gender equality, decent work, and inequality reduction[1].

SDG Heat Map: Strategic Objectives and CSI Contribution

Legend
●●● Core, outcome-driven contribution
●● Material contribution
● Contributory / enabling
— Not applicable

SDG	SO1 Workforce	SO2 Enterprise	SO3 Jobs	SO4 Education	CSI / Philanthropy
SDG 1 No Poverty	●	●●●		●	●●
SDG 2 Zero Hunger	—	●●	●	—	●
SDG 3 Health & Well-being	—	—	—	●●	●●●
SDG 4 Quality Education	●●	—	—	●●●	●●
SDG 5 Gender Equality	●●	●●●	●●	●●	●
SDG 8 Decent Work & Growth	●●●	●●●	●●●	—	—
SDG 9 Industry & Infrastructure	—	●●	●	—	●
SDG 10 Reduced Inequalities	●●	●●	●●	●●●	●●
SDG 12 Responsible Consumption	—	●	●	—	●
SDG 13 Climate Action	—	●	●	—	●●
SDG 16 Institutions & Protection	—	—	—	—	●●
SDG 17 Partnerships	●●	●●	●●	●●	●●

[1] SDG contributions reporting here is a summation of program and philanthropy achievements, not new / additional achievements.

Impacting People. For Better.

Systems In Action (Case Studies/ Proof Points)

The Foundation's case studies illustrate how its work goes beyond individual support to address system-level constraints that affect access to jobs, enterprise growth, and education.

a) Improving Training to Career Outcomes: Workforce development in hospitality sector

System Constraint: Training alone does not translate into employment where curricula, employers, and placement incentives are misaligned.

Foundation Response: Partnership with training institutions and employers to design placement-first pipelines, with completion tied to job outcomes as much as possible.

Case Study: Kenya

Kibondeni College (Hospitality Skills and Employment Pathways)

KCB Foundation partners with Kibondeni College to support skills development in the hospitality sector. In 2025, the partnership focused on vocational skills training and Recognition of Prior Learning (RPL) to address two persistent constraints in the sector: limited access to structured, job-relevant training for new entrants, and the absence of formal certification for individuals with practical work experience but no recognized qualifications. Workforce skilling equips learners with market-relevant competencies, while RPL enables experienced workers to formalize existing skills, which is often a prerequisite for career progression, mobility, and access to higher-quality employment.

During the reporting year, 72 learners were supported with skills training and 14 through RPL. A total of 77 learners graduated and received formal certification. Of these graduates, Kibondeni College reported that 72 were placed into employment during the reporting period.

Reported employment placements included roles with hospitality employers such as Java House, Café Deli Restaurant, Big Square, Artcaffé, Tamarind Hotel, Fairmont Norfolk Hotel, Villa Rosa Kempinski, Mercure and Pullman Hotel, Kuki Fry, Kianda School, and with other graduates reported as self-employed[2].

This case illustrates an approach that integrates training, certification, and employer engagement, emphasizing clear pathways from skills acquisition to employment. It also highlights the role of RPL in enabling experienced workers to access job opportunities that require formal certification.

b) Enterprise Support: Creating more viable businesses

System Constraint: Smallholder and MSME enterprises, which are the backbone of employment in the region, are frequently growth-constrained by low productivity, weak market access, and limited access to appropriate capital. These constraints persist even where effort, demand, and entrepreneurial activity exist, resulting in unstable incomes and fragile jobs.

Foundation Response: KCB Foundation structures enterprise support that address these constraints in combination. The model integrates enterprise readiness, market access, and linkage to finance, anchored in public–private partnerships and targeted particularly toward youth and women-led enterprises. The objective is to move enterprises from survival to viability, and from viability to sustainable participation in value chains.

The 2Jiajiri Young Africa Works Project Enterprise Development (2Jiajiri, Young Africa Works Project)

In 2025, 38,635 youth-led enterprises were supported under the 2Jiajiri Young Africa Works program, one of several enterprise support projects implemented by KCB Foundation during the reporting year. Support focused on strengthening core enterprise fundamentals required for viability and finance readiness. These interventions were designed to strengthen enterprise operations and enable engagement with markets and responsible absorption of capital.

Facilitating Access to Finance

As enterprises progressed through defined readiness milestones, some youth-led enterprises were linked to appropriate financial products within the KCB Bank Kenya, with a total loan value of Ksh 1.7 billion during the reporting year. Linkage to finance was sequenced largely following capacity building and enterprise readiness, with the objective of reducing risk while enabling productive use of capital.

Delivery Platform

Delivery was implemented through a distributed model, working with approximately 32 business development service partners in Kenya. This approach enabled locally relevant support while operating nationally.

Why This Matters

By integrating enterprise readiness, the Foundation seeks to strengthen income stability, sustain jobs, and expand inclusive economic participation, while aligning social outcomes with the KCB Group's core financial intermediation role

[2] Employment figures cited are based on partner-reported data and are not independently collected by the Foundation.

c) KCB Scholars' Dual-Track Academic & Talent Pathways

System Constraint: Emerging athletic and vocational talent from economically vulnerable backgrounds is often forced into a false choice between performance development and academic continuity, leading to drop-out and lost national potential.

Foundation Response: With partners, the KCB Foundation supports a dual-track pathway that integrates schooling, training schedules, performance monitoring, and pastoral support, allowing talent development without academic attrition.

Case Study: Kenya

KCB Student Athletes

Overview

In 2025, KCB scholars supported through the Student Athlete dual-track pathway maintained academic progression while competing at sub-national, national, and continental levels, demonstrating early viability and potential for scale.

In 2025, student athletes from Transcend Talent Academy participated in county, national, and international competitions while remaining enrolled in secondary school. Supported scholars balanced academic requirements with elite athletic development, including participation in the Under 20 (U20) African Championships in Nigeria, the East Africa Secondary School Games, and the U20 National Trials in Nakuru.

Why It Matters

Without structured support, talented students from economically vulnerable backgrounds are often forced to choose between education and performance development, leading to school drop-out and lost human capital. The dual-track model removes this trade-off, preserving education outcomes while enabling talent to progress.

Relevance

The dual-track pathway protects long-term human capital while enabling talent to mature into productive economic and social contributors. By preventing premature drop-out and preserving optionality between education and professional pathways, the model aligns with the KCB Group's interest in sustainable talent pipelines, inclusive growth, and national development outcomes.

d) Spotlight: From High School to Higher education and employment transition

Spotlight: KCB Scholars Transition

In 2025, 981 KCB-sponsored students sat for KCSE exams. For the results received from 858 students (with remaining results pending at the time of reporting), the 2025 KCSE outcomes for KCB Scholars indicate a clear outperformance from national performance patterns.

Among candidates with finalized results, 89.5% attained a mean grade of C+ or above, compared to a national rate of 27.2%, making university qualification the predominant outcome within the cohort. Performance is also concentrated in the upper grade bands, with 67.5% attaining B- and above and 4.4% achieving an A plain, relative to a national grade A rate of approximately 0.2%.

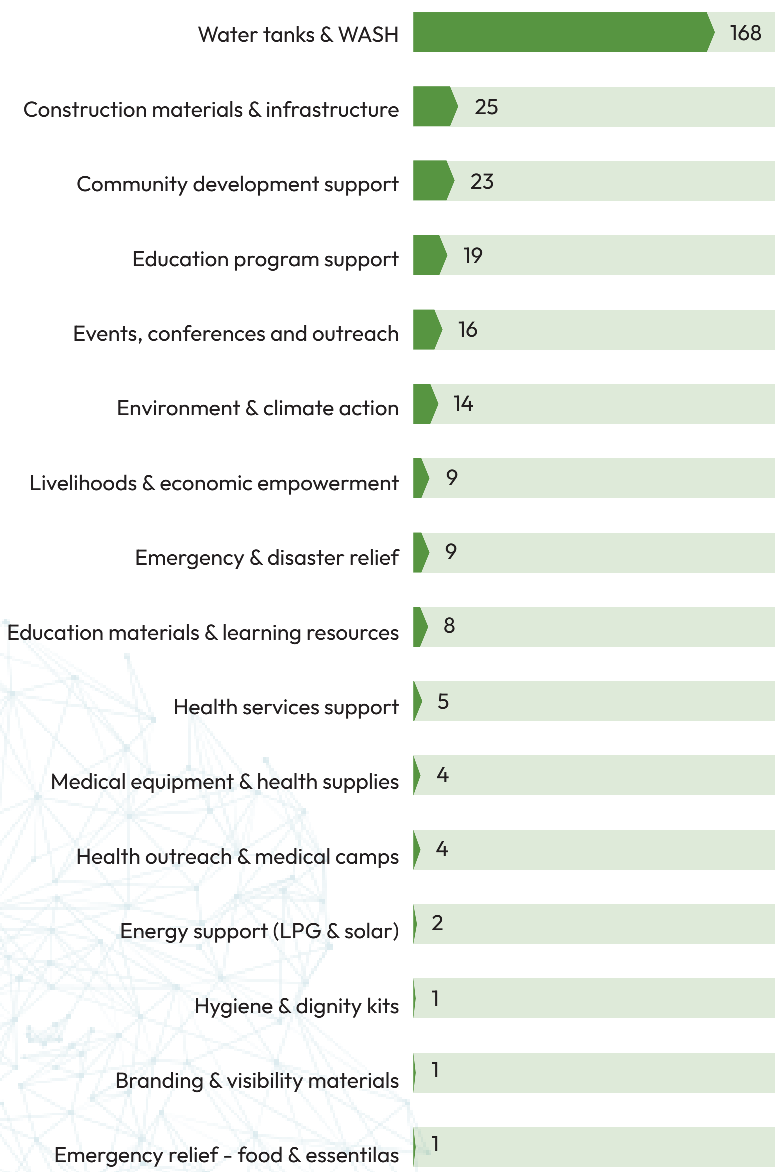
At the lower end of the distribution, outcomes associated with academic vulnerability are limited. 10.4% of scholars fall within grades typically aligned to TVET pathways, and E-grade outcomes are negligible. Taken together, the results reflect a consistent rebalancing of academic outcomes towards higher-probability post-secondary transition.

Grades	No. Students	% per grade	Total	%	
A	45	4.40%			University Qualification
A-	129	12.70%			
B+	168	16.60%			
B	190	18.80%			
B-	152	15.00%			
C+	84	8.30%	768	89.51%	
C	41	4.00%			TVET Qualification
C-	30	3.00%			
D+	7	0.70%			
D	9	0.90%			
D-	2	0.20%	89	10.37%	
E	1	0.10%	1	0.12%	
	858			100%	

CSI Philanthropy

Community Social Investment (CSI) philanthropy represents the Foundation's approach to supporting communities. CSI is designed to respond to immediate public-good needs, enable staff-led giving and service, and support targeted social support.

Number of CSI interventions in 2025



Spotlight on Interventions Across the Region

Delivering Impact in Rwanda

In 2025, BPR Foundation continued its commitment to creating meaningful social impact through targeted initiatives that empower communities, foster entrepreneurship, and promote wellbeing. The Foundation's support during the year focused on three key areas:

1. IGIRE Programme – Reducing Youth Unemployment

Launched in 2018, the IGIRE Programme aims to reduce youth unemployment by providing vocational training, business development support, and access to start-up capital. In 2025, the program achieved the following:

- Completion of vocational training for participants in plumbing, carpentry, construction, culinary arts, and electronic devices repair and maintenance.
- Start-up capital rewards provided for businesses to kickstart operations.
- Enrollment of new participants in vocational training across the country.
- Business development services (BDS) offered to vocational training participants, enhancing their entrepreneurial skills.
- Enterprise development support extended to businesses, ensuring growth and sustainability.

Through IGIRE, the Foundation helped create jobs, develop practical skills and foster local entrepreneurship, giving youth the tools and confidence to shape their own futures.

2. UBUMUNTU Initiative – Encouraging Corporate Volunteerism

The UBUMUNTU Initiative, launched in 2023, encourages BPR employees to engage in community service and contribute to societal wellbeing. Through employees' voluntary contributions, vulnerable residents of Kayonza District were provided with health insurance. This initiative improved access to essential healthcare, enhanced community resilience, and inspired a culture of volunteerism among employees.

3. Other CSR Activities

- Donated a working space, tailoring machines, and other tailoring kits to a women's association in Nkamba, Kayonza District, supporting female entrepreneurship.
- Partnered with Your Well-Being Center to provide therapy sessions for descendants of BPR staff lost during the 1994 Genocide against the Tutsi.

These efforts promoted economic empowerment, mental wellbeing, and community cohesion, reflecting the Foundation's holistic approach to social responsibility.

Partnering for Social Impact in DRC

In 2025, Trust Merchant Bank (TMB) continued to support various social impact initiatives in the Democratic Republic of Congo (DRC). These included working with:

- **SOS Planète Congo:** Through this project, students receive training and capacity building on environmental and cultural education. At the end of the program, these students become whistleblowers and ambassadors for nature.
- **Bismack Biyombo:** TMB continued to provide support through his school, Katanga Elite School, which offers bilingual French–English education from kindergarten to secondary level in Lubumbashi, as well as through basketball camps.
- **Elan de Choeur:** For the past seven years, the Bank has supported the Elan de Choeur non-profit association. The organization provides schooling for orphans affected by HIV/AIDS from peripheral neighborhoods, particularly children from the Kalembe Lembe paediatric hospital. Through a large charity concert, the association brings together organizations that share its values. This support restores hope to hundreds of children, with more than 356 children currently enrolled in school.
- **Malaika:** TMB has supported young girls of Malaika for many years. Malaika (formerly known as the Georges Malaika Foundation) aims to empower young Congolese girls and their communities through education. Based in New York, the organization operates in Kalebuka, in the south-east of the DRC.
- **En Avant les Enfants:** in 2025, En Avant les Enfants celebrated 30 years of activity in Goma, DRC, supporting vulnerable mothers and children. Their mission is built around two pillars; education and socio-economic empowerment. They support the education of more than 200 children every year, funding school fees, scholarships, and ensuring continuous monitoring. To date, they have supported over 6,000 abandoned mothers and children, deprived of resources and assistance.

In 2025, TMB also provided support to Eau Congo, a non-profit organization active in the water sector in the Kwilu province of the DRC. The organization works to improve access to water for village populations by transforming natural springs into drinking water fountains. With a team of eight field collaborators, they have managed to:

i. Transform 450 natural springs into water fountains, providing drinking water to over 250,000 villagers since 2011.
ii. Construct 14 rainwater tanks in schools and health centers.
iii. Built three shower blocks in health centers and six blocks of latrines in schools.
iv. Drill three boreholes in rural hospitals.
v. Train village committees in water management, hygiene, and infrastructure maintenance

More than 250,000 people now benefit from clean drinking water, leading to a significant reduction in waterborne diseases and, consequently, infant mortality.

Supporting Education and Jobs Creation in Burundi

KCB Scholars Program

2025 marked one of the strongest years for community empowerment especially expansion of education equity through the launch of KCB Scholars Program in 2025 in Burundi. The program is aimed at opening doors for bright students from vulnerable backgrounds. An inaugural group of 20 students were recruited and provided with full secondary school scholarships in 2025. The milestone positions KCB Bank Burundi as a pioneer bank supporting education and as a long-term partner in shaping Burundi's future talent pipeline.

Iteze Imbere Program
Youth Empowerment through skills development

Key achievements:

- 159 youth were supported through vocational training to acquire skills such as tailoring, welding, electricity, auto mechanical and industrial electromechanical.
- Financial literacy training to support transition into entrepreneurship.
- Provision of toolkits and equipment enabling income generation.

Enabling Water Access for Underserved Communities

KCB Group has, over the past three years deployed approximately USD 30 million in Water, Sanitation and Hygiene (WASH) financing across its key markets, positioning itself as both a financier and enabler of sustainable water infrastructure. This capital deployment reflects a deliberate strategy to unlock commercial value while delivering measurable social impact, particularly in underserved communities.

The Group's WASH agenda is anchored on the recognition of a significant regional financing gap, where demand for safe water, sanitation, and hygiene services continues to outpace available capital. This gap represents both a development imperative and a commercial opportunity, enabling KCB to expand lending, deepen customer ecosystems, and drive new revenue streams through structured finance, escrow solutions, and value chain financing.

Building on this foundation, KCB intends to scale its WASH financing significantly across its regional footprint, driven by increasing commercial viability and the growing need for social infrastructure investments. This scale-up will be underpinned by strategic partnerships that provide technical assistance, project co-creation, de-risking mechanisms, and access to blended finance, thereby enhancing the bankability and sustainability of WASH projects.

In line with this agenda, KCB Group entered into a strategic partnership with World Waternet in December 2025 to accelerate the identification and co-creation of bankable WASH opportunities over a three-year horizon. This collaboration integrates technical expertise, project development capabilities, and financing innovation to unlock scalable investments, while addressing structural constraints such as governance complexity, revenue certainty, and project viability.

Through this and other like minded partner entities, and broader WASH agenda, KCB aims to contribute meaningfully to the attainment of the 2030 Sustainable Development Goals, particularly SDG 6, by advancing last-mile delivery of safe drinking water, sanitation services, and integrated water cycle management. The approach combines commercial financing discipline with impact-driven outcomes, positioning KCB as a regional leader in catalyzing sustainable, inclusive, and resilient WASH ecosystems.

In line with this agenda, KCB Group entered into a strategic partnership with World Waternet in December 2025 to accelerate the identification and co-creation of bankable WASH opportunities over a three-year horizon.

Benefits of Deploying Financing and Capital in WASH

1. **Enables Productive Commerce:** Financing WASH infrastructure secures reliable water for households, farms, and enterprises, reducing downtime and increasing productivity across micro- and small-business sectors — especially women-led informal trade and food enterprises.
2. **Strengthens Community Security & Stability** - Safe water access minimizes daily travel distances and exposure to unsafe environments, reducing risks of gender-based violence while fostering social stability and resilience.
3. **Improves Public Health & Workforce Wellbeing** - Investments in clean water and sanitation lower disease incidence, cut medical costs, and boost school and workplace attendance — directly translating into higher economic output.
4. **Empowers Women & Protects Girls' Dignity** - When households have safe, continuous water supply, women and girls spend less time fetching water and more time in education and enterprise, enhancing autonomy, dignity, and income-generation opportunities.
5. **Catalyzes Inclusive Economic Prosperity** - By integrating WASH financing into national development portfolios, banks and microfinance institutions unlock multiplier effects — improved health, time savings, safer environments, and gender equity — that collectively drive sustained GDP growth and social cohesion.

Marco WASH metrics (% of population)	Safely managed drinking water (%)	Safely managed sanitation (%)	basic hygiene (%)
Kenya	33	32	29
Uganda	23	21	24
Tanzania	32	30	31
Rwanda	64	67	73
Burundi	56	46	45
South Sudan	50	16	15
Ethiopia	43	23	8

Capital Mobilized

Water Equity Facility	KCB Tanzania	KCB Uganda
Date of signing facility agreement	June 2023	March 2025
Amount Approved	USD 15 million	USD 9 million
Tenure	5 years	5 years
Amounts disbursed	USD 15 million	USD 5 million
WASH loans disbursed	USD 14.8 million	USD 3.8 million

Deploying WASH Financing and Capital

The case for and objectives of WASH financing

1. Enable productive commerce.
2. Strengthen community security and stability.
3. Improve public health and workforce wellbeing.
4. Empowers women and protects girls' dignity.
5. Catalyzes inclusive economic prosperity.

- Deploy financing spanning public and private Water Service Providers (WSPs), Micro and SME customers.
- Long term corporate facilities and short term micro and SME facilities.
- Enabling all components of WASH, spanning abstraction, storage, distribution, utility management, last mile connectivity, reduction or elimination of the physical and commercial water losses.

Enablers

WASH Partners provisions
- Technical assistance funds.
- In-kind technical assistance.
- Co-creation of bankable projects.
- WASH funding.
- WASH derisking facilities.
- WASH project implementation management.
- Co-create product development.
- Advocacy and thought leadership.

Outcome

WASH capital deployment in KCB Group

Market	Period	WASH disbursements (USD million)
Kenya	2022-2025	11.5
Tanzania	2023-2025	14.8
Uganda	2025	3.8
Total		30.1

- Water access for 0.9 million to 1 million people.
- 5,000 new jobs and businesses created.

Outcome

WASH Partners provisions
- Brand equity.
- New to bank customers.
- Lending income.
- Transactional fee income.

Primary impact
- Last mile connectivity.
- Direct WASH jobs.
- Enabled WASH businesses

Outcome

Outcome

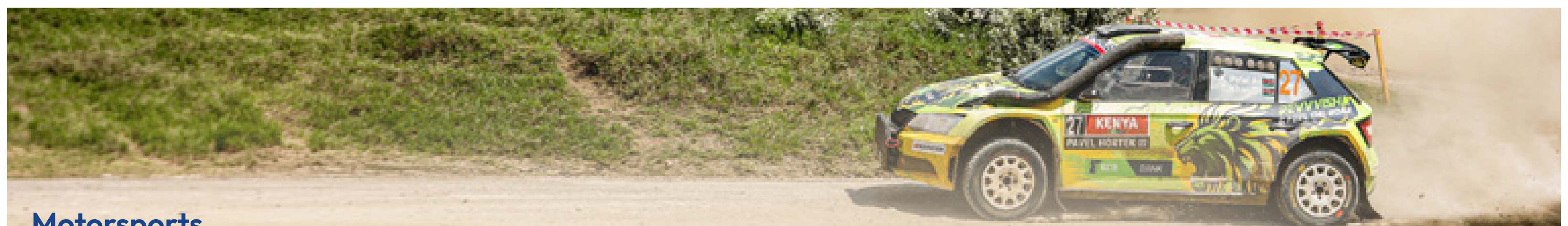
Secondary impact
- Sustainable settlements.
- Urban flight mitigation.
- Arable land enablement.
- Gender & household dignity.
- Water stress mitigation.
- Multi-sectoral catalysis.

KCB's Investment in Sports

KCB has consistently invested in various sports disciplines through targeted sponsorships, supporting motorsports, football, rugby, volleyball, golf, chess, and athletics. In 2025, our initiatives directly impacted over 160 individuals, providing opportunities for them to earn their livelihoods through sports and to position Kenya globally as a sports powerhouse.

Over the past two decades, KCB has invested nearly Ksh 3.5 billion in sports, creating platforms for young talent to grow and excel. Each of our sports teams benefits from the guidance of a senior management member serving as a patron. Additionally, the Bank provides employment opportunities for select players across various departments.

In 2025, sports and sponsorships remained a powerful strategic lever for the Group, reinforcing the brand's positioning as a purpose-driven, people-centric institution deeply embedded in the social and economic fabric of the region. Beyond visibility, KCB's sports investments were deliberately aligned to brand trust, customer engagement, youth empowerment and regional integration, key pillars of the Group's long-term growth agenda.



Motorsports

The 2025 WRC Safari Rally Kenya was a cornerstone of KCB Group's sports and sponsorships portfolio. The Group invested Ksh 209 million to support the event, securing a premium global platform that attracted over 100 million eyeballs worldwide, positioning KCB as a Kenyan brand with international reach.

Beyond global exposure, KCB deliberately championed local participation by supporting 4 Kenyan drivers, namely Karan Patel, Nikhil Sachania, Evans Kavisi and Tinashe Gatimu, enabling them to compete on motorsport's biggest stage. In addition, Tinashe and her mother, Caroline Gatimu, brought a refreshing and dynamic presence to the KCB WRC Safari Rally team, reflecting KCB's commitment to diversity and inclusion. Their participation not only showcased the growing involvement of women and youth in motorsport but also aligned strongly with KCB's brand positioning as an inclusive institution.

This moment provided a powerful platform to amplify the visibility of our Women in Business solution – FLME, further reinforcing our dedication to supporting women entrepreneurs.

The sponsorship delivered strong returns through extensive media visibility, including branded rally assets, driver interviews and feature stories, as well as high-level media engagements with KCB Group leadership during the event. Collectively, these touchpoints strengthened brand equity, amplified positive sentiment and affirmed sport as a strategic platform for global relevance, national pride and purposeful impact.

In Rwanda, BPR Bank committed Rwf 40 million to support four standout drivers during the third leg of the Africa Rally Championship (ARC) held in Kigali. These included reigning ARC Champion Karan Patel, Nikhil Sachania, Uganda's Michael Muluka, and Rwanda's celebrated female rally star Queen Kalimpinya.

Chess

KCB Chess team continued its legacy of dominance by winning the Kenya Chess Premier League, securing the ninth title in the team's history. The team also won the Eldoret Open Chess Championship, Kitale Open, Nairobi Open, Nakuru Open twice and the Marvins Open Chess Tournament. These victories reinforced KCB's reputation as a consistent enabler of excellence across diverse sports disciplines.

The season also highlighted the rise of young talents such as Shukri Shakira, Hawi Kaloki, Elizabeth Cassidy, Robert McLigeyo and other emerging players, who have become a formidable force for the team. Elizabeth Cassidy won the Africa Girls under 14 Championship which was held in Zimbabwe. Jadon Simiyu was the 2025 Kenya National Champion. Their journeys were amplified through media features, interviews and digital storytelling, showcasing both individual brilliance and teamwork. By linking these narratives to the KCB brand, the Bank strengthened its image as a champion of youth development, strategic thinking and long-term talent cultivation, while engaging audiences across traditional and digital platforms.

Volleyball

KCB Women's Volleyball Team combined competitive success with strategic brand engagement. The team finished fifth at the African Club Championship in Abuja, Nigeria, finished third in the KVF National League and won the inaugural Kenya Cup Volleyball Tournament organized by the Kenya Volleyball Federation, reinforcing KCB's position as a champion at both domestic and continental stages.

These achievements were amplified through strong media visibility, including features on players' journeys, behind-the-scenes content, and digital storytelling that highlighted personal and team excellence. Showcasing talents like veteran Mercy Moim alongside emerging youth Fridah Boke, Marlene Terry and many others, the Bank strengthened its narrative as a supporter of youth development and high performance, while linking these stories directly to the KCB brand's values of empowerment, excellence, and community impact.

Athletics

KCB returned to athletics with a strategic focus on talent development and community impact, unveiling a Ksh 8 million sponsorship package for Athletics Kenya. The funds supported the National Championships at the Ulinzi Complex and the World Championships Trials held in August, reinforcing KCB's commitment to nurturing elite performance and national representation.

Beyond event sponsorship, KCB organized financial literacy training for athletes in Eldoret and Nairobi, equipping participants with essential skills for career and personal growth. The initiative received strong media attention and was amplified through digital storytelling, social features and behind-the-scenes content, linking the Bank's brand to athlete empowerment, education and sustainable development, and strengthening KCB's positioning as a partner for both sporting and personal excellence.

Football

KCB Football Club is one of the best football clubs in the country, competing in the top-flight FKF-Premier League. 2025 was one of the defining moments for the club as it produced top prospects Francis Kahiro, James Kinyanjui, Faruk Shikalo and Manzur Okwar, who were called to represent the national team, Harambee Stars, in different competitions.

The African Nations Championship (CHAN 2024), held in August 2025 saw KCB players Suleiman Manzur and Faruk Shikalo join the national side for the continental competition. For the first time in history, under coach Benny McCarthy, the team topped their group and reached the quarterfinals of the competition. Player feature stories, media interviews and digital storytelling throughout the season amplified KCB's role in nurturing youth talent, positioning the Bank as a long-term supporter of development pathways from club to national assignments.

Golf

In 2025, KCB invested Ksh 80 million in the third edition of the KCB East Africa Golf Tour, a flagship regional initiative spanning 16 counties in Kenya and extending to Rwanda, Tanzania, Burundi and Uganda. The series reached over 3,000 participants and engaged more than 2,000 juniors through golf clinics held across the year, reflecting the Bank's commitment to youth development and inclusive growth.

The tour generated strong media and digital visibility across the region, supported by golfer and caddie features, targeted internal communications and four dedicated caddie events held in Nakuru, Migaa, Nyeri and Vetlab. The season concluded with a competitive grand finale featuring 40 teams, with Team Burundi emerging overall winners, underscoring KCB's role in using sport to drive regional integration and shared success.

Rugby

In 2025, KCB Rugby Club delivered an outstanding season, winning the National Sevens Circuit after reaching the finals of all six legs of the series. The team claimed titles at Kabeberi 7s, Driftwood 7s, Dala 7s and Christie 7s, and reached finals at the Embu 7s as well as Prinsloo 7s, reinforcing KCB's position as a consistent force in Kenyan rugby and a benchmark for high performance.

Beyond team success, KCB Rugby continued to serve as a critical talent pipeline for the national setup. Five players - Vincent Onyala, Floyd Wabwire, Festus Shiasi, Samuel Asati and George Ooro - earned national team call-ups for the Safari Sevens, where the team emerged overall winners. Our Head Coach Andrew Amonde was also called upon to serve as the national 7s team's Strength and Conditioning Coach. Player features and storytelling throughout the season amplified KCB's role in nurturing youth talent, positioning the Bank as a long-term supporter of development pathways from club to national representation.

We apply best-practice governance to carefully balance short, medium, and long-term objectives, reconciling the interests of shareholders, customers, employees, communities, and regulators, with the goal of generating sustainable shared value.

Governance and Risk Management

Corporate Governance Statement

Our Governance Philosophy and Framework

The Board of KCB Group Plc ("the Group" or "KCB") is committed to maintaining high standards of corporate governance as a key enabler of effective leadership, sound decisionmaking, and sustainable longterm performance. The Board recognizes that good governance is not just compliance but essential to building trust, safeguarding the Group's reputation, and supporting the delivery of value to shareholders and other stakeholders.

Corporate governance at KCB provides the structure through which the Group is directed and controlled. Our governance framework comprises systems, policies, and processes that establish clear roles, responsibilities, and accountability across the Board, management, and employees, supported by appropriate policies, systems, and internal controls. This framework promotes consistency in decisionmaking, reinforces ethical conduct, and ensures that authority is exercised with due oversight.

The Board of Directors is responsible for setting the Group's strategic direction, approving key policies, defining risk appetite, and overseeing overall performance. Management is responsible for implementing the approved strategy and managing the daytoday operations of the Group in line with an established Delegation of Authority. We maintain accountability through a defined committee structure, regular reporting, and periodic evaluations of both Board and management effectiveness.

We believe that good governance achieved through an ethical culture and prudent risk management is critical to sustaining our business and delivering long-term value. The Board routinely reviews our governance arrangements to ensure they remain appropriate in light of regulatory developments, emerging risks, market practices, and stakeholder expectations.

We apply best-practice governance to carefully balance short, medium, and long-term objectives, reconciling the interests of shareholders, customers, employees, communities, and regulators, with the goal of generating sustainable shared value.

Our governance framework ensures integrity in decision-making, strengthens internal control, and fosters stakeholder trust. It also enables the Board to maintain effective oversight of strategy execution, financial performance, capital allocation, and risk management. This flexible framework supports clear accountability, and by holding the executive team accountable for the effective delivery of results, the Board ensures delivery against agreed objectives.

As a Group, we operate across multiple jurisdictions, and our governance arrangements ensure that subsidiary boards, where applicable, are aligned with Group-level oversight while maintaining local compliance. The Board has continued to refine its committee structures to address key areas of focus, including risk, technology and cybersecurity, and sustainability, reflecting the evolving operating and regulatory environment.

In recognition of the importance of ethical business conduct, KCB has formalised a zero-tolerance approach to corruption and misconduct. We maintain clear policies (including a Group Code of Ethics) and accessible whistleblower channels.

The compliance function operates independently and provides regular assurance to the Board and relevant Board Committees on adherence to regulatory and conduct requirements, including AML/CFT and sanctions obligations.

At the heart of our governance commitment is transparency: disclosure practices are reviewed and enhanced on an ongoing basis, taking into account regulatory guidance, stakeholder feedback, and independent assessments. Our integrated reporting provides a clear, balanced view of how strategy, performance, and risk interrelate.

Looking ahead, our Board is focused on strengthening digital resilience, addressing climaterelated and sustainability risks, and ensuring succession and diversity in leadership — while maintaining a governance framework that supports stability, accountability, and longterm sustainability.

Regulatory and Standards Compliance

Capital Markets Authority (CMA): The Group abides by the Code of Corporate Governance Practices for Issuers of Securities to the Public (2015), as well as the Guidelines on Corporate Governance under the Capital Markets Act.

Central Bank of Kenya (CBK): We comply with the CBK Corporate Governance Guidelines for banks, including those on risk management, board composition, and internal controls.

Basel Committee Principles: KCB's governance aligns with the Basel Committee on Banking Supervision's Corporate Governance Principles for Banks, notably in risk governance, three lines of defence, board competencies, remuneration, and transparency.

Supervisory & Penalties Framework: In recognition of evolving regulatory expectations, KCB is monitoring CBK developments such as the Banking (Penalties) Regulations, 2025, which introduce stronger sanctions and oversight.

KCB Group Governance Structure

KCB Group's robust governance framework provides a structured approach to delegating authority and delineating responsibilities, ensuring ultimate accountability remains with the Board. Guided by this framework, the Board entrusts the Group Chief Executive Officer and the executive management team with the day-to-day running of operations. Their performance — measured against clearly articulated objectives and policies — is rigorously evaluated, ensuring sustained alignment with the Group's overarching strategy and risk appetite.

The Board retains ultimate authority, setting strategy and vision, risk appetite, corporate culture, and approving major policies. While management has delegated authority for day-to-day operations, the Board remains accountable.

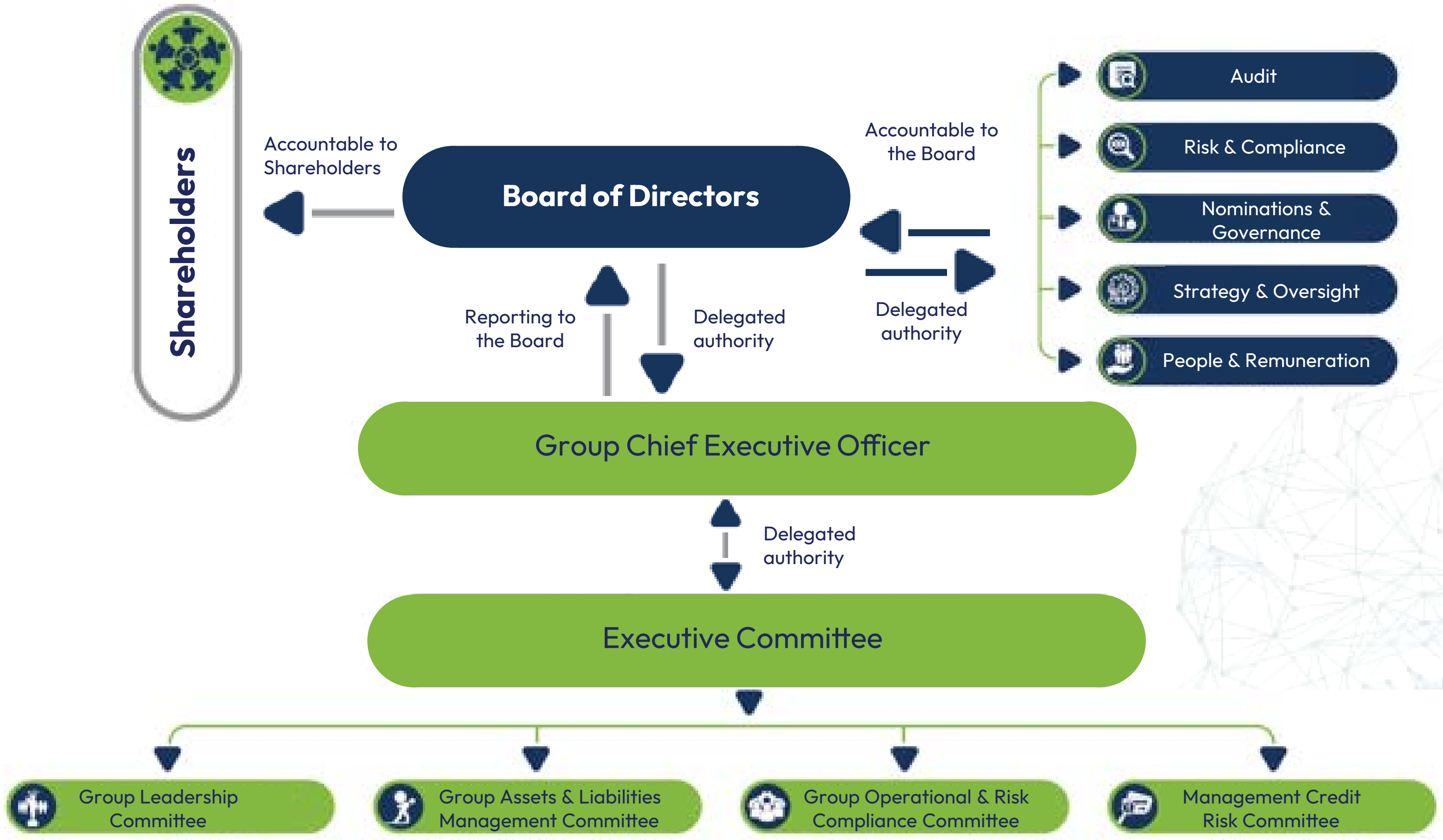
Board Committees: To ensure effective oversight, the Board has established the following committees each operating under well-defined terms of reference, enabling focused scrutiny of its respective domain and the provision of informed recommendations to the Board. This structure not only enhances the Board's decision-making efficiency, but also bolsters its ability to maintain robust controls, uphold high standards of accountability, and steer the organization toward sustainable growth:

1. Audit Committee.
2. Risk & Compliance Committee.
3. Strategy & Oversight Committee.
4. People & Remuneration Committee.
5. Nominations & Governance Committee.

Through this structured and dynamic governance model, KCB Group maintains the agility to adapt to evolving market conditions, uphold transparency and accountability across all operations, and fosters robust collaboration among stakeholders. This approach underpins the Group's commitment to long-term resilience, ensuring sustainable growth and success in a rapidly changing business environment.

The diagram below illustrates the fundamental relationship between shareholders, the Board, its committees, and executive management, underscoring the clear yet complementary roles each entity plays in achieving KCB Group's strategic and operational objectives.

Our Governance Structure



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OVERVIEW STRATEGY ESG CORPORATE GOVERNANCE RISK & INTERNAL CONTROLS FINANCIAL STATEMENTS ADDITIONAL INFORMATION

The Board Charter — formally approved and periodically reviewed by the Board — clearly delineates the roles and responsibilities of the Group Chairman, directors, Group Chief Executive Officer, and the Company Secretary, thereby reinforcing accountability and transparency within KCB Group's governance framework.

In line with best governance practices, the Group Chairman and the Group Chief Executive Officer have distinct and separate responsibilities: the Chairman oversees and guides the Board's functions, while the CEO holds executive authority for managing the Group's day-to-day operations. This structured division of duties preserves balanced governance and enhances strategic effectiveness.

For further details, the KCB Group Board Charter can be accessed on the Company's website at **www.kcbgroup.com.**

Our Board

KCB Group Plc. is guided by a Board of Directors (the "Board"), each member, (aside from the Group Chief Executive Officer and the Group Finance Director) is elected by the Company's shareholders. The Board's foremost responsibility is to act in the best interests of the Group, and its' stakeholders, safeguarding its long-term success in alignment with legal obligations and the expectations of shareholders, regulators, and other stakeholders.

Central to this mission is the formulation of a sound business strategy and the vigilant oversight of its implementation. In doing so, the Board ensures that the Group effectively manages risk, maintains high standards of financial performance and reporting, and upholds robust governance principles. As the focal point of corporate governance, the Board recognizes that strong governance practices not only ensure compliance with laws and regulations but also nurture sustained shareholder value by fostering a culture of accountability, integrity, and performance.

While fully committed to meeting all legislative and regulatory requirements, the Board aspires to exceed these minimum benchmarks, embedding good governance into every facet of KCB Group's operations. This commitment reflects a core philosophy: that governance excellence is both an ethical imperative and a critical driver of long-term growth.

The Role of Our Board

The Board is the cornerstone of the Group's governance framework, providing strategic direction and ensuring the alignment of the Group's objectives with its vision and values. With input from management, the Board sets the Group's long-term strategic objectives and monitors the implementation of these strategies. It also oversees the performance, remuneration, and governance frameworks of the Group to ensure accountability, transparency, and sustainability.

By adhering to a structured work plan, the Board ensures all its responsibilities are effectively addressed, except for those delegated to specialized committees. The Board's leadership fosters a culture of excellence, innovation, and risk-aware decision-making.

Authority and Delegation

The Board's authority and reserved matters are defined in the Board Charter, which outlines key decisions that require Board determination and approval. Through the established Board Committees comprehensive oversight and efficiency through focussing on specific issues is ensured. Detailed information on these committees, including their roles, responsibilities, composition, and membership, is provided later in this Statement.

Key Responsibilities of the Board:

Vision, Strategy, Values, and Purpose:
- Defining and driving the Group's vision, strategic and long-term objectives, values, and purpose to maintain a clear and focused strategic direction.
- Establishing and fostering a corporate culture that embodies the Group's core values and promotes ethical business practices.
- Ensuring the Group's strategic goals align with stakeholder expectations and the broader business environment.

People:
- Appointing, assessing, and providing support to the Group Chief Executive Officer to lead the Group effectively.
- Overseeing executive management to ensure leadership continuity through robust succession planning.
- Setting policies on remuneration to attract and retain top talent, ensuring equity, diversity, and inclusion in the workplace.
- Promoting a culture of safety, well-being, and respect throughout the Group's operations.

Business, Operational, and Financial Matters:
- Approving the Group's capital allocation, financial planning, and budget and significant corporate initiatives to foster growth and innovation.
- Providing oversight of major investments, acquisitions, and divestitures to ensure alignment with strategic priorities.
- Ensuring the adequacy and relevance of the Group's technology architecture strategies in a dynamic business landscape.
- Approving financial disclosures and ensuring compliance with regulatory and statutory requirements.

Risk Management and Oversight:
- Evaluating recommendations from the Risk & Compliance Committee to maintain a robust risk culture and an effective risk management framework.
- Setting and periodically reviewing the Group's risk appetite to support informed decision-making.
- Monitoring the effectiveness of internal controls, risk mitigation strategies, and compliance frameworks to safeguard the Group's interests.

The Board's authority, responsibilities, and operational guidelines are comprehensively outlined in the Board Charter, which is available on our website at www.kcbgroup.com. This document reflects the Board's commitment to transparency, accountability, and responsible corporate governance.

Role of the Group Chairman

The Group Chairman provides strategic leadership to the Board, ensuring its effectiveness and fostering a collaborative environment. The Chairman's key responsibilities include:

- **Promoting inclusive, high-impact debate:** Establishing a framework that encourages all Directors to actively engage, contribute unique insights, and challenge assumptions — ensuring well-rounded, informed decision-making.
- **Facilitating transparent stakeholder engagement:** Serving as a vital link between shareholders, the Board, and management, particularly during Annual General Meetings and other key shareholder gatherings — to ensure open communication, alignment of interests, and effective governance outcomes.

Delegation to the Group Chief Executive Officer

The Board entrusts the Group Chief Executive Officer with day-to-day operational leadership, as mandated by the Board Charter. In turn, the Group Chief Executive Officer delegates certain authorities to members of the Executive Committee under rigorously documented policies that define the scope and limits of decision-making, particularly in areas such as:
- Operating and capital expenditure
- Investments and resource allocation

This structured delegation framework strikes an essential balance: it preserves the Board's overarching oversight while empowering senior executives to act decisively within clearly defined parameters, fostering both agility and accountability throughout the organization.

Senior management provides the Board with timely, accurate, and comprehensive information on performance, strategy, risk, compliance, and sustainability matters, enabling informed decision-making.

Management Committees

To support the effective execution of delegated authority, several management committees have been established, including:
- **Executive Committee (EXCO):** Focuses on strategic and operational decisions at the highest management level.
- **Group Leadership Committee (GLC):** Includes senior leadership across all Group subsidiaries and oversees key Group operational matters and cross-functional coordination.
- **Group Assets and Liabilities Management Committee (GALCO):** Manages the Group's balance sheet, liquidity, and financial risks.
- **Group Operational Risk and Compliance Committee (GORCCO):** Monitors operational risks and ensures compliance across the Group.
- **Management Credit Risk Committee (MCRC):** Oversees credit risk management and decision-making related to lending.

This robust delegation structure, supported by clear policies and committee oversight, enables the Board and management to achieve an effective balance between governance, accountability, and operational efficiency.

FY 2025 - Key Activities and Achievements

During the year 2025, the Board successfully carried out several critical actions to ensure the Group's sustained growth, operational excellence, and governance integrity. These include:

Financial Oversight:
- Approved the audited financial statements for the year ended 31 December 2024, ensuring compliance with regulatory standards and transparent reporting.
- Reviewed and approved the quarterly unaudited financial statements, providing ongoing oversight of the Group's financial health.
- Reviewed and approved the external auditor's fees for the FY 2025 statutory audit.

Corporate Actions:
- In March 2025, approved the payment of a final dividend amounting to Ksh 4.8 billion aligned with the Groups performance for the year ended 31 December 2024.
- In August 2025, approved payment of an interim dividend amounting to Ksh 12.9 billion, aligned with the Group's performance for the year ended 31 December 2025.
- Considered and approved the divestiture of National Bank of Kenya Limited.
- Considered and approved the acquisition of 75% of the issued shares of Riverbank Solutions Limited.
- Considered and approved the acquisition of a minority stake in Pesapal Limited.

Strategic Direction:
- Reviewed and approved key strategic initiatives and financial plans for the year 2026, setting the foundation for long-term growth and value creation.
- Considered and approved the reorganization of the Group Corporate Trustee and Fund Management businesses.

Governance and Leadership:
- Reviewed and recommended the following policies for approval by the Shareholders at the Annual General Meeting held on 22 May 2025 in accordance with Regulation 8.21 of the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023:
  - Non-Executive Directors Remuneration.
  - Effective Communication with stakeholders.
  - Corporate Disclosures Policies and Procedures.
  - Dispute Resolution for Internal and External Disputes.
  - Attraction and Retention of Board Directors.
- Reviewed and approved the updated Board Charter.
- Reviewed and approved the organization performance and connected performance-based remuneration.
- Reviewed and approved the Group Sustainability Reporting for the year 2024.
- Actively oversaw succession planning for the Group Board and subsidiary boards, fostering leadership continuity and a pipeline of qualified governance professionals.
- Received and reviewed the Board evaluation report, providing valuable insights to enhance board effectiveness and governance practices.
- Undertook a comprehensive review and reorganization of the Board committees to enhance its corporate governance structures taking into account the growth and expansion of the organization both geographically and numerically and to place increased focus on matters related to ESG and Climate Risk.

These achievements underscore the Board's unwavering commitment to sound governance, strategic decision-making, and delivering value to all stakeholders.

Enhanced Governance Oversight - Reorganization of KCB Group Board Committees

As part of the Group's continued drive towards overall efficiency and effectiveness, the operating structure of the Committees established to support the Group board in delivering its mandate was reviewed during the year 2025. In reviewing the mandate of the established committees, the Board identified the following key consideration leading to the reorganization of the committees:

- That the key areas of ESG (Environmental Social & Governance) and Climate Risk were not comprehensively covered by the committee mandates;
- Based on growth of the Group, the mandate and workload of the Audit & Risk committee was wide and heavy and required a review.
- Based on global best practice, the Nominations committee, (ad hoc committee) was required to review key board nominations and governance actions.
- Based on global best practice, there is a need to review the mandate of the Oversight Committee to align with the mandate of the Strategy & IT committee to give an enterprise-wide view on cross-group performance, structure, and strategic direction and reduce duplication.

The reorganized committee structure is forward looking and was arrived at taking into account global best practice and the changes were necessary to ensure adequate oversight while maintaining the general foundational structure and focus areas of the previous committees.

Enhanced ESG Oversight Structure

The Board has strengthened its oversight of environmental, social, and governance matters. The entire Board maintains oversight of ESG strategy and performance, with specific responsibilities allocated as follows:

Committee Name	ESG-related responsibilities (secondary)
Audit Committee	Review accuracy and assurance of sustainability and climate-related disclosures (financial and non-financial).
Strategy & Oversight Committee (new merged committee)	Oversee integration of sustainability goals into the group strategy, products, digital and innovation agenda (e.g., green finance, sustainable digital products).
People & Remuneration Committee	Ensure executive scorecards and incentives include ESG/climate KPIs consistent with the Board's approved strategy.
Nominations & Governance Committee	Oversee ESG governance framework, board competence on sustainability, and ESG disclosure quality in the annual report.

The reviewed committees and their mandates are as follows:

Committee	Core Areas of Focus	
Audit Committee	• Financial reporting integrity • Internal and external audit	• Financial controls • Disclosure assurance (including ESG and climate reporting)
Risk & Compliance Committee	• Group risk appetite, capital adequacy and stress testing • ESG, Climate and sustainability risk oversight	• Compliance and regulatory affairs • AML/CFT and conduct risk
Strategy & Oversight Committee	• Group strategic planning and transformation initiatives • Oversight of banking and non-banking subsidiaries (financial, operational, governance) • Review of major investments, partnerships, acquisitions and capital deployment	• Strategic digital & innovation agenda • ESG strategy and stakeholder engagement
People & Remuneration Committee	• Executive and staff remuneration frameworks • Incentive alignment with long-term strategy and risk appetite • Leadership development and talent pipeline	• Culture, conduct and ethics • Inclusion of ESG metrics in incentive scorecards
Nominations & Governance Committee	• Board composition, succession and independence • Board and committee evaluations • Corporate governance policies and codes	• Board diversity, training and performance • Governance disclosures and compliance with CMA/CBK codes

Separation of Roles and Responsibilities

KCB Group employs a clearly defined, well-structured approach to allocating responsibilities throughout the Group. The Board holds ultimate oversight, sets the strategic vision, and ensures adherence to governance standards.

Within this framework, the Group Chief Executive Officer and executive management drive day-to-day operations, guided by Board-approved objectives and policies. The specialized Board committees provide focused scrutiny and recommendations in critical areas — such as audit, risk, and governance — ensuring that strategic decisions and operational execution remain seamlessly aligned.

This transparent division of roles upholds accountability, fosters collaboration, and drives sustainable value creation across the organization.

The role of the Chairman is separate from that of the Group Chief Executive Officer. There is a clear division of responsibilities. Care is taken to ensure that no single director has unfettered power in the decision-making process.

Segregation of Responsibilities	
Chairman	• Board Leadership & Governance: Provides strategic leadership to the Board, ensuring that governance standards are upheld and that the Board functions effectively in fulfilling its oversight responsibilities. • Agenda Setting & Stakeholder Engagement: Develops the Board's agenda, incorporating the concerns and insights of individual directors, while maintaining robust communication channels among shareholders, the Board, and management to foster alignment and accountability.
Group Chief Executive Officer	• Oversees day-to-day operations: Holds overarching responsibility for the daily leadership, management, and operational oversight of the entire Group, ensuring uncompromising adherence to corporate objectives and driving operational excellence across all business functions. • Strategic Alignment: Proposes the Group's strategic direction to the Board and ensures that Board-approved strategies and decisions are effectively implemented through the Executive Committee, driving sustainable performance and growth.
Independent Non-Executive Directors	• Internal Controls & Risk Management: Champion the establishment and ongoing enhancement of comprehensive internal controls and a rigorous risk management framework, safeguarding the Group's assets and reputation. • Strategic Oversight & Constructive Challenge: Engage Directors in informed, constructive debate and diligently monitor the execution of the Group's strategy, ensuring alignment with the risk and control environment defined by the Board.

Company Secretary

The Company Secretary is integral to the strength of KCB Group's governance framework, providing essential leadership and expertise. As a member in good standing with the Institute of Certified Secretaries (ICS), the Company Secretary actively participates in Board meetings ensuring informed decision-making and the consistent application of high governance standards across the organization. The Company Secretary also serves as the primary source of counsel on matters relating to ethics, regulatory compliance, statutory obligations, and the application of governance best practices across the Group.

Role of the Company Secretary

- **Governance Oversight:** Proactively maintains the Group's overarching governance framework, advising on the development and implementation of policies that adhere to recognized national and international standards. By monitoring emerging best practices and ensuring the Board's continuous compliance, the Company Secretary fortifies the Group's commitment to integrity, accountability, and exemplary governance.
- **Compliance and Governance Advisory:** Acts as a trusted advisor to both the Board and the Group, proactively monitoring and reinforcing compliance with all statutory and regulatory obligations. By upholding the highest governance standards, the Company Secretary ensures ethical and responsible conduct across the organization, fostering credibility and stakeholder confidence.
- **Director Guidance:** Offers tailored, practical counsel to Directors, ensuring they understand and uphold their duties in alignment with the Group's strategic objectives and regulatory confines. Through clear, actionable recommendations, the Company Secretary supports effective decision-making and promotes governance best practices, ultimately safeguarding the interests of both the Group and its stakeholders.
- **Board Development and Induction:** Works closely with the Chairman to continually assess and address the Board's training needs, ensuring Directors stay informed about emerging industry trends, regulatory changes, and strategic developments. The Company Secretary also oversees comprehensive induction programs for new Directors, equipping them with the knowledge, resources, and support necessary to execute their responsibilities effectively from the outset.
- **Information Flow and Coordination:** the Company Secretary works collaboratively with the Group Chief Executive Officer and the Chairman to ensure a seamless, timely exchange of critical information among the Board, its committees, and senior management. By coordinating communication and clarifying strategic directives, the Company Secretary promotes effective decision-making, maintains cohesion across governance levels, and safeguards alignment with the organization's overarching goals.
- **Proactive Disclosure:** the Company Secretary manages and actively promotes a culture of openness and transparency. By advocating for the timely and comprehensive release of material information, the Company Secretary empowers shareholders, customers, and other stakeholders to make informed decisions, thereby strengthening trust, credibility, and accountability across the organization.

Board Composition and Structure

The Articles of Association of the Group stipulate that the Board shall consist of a maximum of eleven Directors. Currently, the structure comprises:

- Two Executive Directors,
- One Non-Executive Director, and
- Eight Independent Non-Executive Directors, including the Group Chairman.

The Board's size and composition are determined in accordance with the Articles of Association, the Board Charter, and applicable legal and regulatory frameworks.

Directors Attributes & Expectations

The attributes and expectations of each Director are integral to the Board's effectiveness. Beyond their skills and experience, Directors are expected to demonstrate sound business judgment, a strategic perspective, integrity, and leadership qualities. They must also possess the readiness to question, challenge, and critique decisions constructively, contributing to robust discussions and effective governance.

Non-Executive Directors are expected to have a thorough understanding of the Company's strategy and a comprehensive knowledge of the industry and markets in which the Group operates. Their expertise and perspectives play a pivotal role in fostering robust and constructive discussions, challenging management's assumptions, and refining strategic thinking to add value to the Group. Importantly, Directors are encouraged to engage in respectful and constructive challenges to management and fellow Board members, fostering accountability and continuous improvement.

Together, these attributes and expectations ensure the Board's ability to deliver effective governance, informed decision-making, and strategic oversight, driving sustainable growth and long-term success for the Group.

Skills, Experience & Diversity

KCB Group is committed to maintaining a Board with the right mix of individuals who bring relevant attributes, skills, knowledge, and experience. Together, the Directors possess the collective competence necessary to address both current and emerging challenges while providing effective guidance to management to ensure optimal performance for the Group.

Collectively, the Board thrives on the diversity of its members' skills, knowledge, experience, gender, and personal attributes. This diversity enables the Board to provide comprehensive oversight and strategic guidance necessary for achieving the Group's objectives. Directors with extensive experience, particularly those who have navigated business and economic cycles, bring valuable insights that enhance the Board's ability to understand industry dynamics, anticipate political, regulatory, and economic developments, and provide the benefit of corporate memory.

To ensure continued effectiveness, the Board has designated the Nominations & Governance Committee to annually assesses the skills, knowledge, diversity and experience represented on the Board against those required to achieve the Group's strategic objectives. Efforts are ongoing to diversify the Board's skill set particularly on Digital and IT and increase female director representation on the Board to 40%. The Nominations & Governance Committee is tasked with prioritizing these considerations in the selection of new Board members.

Principles Guiding Board Composition

The composition of the Board is guided by core principles to ensure effective governance and strategic oversight These principles reflect the Company's commitment to maintaining a high-performing Board that upholds the highest standards of governance, accountability, and strategic insight. The principles are as follows:

Board Leadership and Independence:

- The Chairman of the Board must be an Independent Non-Executive Director, ensuring impartial leadership and effective governance practices.
- The Board must comprise a majority of Independent Non-Executive Directors to promote unbiased decision-making and robust oversight.

The Board is led by an Independent Non-Executive Chairman, FCS Dr. Joseph Kinyua, EGH, who provides independent leadership and ensures effective governance oversight separate from executive management. The Board enforces strict criteria for independence, with policies to identify, manage, and disclose potential conflicts. Related-party transactions are subject to full review by the Board or relevant committee.

Board Diversity & Skills Matrix:

- The Board must include Directors with a broad range of skills, experience, and expertise across various disciplines.
- Members should be drawn from diverse backgrounds to bring varied perspectives and enhance decision-making.

The Board is committed to diversity in its broadest sense, including diversity of thought, experience, background, gender, age, ethnicity, and professional expertise. Our Board composition reflects a deliberate strategy to ensure we have the right mix of skills, knowledge, and experience to provide effective oversight and strategic guidance.

Gender Diversity:

- Male Directors: 7 (70%)
- Female Directors: 3 (30%)

The Board remains committed to achieving gender parity and has set a target of at least 40% representation of either gender in line with global best practice.

Director Qualifications and Competencies

All Directors meet the fit and proper criteria established by the Central Bank of Kenya and possess the qualifications, competencies, and integrity required for their positions. The Board has adopted a Director Competency Framework that assesses various aspects including:

- Professional qualifications and industry knowledge.
- Strategic thinking and business acumen.
- Knowledge of regulatory requirements.
- Understanding of risk management.
- Commitment to ethical leadership.
- Ability to dedicate sufficient time to Board responsibilities.

The current composition of the Board reflects this commitment to strategic alignment, diversity, and experience. Details of the Board composition are as follows:

NAME	DATE OF APPOINTMENT	AREAS OF EXPERTISE	GENDER	NON-EXECUTIVE/ EXECUTIVE	INDEPENDENCE
Dr. Joseph Kinyua	24 March 2023	Public administration, economics, financial services and corporate governance	Male	Non-Executive Chairman	Independent
C. S. National Treasury (Alternate - Geoffrey Malombe)	Institutional	Financial services, public sector.	Male	Non-Executive	Non-independent
Lawrence Njiru	7 August 2018	Business strategy, finance, audit and accounting.	Male	Non-Executive	Independent
Ahmed Mohamud	12 July 2020	Corporate and commercial law, financing transactions and Islamic finance.	Male	Non-Executive	Independent
Anuja Pandit	16 August 2022	Banking, business advisory and management, finance and financial advisory	Female	Non-Executive	Independent
Agnes Lutukai	1 March 2024	Finance, audit and accounting, quality assurance and business advisory.	Female	Non-Executive	Independent
William Asiko	26 September 2024	International development advisory, public sector, private sector investment and law.	Male	Non-Executive	Independent
Lyn Mengich	4 February 2026	Human resources, public sector, private sector, governance and risk management.	Female	Non-Executive	Independent
Paul Russo (Group Chief Executive Officer)	25 May 2022	Business advisory and management, strategy development, financial accounting and financial advisory.	Male	Executive	Non-independent
Lawrence Kimathi (Group Finance Director)	1 May 2015	Financial advisory, financial accounting, business management	Male	Executive	Non-independent

Appointment, Re-election and Tenure of Directors

The Board is committed to ensuring an orderly and transparent succession process that fosters diversity in geography, background, approach, and gender. Succession planning is an ongoing priority, with regular and robust discussions to maintain an effective and dynamic Board.

The nomination and appointment of Directors follows a structured process outlined in the Nomination & Appointment Policy. This policy entrusts the Nominations & Governance Committee with the responsibility of overseeing the selection and appointment of Board members.

Role of the Board Chair and Nominations & Governance Committee

- **Leadership & Collaboration:** The Board Chair, working closely with the Nominations & Governance Committee, oversees the process of selecting and appointing new Directors, ensuring a transparent and competency-based approach.
- **Selection Procedure:** In alignment with the organization's strategic goals, the Chair and Committee recommend a clear, structured method for identifying qualified individuals.
- **Candidate Criteria:** The Committee also proposes key attributes for Board candidates — encompassing skills, knowledge, experience, diversity and tenure — ensuring the Board's collective expertise remains robust and well-balanced.
- **Shortlisting:** Candidates who best meet these criteria are shortlisted for consideration, allowing the Board to evaluate and select those who will most effectively contribute to the Group's objectives.
- **Professional Support:** To further strengthen and expand the talent pool, the Board has engaged an external intermediary to assist in identifying and assessing potential Directors, thereby enhancing the objectivity and depth of the selection process.

Competency Framework for Non-Executive Directors

The selection of non-executive Directors is informed by a well-defined competency framework that identifies the key skills, expertise, and attributes required to enhance the Board's collective capabilities.

This framework ensures that each appointed Director contributes strategic insights, robust governance expertise, and the diverse perspectives necessary to guide the Group toward achieving its objectives.

The competencies outlined in the table below are designed to align with the Group's current and future needs, fostering effective oversight and decision-making.

Demonstrable business acumen	Special technical skills or expertise
Directors should possess substantial business experience, with a proven track record of understanding corporate and business processes. This expertise must be demonstrated through significant professional achievements and a strong reputation within the business community.	Directors are expected to bring significant knowledge and expertise in areas critical to the Group's operations, such as business, finance, audit, law, technology, governance, strategy, or management. The collective experience of the Board should reflect a balanced mix of these competencies to ensure well-rounded governance and decision-making.
Integrity	**Time commitment**
High levels of integrity, professional and personal ethics, and values aligned with the KCB Group are essential. Directors must exhibit the ability to exercise independent judgment and act in the best interests of the Group and its stakeholders.	Directors must have the availability and willingness to dedicate sufficient time to fulfil their responsibilities effectively, ensuring they can contribute meaningfully to the Board's activities and deliberations.

Preferred candidates engage with the members of the Nominations & Governance Committee before a final decision is made. Following these discussions, the committee presents the shortlisted candidate to the full Board for consideration. Upon approval by the Board, the successful candidate is appointed as a Director.

Before confirmation of the appointment, all prospective Directors must meet the "Fit and Proper" requirements outlined in the Prudential Guidelines issued by the Central Bank of Kenya. Once appointed, new Directors receive formal letters of appointment that clearly outline the terms and conditions of their role, ensuring a comprehensive understanding of their duties and responsibilities.

The Board has adopted a **term limit policy** in line with regulatory requirements and best practice:

- Independent Non-Executive Directors serve for a maximum of six years. This ensures a balance between continuity and the introduction of fresh perspectives.
- As stipulated in the Articles of Association, at least one-third of Directors retire by rotation annually and may offer themselves for re-election at the Annual General Meeting.
- A Director appointed by the Board to fill a casual vacancy is required to seek election at the next Annual General Meeting (AGM) following their appointment.
- The Group Chairman is limited to a maximum term of five years in that role, reinforcing the commitment to effective governance and leadership renewal.

The Board, through the Nominations & Governance Committee, maintains a robust succession planning framework for both Board positions. This includes identifying potential candidates and ensuring orderly succession and onboarding.

As of 31 December 2025, the Board comprised of 9 Directors.

Mrs. Alice Kirenge retired as a director on 31 August 2025.

Mrs. Lyn Mengich was appointed as a director on 4 February 2026.

During the 54th AGM of the Company held on 22 May 2025:

The Cabinet Secretary, National Treasury, Mr. Ahmed Mohamud, and Mrs. Agnes Lutukai were re-elected to continue serving as directors on the board.

Mr. William Asiko, having been appointed to fill in a casual vacancy on the board, retired in line with the requirement under the Articles of Association and was re-elected by the shareholders to continue serving as a director on the board.

In accordance with the provisions of guideline 2.5 of the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, Dr. Joseph Kinyua, having attained the age of 70, retired from the Board and being eligible and having expressed his willingness to continue serving as a director was re-elected by the shareholders to continue serving as a director on the board.

Engagement and Equipping Directors to Perform their Role.

Each Non-Executive Director enters into a formal agreement outlining their role and responsibilities. This agreement covers key aspects such as time commitments, induction, ongoing education, performance expectations, remuneration, and disclosure of outside interests. It also addresses independence, privacy, and confidentiality obligations.

The appointment letter, signed by each Director, includes provisions for access to information, data protection, insurance, indemnity, and arrangements for seeking independent professional advice, ensuring Directors are equipped to fulfil their duties effectively and in alignment with governance standards.

Board Induction, Training and Development

Induction

Upon appointment, all new Directors undergo a comprehensive induction program designed to familiarize them with the Group's business, strategy, and industry landscape. This program provides detailed information on the following areas:

- The Group's strategy, business model, and operations.
- Governance framework, policies, and procedures.
- Regulatory environment and compliance requirements.
- Risk management framework.
- Financial performance and position.
- Stakeholder engagement approach.
- Corporate social responsibility and sustainability strategy.

The induction includes a series of structured meetings with fellow Directors, the Group Chief Executive Officer, and senior executives to build relationships and gain insights into key functions.

Additionally, the Group Company Secretary provides comprehensive guidance on Directors' duties and liabilities, ensuring a clear understanding of legal and governance obligations.

Training & Development

The Board recognizes the importance of continuous learning to maintain the skills and knowledge required for effective governance. Directors periodically review their professional development needs, both individually and collectively, to stay informed about the Group's operations, industry trends, market developments, and regulatory changes.

Professional development is facilitated through various initiatives, including:

- Personal training programs tailored to individual Directors.
- Engagements with industry and regulatory leaders to gain insights into emerging trends.
- Technical briefings and deep-dive discussions with Executives and senior management during Board meetings.
- Sessions with local and international experts on corporate governance and fields relevant to the Group's operations.

The Group Chairman plays a key role in reviewing the development needs of each Director and addressing feedback received through the Board evaluation process. This ensures that Directors are equipped to address emerging topics and adapt to evolving industry dynamics.

Through this robust and continuous education framework, the Board stays informed of global and local industry developments, enabling it to provide effective strategic oversight and governance leadership.
Training courses and Director development sessions undertaken in the year 2025 include the following:

- Chairman's caucus: annual caucus of subsidiary Chairpersons as a platform for knowledge-sharing, the dissemination of best practices and continuous governance enhancement.
- Effective risk management trainings covering the following areas:
  - » Understanding the Evolving Risk Landscape.
  - » Overview of the current risk landscape in the banking environment in Eastern Africa.
  - » Key drivers of emerging risks: digital transformation, geopolitical shifts, climate change, and regulatory requirements.
- Market and Liquidity Risks
  - » Governance and Board Oversight of market and liquidity risks.
  - » The acceleration of market volatility due to global events.
- Technology, Third Party and AI Risks
  - » Considerations for AI and associated risks.
  - » Third-party risk exposure.
  - » Evolving cyber and fraud risk landscape.
- Corporate governance training covering the following areas:
  - » New and emerging technologies: Future Forward: Mastering New & Emerging Technologies.
  - » AI: Opportunity and a potential disruptor. How do you formulate an AI strategy?
  - » AI concepts in plain, non-technical language
  - » AI adoption: Lessons from the financial services sector
- Risk Management. Risk Ready: Proactive Strategies for Smart Decision-Making
  - » Cybersecurity and Data privacy
  - » Cyber and technology risk management
- Governance and sustainability. Sustainable Success: Mastering Governance for a Resilient Future
  - » ESG in Kenya: the journey, its evolution and the legislative landscape.
  - » the Board's role in a greener future: duties, liabilities and leadership.
  - » Boardroom Accountability: meeting stakeholder ESG expectations in a globally shifting political landscape.
  - » Kenya's Climate Outlook: Adapting for a Sustainable Future.
  - » Boardroom to greenroom: how can boards address climate change?
  - » ESG and beyond: turning climate risks into business opportunities.
- Audit training covering the following areas:
  - » Financial and Non-Financial Reporting (Integrated Reporting).
  - » Recent and forthcoming International Financial Reporting Standards (IFRS) developments.
  - » Local and International sustainability reporting standards, guidelines, and directives.
  - » Recent regulatory developments impacting the financial services sector locally and regionally.
  - » Internal Audit.
  - » The new Global Internal Audit Standards.
  - » Key global trends in Internal Audit.
  - » Application of AI tools in the internal audit process to enable effective and efficient monitoring, detection and prevention of both internal and external fraud.
  - » Governance and workings of the Audit Committee. Priorities, challenges, opportunities, and leading practices of audit committees.
- Anti-money laundering and combating financing of terrorism (AML/CFT) Training on the obligations of Reporting Institutions conducted by the Financial Reporting Centre.
- Individualized director board training programs including:
  - » Women Directors Leadership programme: an incisive 8-month programme aimed at sharpening leadership ability and strengthening impact at board level.
  - » The Effective Director programme that covers the work of the Board and seeks to add value to the contribution of individual directors. The programme addresses contemporary paramount issues on boards.
  - » The Effective Director Masterclass (TED Masterclass) Programme to take on a deeper dive into key aspects of oversight and monitoring that are required for the 21st century director.
  - » Emerging risks facing banks, regulatory environment and developments in financial reporting.
  - » Leading the Board programme for sitting chairpersons and vice-chairs.

Board Meetings and Attendance

The Board operates under a structured annual work plan that outlines its activities throughout the year. This ensures all matters relating to the Company's overall control, business performance, strategy, and succession planning are addressed in a timely and systematic manner. The Board convenes at least once every quarter, with additional meetings scheduled as needed to address specific issues or emerging priorities.

Attendance Requirements and Engagement

Directors are required to attend a minimum of 75% of the meetings scheduled during the year. All Directors met or exceeded this requirement in 2025.

In instances where a Director is unable to attend a meeting, they may provide input on agenda items through the Group Chairman to ensure their views are considered.

Agenda Setting and Information Flow

The Group Chairman, in collaboration with the Group Company Secretary and the Group Chief Executive Officer, develops the annual work plan and sets the agenda for each meeting. Notices, agendas, and comprehensive board papers are distributed well in advance of meetings to facilitate thorough preparation. Directors may also request additional information when needed to ensure well-informed decision-making.

Board Activities in 2025

During the year ending 31 December 2025, the Board convened for seven meetings.

Additionally, a strategic planning session was held where engagement was held with the senior management team and subsidiary board directors to review and develop the 2026 financial plans and to align short and long-term objectives and priorities.

Details of Directors' attendance at Board meetings during the year are presented below:

Number of meetings (Total)	7
Dr. Joseph Kinyua	7
C. S. National Treasury (Alternate – Geoffrey Malombe)	6
Lawrence Njiru	7
Ahmed Mohamud	7
Alice Kirenge[(1)]	4
Anuja Pandit	7
Agnes Lutukai	7
William Asiko	7
Paul Russo (Group Chief Executive Officer)	7
Lawrence Kimathi (Group Finance Director)	7

(1) Retired from the Board on 31 August 2025.

Our Board Committees

The Board committees are integral to the Board's functioning, delivering specialized support and enabling the Board to effectively fulfil its diverse responsibilities. The Board committees play a pivotal role in supporting the Board's governance mandate by concentrating on specialized areas and offering focused expertise. By focusing on key areas, the committees provide invaluable insights and enhance the Board's capacity for informed decision-making.
The Board has established five specialized committees to assist in the discharge of its responsibilities. All committees operate under Board-approved terms of reference that clearly define their mandates, composition, and reporting requirements.

When selecting committee members, the Board carefully evaluates the diverse skills and expertise of its members, ensuring that each committee benefits from a wide array of perspectives. This thoughtful approach fosters dynamic collaboration, allowing for more effective decision-making, while reinforcing shared responsibility and accountability within the governance framework.

Principles of Committee Membership:

- **Skills and Expertise Utilization:** The Board intentionally leverages the diverse backgrounds, competencies, and perspectives of its directors to foster robust oversight, informed decision-making, and comprehensive strategic guidance.
- **Overlapping Memberships:** Overlapping committee memberships are purposefully maintained to facilitate cross-pollination of insights and address multifaceted issues that extend beyond individual committees, ensuring cohesive and well-rounded governance.
- **Regular Reviews:** Recognizing that organizational needs evolve, the Board periodically assesses and, when necessary, reconfigures committee compositions. This approach preserves institutional knowledge while adapting effectively to shifting priorities and emerging challenges.

Reporting and Meeting Framework:

Each committee operates under a structured framework to ensure accountability and alignment with the Board's objectives:

- **Chairman Reports:** The Chairman of each committee presents a report to the full Board at subsequent Board meetings, highlighting significant discussions and decisions.
- **Annual Meeting Planner:** Committees follow an annual meeting planner that outlines scheduled items of business and reports to be reviewed throughout the year.
- **Terms of Reference:** Each committee has detailed terms of reference defining its roles, responsibilities, and procedural rules.

As presented earlier in this Statement, the Board undertook a comprehensive review and reorganization of its committees at the end of the year 2025.

The following table provides a summary of the committees in place during the year 2025 as well as the members as at the end of the year and the key activities of the committee during the year:

Audit & Risk		
Purpose and activities	**Members at end of FY25**	**Attendance**
The primary purpose of the committee is to provide a structured and systematic approach to overseeing the institution's governance, risk management, and internal control practices. By offering critical insights and independent oversight, the committee ensures the integrity and effectiveness of these foundational pillars, thereby supporting the Board and management in their strategic and operational responsibilities. The committee serves as an advisory body to the Board and management by evaluating and providing recommendations on the adequacy and effectiveness in the following key areas: **Values and Ethics:** • Promoting a strong culture of ethical conduct and integrity throughout the institution. • Ensuring that the institution's values are embedded in decision-making, policies, and operational practices. **Governance Structure:** • Reviewing and recommending enhancements to the governance framework to ensure robust oversight and accountability. **Risk Management:** • Assessing the adequacy and effectiveness of the institution's risk management strategies and framework. • Monitoring the identification, evaluation, and mitigation of key risks across the institution. **Internal Control Framework:** • Reviewing the design, implementation, and operational effectiveness of internal controls to safeguard the institution's assets and ensure compliance with policies and regulations. • Providing assurance on the reliability and integrity of financial and operational information. **Oversight of Assurance Providers:** • Supervising the performance, independence, and effectiveness of the internal audit function. • Reviewing the appointment, performance, and independence of external auditors and other assurance providers. • Ensuring effective coordination among internal and external auditors to avoid duplication of efforts. **Financial Statements and Public Accountability Reporting:** • Overseeing the preparation and integrity of financial statements, ensuring they fairly represent the institution's financial position and performance. • Reviewing public accountability reports to ensure compliance with regulatory requirements and transparency to stakeholders.	Agnes Lutukai (**Chairman**) Ahmed Mohamud Anuja Pandit	5/5 5/5 5/5

- In line with its mandate, the committee reviewed the unaudited and audited financial statements for the full year 2025 and ensured that the same was ultimately approved by the Board. The committee further reviewed the internal audit reports presented by the Internal Auditor for audits undertaken during the year in line with the approved audit plan.
- The committee held sessions with PwC, the external auditor, to receive the auditor's independent report and assurance on the financial statements.
- During the year, the committee received quarterly reports from the Group Chief Risk Officer on the high-risk areas and the mitigation in place for those risks. The committee reviewed and approved various policies. The committee further received and considered reports on the level of compliance with AML/CFT regulatory requirements. The committee further reviewed ICAAP for the entire Group ensuring all business risk were identified and the Group had sufficient capital to cover the identified risks.
- The committee reviewed and approved various policies to enable the efficient governance of the organization's activities.

Human Resources & Governance		
Purpose and activities	**Members at end of FY25**	**Attendance**
This Committee plays a critical role in shaping the Group's leadership and workforce strategy. It reviews and provides recommendations to the Board on human resource policies to ensure alignment with best practices and organizational goals. The Committee is responsible for overseeing the nomination process for senior management positions, ensuring the selection of qualified and capable leaders. Additionally, it conducts performance reviews of senior management to evaluate their effectiveness in driving the Group's strategic objectives and fostering a high-performance culture. By doing so, the Committee supports the development of a robust leadership pipeline and sustainable talent management practices.	Lawrence Njiru (**Ag. Chairman**) Ahmed Mohamud William Asiko Paul Russo	6/6 6/6 6/6 6/6

- In line with its mandate, the Committee reviewed the senior management performance for the year.
- The committee considered various strategic human resource matters including succession planning, leadership development and training.
- The committee reviewed the Non-Executive director's remuneration policy and recommended the same to the Board for approval.
- The committee reviewed and recommended the approval of various Human Resources related policies.
- The committee reviewed and recommended the approval of the organization structure for the Strategy & Innovation Division and the Retail Division.

Nominations Committee		
Purpose and activities	**Members at end of FY25**	**Attendance**
The Committee is responsible for continuously reviewing the structure, size, and composition of the Board to ensure it remains effective and aligned with the Group's strategic needs. It actively oversees succession planning for Directors, ensuring a robust pipeline of qualified candidates to support sustainable governance. The Committee also leads the process of identifying and evaluating potential candidates for Board vacancies, ensuring their qualifications, experience, and values align with the Group's objectives. Once identified, the Committee nominates these candidates for approval by the Board, maintaining a focus on diversity, expertise, and long-term leadership continuity.	Dr. Joseph Kinyua (**Chairman**) Lawrence Njiru Ahmed Mohamud William Asiko Paul Russo	3/3 2/3 3/3 3/3 3/3

- Over the year, the Committee reviewed the Board succession plans for the Group, ensuring robust leadership continuity across the organization. Additionally, it assessed the skills matrix for the Board to ensure alignment with the Group's strategic objectives and governance needs.

Strategy & IT Committee		
Purpose and activities	**Members at end of FY25**	**Attendance**
The purpose of the Committee is to support the Board in fulfilling its responsibilities by overseeing the adequacy and effectiveness of the Company's strategic plans, significant investment decisions, and financial budgets. The Committee also ensures that the Group's IT governance framework effectively manages IT risks and optimizes IT resources, enabling the achievement of strategic objectives while ensuring compliance with regulatory requirements.	Geoffrey Malombe (**Chairman**) Ahmed Mohamud Agnes Lutukai William Asiko Paul Russo	5/5 5/5 5/5 5/5 5/5

- The Committee reviewed the Group's performance against its strategic objectives, ensuring alignment with the set strategy. Additionally, it evaluated and recommended the proposed 2026 strategic initiatives, financial plans, and budgets presented by management to the Board for approval.
- The committee reviewed the progress of the implementation of the KCB Group Sustainability Initiatives.
- The Committee considered and recommended the divestiture from National Bank of Kenya Limited to the Board for approval.
- The Committee considered and recommended the acquisition of 75% of the issued share capital in Riverbank Solutions Limited.
- The Committee considered and recommended the acquisition of a minority stake in Pesapal Limited.
- The Committee received and assessed reports on the performance of the Group's Information Technology systems, focusing on improvements in system uptime, availability, and overall efficiency to support the Group's operational and strategic goals.
- The Committee reviewed and approved the ongoing implementation of the KCB Group Artificial Intelligence strategy and actions including the approval of the Artificial Intelligence and the Data Management Policies.

Oversight Committee		
Purpose and activities	**Members at end of FY25**	**Attendance**
The purpose of the Committee is to ensure comprehensive oversight of all KCB Group subsidiaries by the Board. This includes monitoring their governance, performance, and alignment with the Group's overall strategic objectives, while ensuring adherence to regulatory requirements and the Group's policies.	Lawrence Njiru **(Chairman)** Geoffrey Malombe Anuja Pandit Paul Russo	4/4 4/4 4/4 3/4

- The Committee reviewed significant advances exceeding Ksh 1 billion issued by the Group's subsidiaries, as well as procurement activities with expenditures above Ksh 100 million.
- Additionally, the Committee received quarterly updates on governance and regulatory matters affecting the organization as well as updates on litigation cases across all subsidiaries, focusing on claims exceeding Ksh 200 million, to ensure effective oversight and risk management.

Access to Information, Independent Advice and Resources

The Board and its committees have broad authority to access information and resources necessary for fulfilling their responsibilities effectively. They may seek information from any Group employee or external source, meet with employees and third parties independently of management, and request their attendance at Board or committee meetings when needed.

Procedures facilitated by the Group Chairman and the Group Company Secretary ensure Directors have access to all relevant Company information and executive management, enabling them to make informed decisions. Directors are also entitled to seek independent legal, accounting, or professional advice at the Company's expense when necessary. Similarly, the Board and its committees may commission investigations or retain professional services to fulfil their duties.

Committees have the authority to consult professional advisers or experts at the Company's expense, as deemed necessary for carrying out their responsibilities. Management and external auditors have direct access to relevant committees, ensuring open communication.

Specific Reporting Lines and Invitations

- The G**roup Internal Auditor** and Group **Chief Risk Officer** report directly to the Audit Committee and the Risk & Compliance Committee respectively while maintaining an administrative reporting line to the Group Chief Executive Officer. They also have a standing invitation to attend all Audit and Risk & Compliance Committee meetings.
- The **external auditor** has a standing invitation to attend Audit Committee meetings and may request to meet with the Committee, the Board, or the Committee Chair as required.

Confidentiality Obligations

Directors are expected to adhere strictly to statutory provisions governing the use and confidentiality of information, safeguarding the integrity and trust associated with their roles. This robust framework ensures that the Board and its committees have the tools and support necessary to maintain effective oversight and governance.

Board Evaluation

The Board reviews its performance, and the performance of individual Directors, every year. The Board considered the Board evaluation process in place and determined that an independent consultant be engaged on a continuous basis to ensure that the feedback from the Directors was comprehensive and independently consolidated. The process may involve the completion of questionnaires and meetings with individual Directors. The Chair provides feedback and conducts a session with the full Board to discuss feedback about the Board as a whole.

From December 2025 to February 2026, the external consultant undertook the board evaluation process for the year 2025. The report of the evaluation was presented to the Central Bank of Kenya in March 2026 in line with regulatory requirements.

Following an extremely comprehensive financial year 2025 Board evaluation, which was also facilitated by the same consultant, a condensed and progressive questionnaire tailored to the needs and circumstances of the Group was issued to the Board of Directors. The customized Board evaluation tool for the financial year 2025 totalled 22 questions and covered the essential functions and responsibilities of the governing body: strategic direction, policy, oversight and accountability.

The evaluation was undertaken using a rigorous framework of analysis involving Directors' participation in three key processes:

1. Completion of bespoke and comprehensive questionnaires provided separately to Directors of the Group Board and Subsidiary Boards on a confidential basis.
2. Participation by the consultant in confidential one-on-one interviews with the Directors of the Group and Subsidiary Boards. The interviews were held virtually.
3. Participation in special sessions for Board members, which will be convened to discuss preliminary results and build consensus on a way forward.

The findings of the consultant following the completion of the evaluation exercise were summarized as follows:

- **Well-established Governance Practices:** The evaluation highlighted several areas where the Board's governance practices are well established and functioning effectively. The report noted that the Directors demonstrated a strong understanding of their fiduciary and regulatory responsibilities, reflecting a high level of awareness of the governance standards applicable to a listed financial institution. The assessment also indicated that management performance measures are appropriately aligned with the Group's strategic priorities, supporting disciplined execution and accountability across the organization. In addition, the Board benefits from constructive working relationships among directors and an effective committee structure that enables focused review of key matters prior to consideration by the full Board. These elements collectively provide a strong foundation for the Board to exercise effective oversight of the Group's strategic direction and risk environment.

- **Board Succession Planning:** The evaluation confirmed that the Board operates within a well-established governance framework, supported by a clear understanding among directors of their fiduciary and regulatory responsibilities and an effective committee structure that enables focused oversight of key matters. Building on this strong governance foundation, directors noted that Board succession planning is overseen through the Nominations & Governance Committee as part of the Group's established governance processes. During the self-assessment, some directors expressed interest in greater insight at the full Board level into the considerations and steps undertaken by the committee in guiding Board renewal. Given the importance of orderly leadership transitions, periodic reporting by the Nominations & Governance Committee to the Board on succession-planning developments would help reinforce a shared understanding of anticipated renewal timelines, evolving capability requirements and the principles informing future Board composition. This would further support governance continuity and ensure the Board remains well positioned to oversee the Group's long-term strategic direction.

- **Senior Management Succession Planning:** Directors observed that succession planning processes for senior management are in place and form part of the Group's broader governance and talent management framework. The evaluation nevertheless highlighted an opportunity to further strengthen the regularity and depth of reporting to the Board on leadership succession readiness across the Group. Periodic and structured updates on the status of leadership pipelines would support the Board in maintaining forward-looking oversight of management continuity and organizational resilience. Such engagement would enhance the Board's ability to assess succession preparedness across key roles and reinforce confidence in the sustainability of the Group's long-term strategic execution.

- **Board Development:** Directors recognized that, in a rapidly evolving financial services environment, sustained investment in director development remains important to maintaining effective oversight across the Group. While structured learning initiatives are already in place, the evaluation highlighted an opportunity to further enhance how director development programmes are coordinated across the Group's subsidiaries. A more structured approach to identifying development priorities would help ensure that learning initiatives remain aligned with both the Group's strategic priorities and the regulatory and market dynamics within each jurisdiction. Such an approach would support the sharing of insights across the Group while enabling targeted development that reflects the specific operating environments of individual subsidiaries.

Overall, the evaluation indicated that the Group operates within a well-established governance framework, supported by clear oversight structures and constructive engagement between the Group and its subsidiaries. Directors demonstrated a strong understanding of the Group's strategic mandate and their responsibilities in guiding and supervising a diverse portfolio of businesses. The assessment also reflects the effectiveness of the Board's governance structures, including its committee framework, in enabling focused oversight and informed decision-making at the Group level.

The recommendations arising from this and previous evaluation exercises will continue to be actively implemented throughout 2026. This ongoing focus on skill enhancement and education underscores the Board's commitment to continuous improvement, fostering robust governance, and ensuring the Group is well-positioned to navigate a dynamic business environment.

Governance Audit

The Capital Markets Authority (CMA) Code requires issuers of securities to the public to undertake periodic governance audits. After extensive stakeholder consultations focusing on the frequency, cycle, cost, and scope of these audits, the CMA revised the requirement to mandate a governance audit at least once every two years. This frequency may be adjusted by the CMA using a risk-based approach.

In accordance with the CMA Code, the Company conducted a governance audit for the year ended 31 December 2025. The audit was conducted by C. S. Bernard Kiragu, who issued an unqualified report. This report affirmed that the Board maintains a robust governance framework, compliant with all relevant legal and regulatory standards and in alignment with global best practices, ultimately serving the interests of all stakeholders.

SCRIBE Services

Governance Auditor's Report

Statement of the Responsibility of Directors

The Board is responsible for putting in place governance structures and systems that support the practice of good governance in the organization. The responsibility includes planning, designing, and maintaining governance structures through policy formulation, which is necessary for efficient and effective governance of the organization. The Board is also responsible for ethical leadership, risk governance and internal control, transparency and disclosure, equitable protection and exercising of members' rights and obligations, compliance with laws and regulations, sustainability, performance management and strategy formulation and oversight.

The Board of Directors of KCB Group Plc ("the Company") is committed to the highest standards of Corporate Governance and strives for continuous improvement by identifying any loopholes and gaps in the Company's governance structures and processes. It is on this premise that the Board commissioned a governance audit, with the aim of ensuring that all processes necessary for directing and controlling the Company are in place.

The Directors have therefore ensured that the Group has undergone a governance audit for the year ended 31 December 2025, and obtained a report, which discloses the state of governance within the Company.

Governance Auditor's Responsibility

Our responsibility is to express an opinion on the existence and effectiveness of governance instruments, policies, structures, systems and practices in the organization, in accordance with the best governance practices as envisaged within the legal and regulatory framework. We conducted our audit in accordance with ICPSK Governance Audit Standards and Guidelines, which conform to global standards. These standards require that we plan and perform the governance audit to obtain reasonable assurance on the adequacy and effectiveness of the organization's policies, systems, practices and processes. The audit involved obtaining audit evidence on a sample basis. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Being part of a continuous audit process, the auditor has assessed the continual application of recommendations from previous audits and has ensured that the current recommendations are in line with the Group's vision and mission in order to ensure that the Board's goals, structure and operations are consistent with the latest developments in in Corporate Governance. The structure of the report, findings and recommendations will therefore focus on providing a progressive approach following the seven steps of governance auditing.

Opinion

In our opinion, the Board has put in place a sound governance framework, which is in compliance with the legal and regulatory framework and in line with global best governance practices for the interest of,stakeholders. In this regard, we issue an **unqualified opinion**.

CS. Bernard Kiragu, ICPSK GA. No 159
For: Scribe Services

Date: 28 April 2026

Corporate Governance Self-Assessment Report

In 2025, the Capital Markets Authority (CMA) assessed the Company's implementation of the CMA Code for the year ended 31 December 2024. The review evaluated several critical areas, including the Company's commitment to good corporate governance, the effectiveness of board operations and control, the protection of shareholder rights, stakeholder relations, ethics and social responsibility, as well as accountability, risk management, internal control, transparency, and disclosure.

The Company achieved a rating of 88% (Leadership) compared to the 2023 reporting achievement of 80% (Leadership).

The improved score is attributable to the implementation by KCB of recommendations issued by CMA in its report whereby KCB reviewed policies identified in the Capital Markets (Public Offers, Listing and Disclosures) Regulations, 2023 (the Regulations') which were included in the Integrated Report for the full year 2024 as well as presented to the shareholders at the AGM held in May 2025. The policies were approved by the Shareholders and are available on the Company's website.

CMA provided various recommendations on areas of continued improvement and further recommending that the Board should strategize on how to continuously adopt standards beyond the minimum provided under the CMA Code.

Looking ahead, the Company remains committed to implementing the CMA's recommendations to further enhance compliance with the Code and strengthen its governance framework. This ongoing effort demonstrates the Board's focus on achieving excellence in corporate governance and fostering sustainable value for all stakeholders.

Legal Compliance Audit

A legal compliance audit was conducted during the year ended 31 December 2025. The audit was conducted by a legal professional in good standing with the Law Society of Kenya. The firm undertook an objective examination, assessment and evaluation of KCB's internal policies, procedures and customised practices vis-à-vis requirements stipulated in relevant laws, regulations, guidelines and international best practices.

The legal audit provided assurance on the Company's legal and regulatory compliance framework and supported the Board's oversight of governance and compliance matters.

Director Independence

The Board places a high value on independent judgement and constructive debate for all matters under consideration. Each Director is expected to contribute views and decisions that are not unduly influenced by management or by any business relationship that could compromise their objective judgment, always prioritizing the best interests of the organization and its stakeholders.

The Board Charter, aligned with the Capital Markets Authority (CMA) Code and the Prudential Guidelines issued by the Central Bank of Kenya, stipulates that a majority of the Board should consist of independent Directors. In accordance with these guidelines, a Director is deemed independent if they are free from any management role or business relationship that might materially impact — or appear to impact — their ability to exercise independent judgment and act in the Company's or shareholders' best interests.

In 2025, all Non-Executive Directors of the Company, except for the Director representing the Cabinet Secretary National Treasury, were considered independent. This composition reinforces the Board's commitment to strong governance, objective decision-making, and accountability.

Conflict of Interest

The Company places great importance on maintaining the integrity of its governance by ensuring that Directors avoid any situations that could create a conflict between their personal interests and those of the Group. Directors are individually responsible for promptly notifying the Group Chairman and the Group Company Secretary of any actual or potential conflicts of interest as soon as they arise. The Company's Articles of Association allow the Board to authorize such conflicts, subject to conditions and limitations it deems appropriate, in line with the Companies Act, 2015, and the CMA Code.

To manage conflicts effectively, the Board has implemented formal procedures designed to ensure transparency and accountability. Directors are required to immediately declare any conflict of interest or material personal interest in matters concerning the Company. As a standard practice, declarations of conflicts of interest are addressed at the beginning of every Board and Committee meeting. In cases where a Director has a material personal interest in a matter under discussion, they are excluded from voting or participating in deliberations on that matter and are required to leave the meeting during its consideration.

Additionally, Directors must disclose, at the time of their appointment and annually thereafter, any circumstances that could potentially lead to a conflict of interest with their role as a Director.

In 2025, the Board reviewed and considered that all Non-Executive Directors, apart from the directorship held by the Cabinet Secretary, National Treasury, were deemed independent. No instances of material conflict of interest involving any Director were identified during the year.

These measures reflect the Board's commitment to upholding the highest standards of integrity, fostering accountability, and ensuring that the interests of the Company and its stakeholders remain paramount.

Subsidiary Boards

KCB Group Plc, as the majority shareholder in all its subsidiaries, holds the overall responsibility for ensuring robust corporate governance across the Group. This obligation aligns with the Prudential Guidelines issued by the Central Bank of Kenya, which emphasize the need for strong governance structures throughout the organization.

Each subsidiary operates as a distinct legal entity within its respective jurisdiction, with its own Board of Directors tasked with providing oversight and governance. These subsidiary Boards are composed predominantly of Non-Executive Directors, ensuring a high degree of independence and objectivity in their oversight functions.

The Group Board Charter mandates that subsidiary Boards adhere to the same governance principles as the parent company, ensuring consistency and alignment across the Group. While subsidiary Boards are accountable to their respective shareholders for the proper and effective administration of the subsidiaries, they are also responsible for ensuring alignment with the Group's overall strategic direction and policies. However, where local statutory requirements conflict with Group policies, local laws take precedence.

The Group Board's confidence in the governance and operations of its subsidiaries is strengthened by the adoption of uniform policies across the Group and the high calibre of Directors appointed to subsidiary Boards. Furthermore, to maintain close alignment and oversight, at least one member of the KCB Group Plc Board serves as a Director on each subsidiary Board.

This governance structure ensures that the Group's subsidiaries operate effectively and responsibly, balancing local autonomy with Group-wide strategic alignment, and adhering to the highest standards of corporate governance.

Respecting our Shareholders and Investors

KCB Group is deeply committed to providing shareholders with timely, accurate, and relevant information to enable them to exercise their rights effectively and make well-informed investment decisions. Equally, we prioritize transparent communication with the broader investment community, ensuring they have the insights needed to assess our performance and strategy.

To uphold this commitment, we use several channels to engage shareholders and the investment community. Regulatory announcements and media publications are made in compliance with the Capital Markets (Securities) (Public Offers, Listing, and Disclosures) Regulations, 2023, and financial results are published quarterly in national publications. These measures ensure stakeholders have access to up-to-date and reliable information about the Group's financial performance.

Our Investor Relations page on the Group's website, **www.kcbgroup.com**, serves as a centralized platform for shareholders to access key materials, including investor presentations, financial reports, and details about the Annual General Meeting (AGM). The AGM itself is an important opportunity for shareholders to engage directly with the Board and management, ask questions, and exercise their voting rights.

The Group also has a dedicated investor relations team, reachable at **investorrelations@kcbgroup.com**, that actively engages with the investment community, effectively communicating our strategic vision and performance. We place great emphasis on the integrity of our financial and statutory reporting, which is discussed further in this statement.

To ensure shareholders' administrative needs are met, we have appointed **Image Registrars Limited** as our share's registrar. They handle queries related to share transfers, immobilization, and dividend payments, among others. Shareholders can contact the registrar via their offices at 5th Floor, Absa Plaza, Loita Street, Nairobi, through email at **kcbshares@image.co.ke**, or by calling **0709 170 000, 0724 699 667, or 0735 565 666.**

KCB Group is unwavering in its commitment to transparency and accountability. We strive to provide shareholders with high-quality, relevant information and to maintain open channels for feedback, ensuring a constructive and ongoing dialogue with our stakeholders. This approach reflects our dedication to upholding the highest standards of corporate governance and fostering trust among our shareholders and the investment community.

Communication and Periodic Continuous Disclosure

KCB Group communicates with its shareholders through several key channels, including the Group's Annual Integrated Report, the Group Sustainability Report, and the release of full-year, half-year, and quarterly financial results. All material information is also made available on the Group's website, **www.kcbgroup.com**, where shareholders can find general information about the Group, review financial reports, and access results briefing presentations.

In line with disclosure requirements prescribed by the Capital Markets Act, the Banking Act, and the Prudential Guidelines — along with other relevant regulations — KCB Group also submits material information to the Capital Markets Authority, the Nairobi Securities Exchange, and the Central Bank of Kenya. Furthermore, as a cross-listed entity, material information is similarly shared with the securities exchanges in Tanzania, Uganda, and Rwanda.

This comprehensive approach to disclosure ensures transparency and helps shareholders stay informed about the Group's performance, strategy, and sustainability initiatives.

Annual General Meetings

The Annual General Meeting (AGM) serves as a vital opportunity for shareholders to engage with KCB Group. We actively encourage participation, allowing shareholders to ask questions and share feedback both before and during the meeting. At the AGM, shareholders are provided a reasonable opportunity to ask questions about, or comment on, the management of the Group and the business of the meeting.
The Board places significant importance on maintaining transparent and effective communication with shareholders, ensuring that their rights are always protected. Notices of meetings and all statutory information, including details on how to vote or submit questions, are communicated to shareholders at least 21 days before the meeting. These notices are published through print and digital channels, in compliance with the Articles of Association.

For shareholders unable to attend the AGM in person, the option to appoint a proxy ensures their participation. All resolutions are voted on via poll to promote fairness and accuracy.

2025 AGM: Virtual Engagement and Increased Participation
In May 2025, KCB Group held its AGM virtually, leveraging technology to enable broader shareholder participation regardless of geographic location. The virtual format resulted in a significant increase in attendance, with 17,370 shareholders participating and voting on resolutions, compared to 4,905 shareholders at the last physical AGM held in May 2019.

Shareholders were encouraged to submit written questions prior to the AGM and were able to actively participate in the live virtual session by voting and asking questions online. This approach ensured inclusivity and enhanced shareholder engagement. All resolutions during the AGM were voted on through a poll, and the results were published in the local dailies within 24 hours of the meeting's conclusion.

Commitment to Shareholder Participation
KCB Group is deeply committed to fostering meaningful engagement with its shareholders by ensuring they receive timely, relevant information and ample opportunities to participate in the Group's governance and oversight. This commitment reflects the Group's core values of transparency, inclusivity, and recognition of the critical role shareholder feedback plays in shaping strategic direction.

Embracing digital innovation for Annual General Meetings (AGMs) is a clear demonstration of this commitment. By leveraging virtual platforms, KCB Group removes geographical barriers, enabling shareholders — regardless of their location — to actively join discussions, cast votes on resolutions, and share their perspectives.

Collectively, these efforts underscore KCB Group's dedication to building a connected, well-informed shareholder community while maintaining the highest standards of corporate governance.

Investment Community
KCB Group is resolutely committed to engaging with the investment community by sharing our story, clearly communicating our strategy, and fostering a culture of transparency. Our dedicated investor relations program serves as a cornerstone in cultivating strong, trust-based relationships with institutional investors, brokers, analysts, and rating agencies.

This program ensures that we consistently provide relevant updates, including presentations at the announcement of our annual results, keeping the investment community well-informed on the Group's financial performance and strategic direction. The investor relations team plays a central role in drafting critical market communications, orchestrating roadshows, and managing the flow of half-year and full-year results. Additionally, they act as a vital feedback channel, conveying market views and perceptions to management and the Board. By doing so, they facilitate informed, data-driven decision-making and help the Group stay attuned to the investment community's expectations and insights.

In collaboration with the Group Chief Executive Officer and the Group Finance Director, the investor relations team manages and develops the Group's external relationships with current and potential institutional equity investors. Through briefings, presentations, and regular engagement, the team ensures that stakeholders have a clear understanding of KCB Group's strategy, performance, and long-term vision.

This ongoing commitment to investor engagement reflects KCB Group's dedication to transparency, accountability, and building confidence within the investment community.

Policies on Engagement with Stakeholders
During the 54th Annual General Meeting of the Company held on 22 May 2025, the shareholders approved the implementation of policies to enable appropriate engagement with our stakeholders. The policies documented the existing procedures with respect to:

- **Stakeholder Communication** – The policy seeks to ensure that shareholders and the market are provided with full and timely information about KCB Group's activities in compliance with the continuous disclosure obligations contained in applicable Capital Markets Regulations and Companies Act in the territories of KCB Group's operations. This is to ensure that best international business standards are observed while communicating with stakeholders.
- **Corporate Disclosure** – This Corporate Disclosure Policy (the "Policy") outlines the principles and procedures for disclosing material information to shareholders, stakeholders, and the public by KCB Group Plc. The Policy is designed to ensure compliance with regulatory requirements, promote transparency, and uphold the highest standards of corporate governance.
- **Dispute Resolution** – The objective is to manage disputes efficiently, transparently, and in a manner that preserves the integrity of the company and protects shareholder value. Where a dispute arises between the company and its shareholders and stakeholders, the Board and management shall commit to resolve the matter in a timely and conclusive manner.

The policies are available on the Group's website **www.kcbgroup.com**

Shareholder Rights
The Board is committed to protecting and facilitating the exercise of shareholder rights, including:
- Right to attend and participate in general meetings.
- Right to vote on key matters including director appointments, auditor selection, and major transactions.
- Right to receive timely and accurate information.
- Equal treatment of all shareholders holding the same class of shares.
- Right to transfer shares.
- Right to dividends when declared.
- Right to call extraordinary general meetings.
- Right to inspect statutory registers.

Communication with Shareholders
The Board maintains regular and transparent communication with shareholders through:
- Annual General Meeting: Held on 22 May 2025, providing opportunity for shareholders to engage with Directors and ask questions.
- Annual Integrated Report: Comprehensive disclosure of financial and non-financial performance.
- Quarterly Results Announcements: Timely updates on financial performance.
- Investor Presentations: Detailed briefings following results announcement.
- Website: Up-to-date information including announcements, reports, and corporate governance documents.
- Investor Relations Function: Dedicated team responding to shareholder queries.
- Roadshows: Engagement with investors in key markets.

2025 Shareholder Engagement:
- One-on-one investor meetings with 154 local and foreign analysts and fund managers.
- Participation in four investor conferences meeting 21 local and foreign analysts and fund managers in one-on-one side meetings.
- Four quarterly briefings with a cumulative total of 147 participants.
- Roadshows in two countries meeting 35 investors and fund managers.

Annual General Meeting
The 54th Annual General Meeting was held on 22 May 2025 via electronic means. Key matters addressed:
- Received and adopted audited financial statements for 2024.
- Confirmed the interim dividend of Ksh 1.50 per share and approved final dividend of Ksh 1.50 per share.
- Re-elected directors retiring by rotation.

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- Approved the members of the Audit & Risk Committee.
- Approved directors' remuneration.
- Appointed PricewaterhouseCoopers LLP as auditors.
- Approved policies pursuant to Regulation 8.21 of the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023.
- Took note of the report regarding the proposed transfer of certain assets and liabilities of National Bank of Kenya to KCB Bank Kenya Limited and the proposed acquisition of 100% of the issued share capital of National Bank of Kenya by Access Bank Plc

Attendance: 17,370 shareholders representing 1.3 billion shares (39.31% of issued capital) attended in person or by proxy.

Digital Participation:
- Live webcast of AGM proceedings.
- Electronic voting facility.
- Online Q&A submission portal.

Voting Results: All resolutions passed with overwhelming support (>95% approval).

Policies and Codes of Conduct

KCB Group is steadfast in its commitment to upholding the highest standards of integrity and ethical conduct across all aspects of its operations. Our policies and codes of conduct extend beyond minimum legal and regulatory requirements and are designed to reflect the expectations of our customers, employees, shareholders, regulators, and the wider community. These standards apply consistently to all employees, Directors, contractors, and consultants working on behalf of the Group, ensuring ethical behaviour is upheld at every level of the organisation.

The Group maintains a strict zerotolerance policy toward corruption, bribery, and unethical business practices, which is reinforced through a comprehensive framework of policies, procedures, and controls that promote a culture of compliance, honesty, and ethical accountability.

Key initiatives include stringent antimoney laundering (AML) and counterterrorism financing (CTF) measures, implemented to safeguard the Group against financial crime and ensure full compliance with applicable regulatory requirements. Additionally, KCB Group places a high priority on whistleblower protection, offering secure and confidential reporting channels for employees and other stakeholders to raise concerns or report misconduct without fear of retaliation. Conflicts of interest are managed proactively through clearly defined processes to preserve the integrity, objectivity, and transparency of decisionmaking across the Group.

By embedding these principles and practices into all aspects of its operations, KCB Group reinforces its commitment to transparency, accountability, and ethical business conduct, strengthens stakeholder trust, and supports the Group's longterm sustainability and success.

Our Code of Ethical Conduct

KCB Group's Code of Ethical Conduct establishes unambiguous standards for all employees, executives, and Board members, compelling them to operate lawfully, ethically, and respectfully in pursuit of fair and transparent outcomes for customers, colleagues, partners, and other stakeholders. Covering areas such as personal conduct, integrity, honesty, accountability, fairness, transparency, and anti-corruption, the Code provides a robust ethical framework underpinning every facet of the Group's operations.

Beyond simply setting rules, the Code serves as a practical guide, encouraging individuals to make thoughtful decisions by assessing the impact of their actions, adhering to Group policies, and seeking guidance when confronted with ethical dilemmas. By highlighting principled behaviour, it cultivates trust and respect, reinforcing the Group's integrity at every level.

The Code also outlines clear behavioural expectations and specifies consequences for non-compliance, ensuring that standards are not only articulated but enforced. To remain effective and relevant, it undergoes periodic reviews considering emerging ethical challenges. Further, ongoing training and awareness programs help employees fully understand and integrate these principles into their day-to-day responsibilities.

Through its Code of Ethical Conduct, KCB Group underscores its unwavering commitment to sustaining a culture of integrity, accountability, and mutual respect — cornerstones that solidify stakeholder confidence in the Group's ongoing endeavours.

Conflicts of Interest

The KCB Group Code of Ethical Conduct sets forth the principles for ensuring compliance with regulatory requirements and internal policies when navigating conflicts of interest, creating a transparent and integrity-focused framework for identifying, managing, and monitoring conflicts.

Through clear Conflict-of-Interest Procedures, Directors and employees receive guidance on how to recognize and address actual, perceived, or potential conflicts. These protocols help safeguard objectivity and uphold the Group's ethical standards, ensuring that any issues are dealt with swiftly and responsibly.

By adhering to these procedures, KCB Group demonstrates its unwavering commitment to fostering stakeholder trust and preserving the highest levels of corporate governance and ethical conduct.

Whistle-blower Programme

KCB Group upholds a strict zero-tolerance policy for fraud, corruption, bribery, unethical conduct, non-compliance, and questionable accounting or auditing activities — whether involving employees, Directors, customers, or contractors. This unwavering commitment fosters a culture of integrity and openness, encouraging individuals to speak out about any behaviour or issues that may compromise the Group's ethical standards.

Underpinning this commitment is the Group's Code of Ethical Conduct, which provides a clear, structured process for reporting potential misconduct, including financial irregularities, anti-bribery and corruption, and internal accounting or auditing concerns. The Code also outlines protections for those who raise such issues, ensuring fairness and shielding them from retaliation.

A cornerstone of this framework is KCB Group's whistleblower program, which offers secure, confidential, and anonymous channels — independently supported and monitored by **Deloitte** — allowing individuals to report concerns without fear of exposure. By reinforcing transparency, accountability, and ethical practices in every aspect of its operations, KCB Group safeguards the rights and well-being of those who step forward, bolstering trust and integrity across the organization.

Telephone Communication:
Toll free number: 0800 720 990 (Kenya)
Toll free number: 0800 110 025 (Tanzania)
International calls: +27 315 715 795 (Uganda, South Sudan, Rwanda and Burundi)

E-mail Communication: kcb@tip-offs.com

All stakeholders are encouraged to raise any issues involving illegal, unacceptable or inappropriate behaviour or any issue that would have a material impact on the organization's customers, reputation, profitability, governance or regulatory compliance.
KCB Group upholds a strict zero-tolerance policy for any actual or threatened act of reprisal against whistle-blowers. The Group is committed to taking all reasonable measures to protect individuals who disclose inappropriate behaviour, ensuring they can report concerns without fear of retaliation.

In cases where reprisal is identified, the Group takes decisive disciplinary action, which may include dismissal, against individuals responsible for such behaviour. This commitment reinforces the Group's dedication to fostering a safe and supportive environment for whistle-blowers, promoting transparency, accountability, and ethical conduct across the organization.

Insider Dealing Policy

KCB Group's Insider Dealing Policy enforces stringent restrictions on trading in the Group's securities by Directors, employees, contractors, and their associates who possess price-sensitive information. These individuals are not only prohibited from trading based on insider information but are also barred from sharing such information with others who might use it for trading.

To further ensure compliance and prevent insider trading, the Policy imposes specific blackout periods during which trading in the Group's securities is strictly prohibited. These periods include:
- From **1 January** until the announcement of the Group's annual results, inclusive of the announcement date and ending on the next business day.
- From **1 April, 1 July, and 1 October** until the announcement of quarterly results, inclusive of the announcement date and ending on the next business day.

In addition to these defined blackout periods, the Board retains the authority to impose additional trading restrictions as necessary to safeguard the integrity of the Group's securities and ensure compliance with regulatory and governance standards.

This Policy underscores KCB Group's commitment to maintaining the highest standards of transparency, ethical behaviour, and market integrity while fostering trust among investors and stakeholders.

Anti-bribery and Corruption

KCB Group upholds the highest standards of integrity, ethics, and conduct, fully aligning with relevant Anti-Bribery and Corruption legislation. The Group maintains a zero-tolerance approach to bribery and corruption, ensuring all employees, Directors, and third parties acting on its behalf adhere strictly to these principles.

- **No Bribes or Corrupt Practices:**

Our employees, Directors and third parties acting on behalf of KCB Group are prohibited from directly or indirectly giving, offering, requesting, or accepting bribes. This includes any benefit, monetary or otherwise, offered as an inducement for illegal, unethical, or untrustworthy actions.

- **Rejection of Secret Commissions:**

The Group does not tolerate the acceptance of secret commissions from third parties as a reward for deviating from internal policies, procedures, or legal obligations.

- **Prohibition on Political Donations:**

Political donations can create perceptions of improper influence. As such, employees, Directors, and third parties acting on behalf of KCB Group are strictly prohibited from making any political donations on behalf of the Group.

This unwavering commitment to ethical behaviour reflects the Group's dedication to maintaining trust and credibility with its stakeholders while fostering a culture of accountability and compliance. These standards are integral to ensuring the Group's operations remain transparent, ethical, and in full alignment with its legal and regulatory obligations.

Integrity of Financial Reporting

KCB Group is firmly committed to cultivating and maintaining a robust risk management culture that empowers informed decision-making across all risk-taking activities. This commitment is central to the Group's corporate governance framework and is actively championed by the Board. Through its oversight, the Board promotes sound risk-taking, ensuring that emerging risks are promptly identified, assessed, escalated, and managed.

Key principles of the Group's risk management culture include striking an optimal balance between risk and reward, ensuring that risks undertaken generate commensurate returns. Comprehensive system controls are in place to monitor and manage risks effectively, and any breaches of established risk appetite thresholds are closely tracked and addressed. Integrity underpins every aspect of this culture, emphasizing ethical conduct, accountability, and transparency in all risk-related decisions and operations.

Financial Reporting

KCB Group upholds the highest standards of financial integrity through a robust governance framework designed to guarantee transparency, accuracy, and accountability in all financial disclosures. The Board bears ultimate responsibility for financial reporting, carefully monitoring compliance with regulatory requirements and ensuring alignment with stakeholder expectations.

To reinforce this oversight, the Audit Committee conducts thorough reviews of the financial reporting process, confirming adherence to relevant regulations and best practices. In addition, the Group's External Auditor provides independent, objective assessments, further validating the precision and reliability of financial statements and disclosures.

By integrating a proactive risk management culture with rigorous financial reporting protocols, KCB Group demonstrates an unwavering commitment to accountability, transparency, and the pursuit of sustainable value creation for all stakeholders.

Board

The Board holds ultimate accountability for affirming that the Group's financial statements and accompanying notes comply with the Companies Act, 2015, adhere to the relevant accounting standards, and accurately present the Group's financial position and performance.

By including a formal declaration in the annual financial report, the Directors underscore their commitment to integrity, ensuring the precision and dependability of the Group's financial disclosures.

Audit Committee

The Audit Committee is integral to reinforcing the Board's oversight of the Group's financial reporting processes and ensuring the accuracy and reliability of its financial statements.

In addition to tracking the performance and independence of the external auditor, the Committee discharges several key responsibilities:

- **Financial Report Review:** Conducts in-depth assessments of the Group's interim and annual financial reports, ultimately recommending them for Board approval.
- **Accounting Estimates & Judgments:** Evaluates significant accounting judgments and estimates applied in the preparation of financial statements, ensuring their appropriateness and alignment with best practices.
- **Policy Approval:** Reviews and approves any new or revised accounting policies, guaranteeing consistent application across the Group.
- **Regulatory Compliance:** Monitors shifts in statutory reporting, accounting standards, and disclosure requirements, ensuring timely adherence to evolving regulations.
- **Internal Control & Risk Management**: Regularly reviews the effectiveness of the Group's internal control and risk management frameworks, contributing to a culture of robust governance.

External Auditor

The external auditor provides an additional layer of assurance regarding the integrity of the financial statements. The Audit Committee oversees the external auditor's engagement, including reviewing and approving the audit plan and evaluating the auditor's performance.
While the Board is responsible for preparing the financial statements and presenting a balanced and accurate view of the Group's financial position, the external auditor examines the statements and provides an independent opinion on their reasonableness.

Maintaining the external auditor's independence is critical to the integrity of the audit process. To safeguard this, the external auditor is periodically invited to meet privately with the Audit Committee, without management or other parties present. Additionally, the external auditor reports directly to the Board during year-end Board meetings, offering independent insights and recommendations.

This governance framework ensures the integrity of the Group's financial reporting, strengthens accountability, and reinforces stakeholder confidence in the transparency and accuracy of the Group's disclosures

Risk Management Governance

Risk is an inherent part of the KCB Group's business, and effective management of risk is a fundamental enabler of our strategic plan. Accordingly, the Group's approach to risk management is focused on customer protection while enabling sustained performance.

This is achieved through the Group's Risk Management Framework. The Group is exposed to both financial and nonfinancial risks and is committed to having risk management policies, processes and practices that support a high standard of governance. This framework enables management to undertake prudent and informed risktaking activities in support of the Group's strategic objectives.

The Board provides strategic guidance and oversight of the Group's risk management strategy and framework, taking into account the Group's risk appetite, prudential capital requirements, and strategic and business priorities. This includes setting and periodically reviewing the risk appetite, monitoring the effectiveness of the risk management framework, and ensuring it remains responsive to emerging risks and evolving strategic objectives.

Board Committees Supporting Risk Oversight

To support the Board in the effective oversight of risk, the following Board committees have defined responsibilities:

- The Audit Committee oversees financial reporting and taxation risks.
- The Risk & Compliance Committee oversees the Group's overall risk appetite and risk management strategy.
- The People & Remuneration Committee oversees remunerationrelated risks, ensuring alignment with governance standards and regulatory expectations.

SubsidiaryLevel Oversight

At the subsidiary level, the Credit Committee oversees credit risk management, including the definition of credit risk appetite and the alignment of credit risk management strategies with Groupwide objectives.

Management Committees Supporting Risk Management

Management is supported by a suite of management committees that further enhances the Group's risk management framework:

- The Executive Committee (EXCO) ensures strategic alignment of risk management across the Group.
- The Operational Risk Committee identifies, mitigates, and monitors operational risks.
- The Asset and Liability Management Committee (ALCO) manages liquidity, market, and balance sheet risks to maintain financial stability.
- The Management Credit Risk Committee (MCRC) oversees credit risk and related risktaking activities.

Risk Management Framework

Effective risk management is a cornerstone of KCB Group's operations and a key driver of its strategic objectives. The Group's approach emphasizes informed decisionmaking and a longterm perspective, reinforcing its commitment to sound governance, resilience, and sustainable value creation.

Recognizing that risk is intrinsic to its business activities, the Group manages risk prudently to ensure sustainable performance and robust customer protection. The Risk Management Framework provides the foundation for identifying, assessing, and mitigating both financial and nonfinancial risks.

It encompasses policies, processes, and practices designed to uphold strong governance standards. By balancing risktaking with appropriate controls and oversight, the framework supports responsible growth and value creation across the Group.

Through the integration of these governance structures and practices, KCB Group maintains a strong risk management culture that supports sustainable growth, reinforces stakeholder confidence, and upholds the highest standards of corporate governance. More details on our risk management framework are available on page 126 of this report.

Directors' Remuneration

The People & Remuneration Committee of the Board is responsible for establishing and administering the remuneration policy for Non-Executive Directors. This policy is designed to ensure that remuneration is fair, transparent, and aligned with the responsibilities and contributions of the Directors to the Group's governance and strategic oversight.

Details of the aggregate emoluments paid to Directors for their services during the financial year 2025 are disclosed in Note 39 to the Financial Statements. These disclosures provide transparency and accountability regarding Directors' compensation.

Throughout the year and as of the financial year-end, there were no arrangements involving the Company under which Directors acquired benefits through the acquisition of the Company's shares. This reflects the Group's commitment to maintaining high standards of governance and avoiding conflicts of interest in relation to Directors' benefits.

Further information on Directors' remuneration is available in the Directors' Remuneration Report on page 143 of the Integrated Report. This report offers comprehensive insights into the Group's approach to Directors' remuneration, reinforcing our dedication to transparency and good governance practices.

Shareholding

The Company files monthly investor returns to meet the continuing obligations as prescribed by the Capital Markets Authority and the Nairobi Securities Exchange

Directors' Interests as at 31 December 2025

Name of Director	Number of Shares	% Shareholding
Cabinet Secretary to the Treasury of Kenya	635,001,947	19.761%
Paul Russo	303,800	0.009%
Dr. Joseph Kinyua	-	-
Lawrence Njiru	-	-
Ahmed Mohamud	-	-
Anuja Pandit	-	-
Agnes Lutukai	-	-
William Asiko	-	-
Lyn Mengich	-	-
Lawrence Kimathi	-	-

Shareholders' Profile as at 31 December 2025	Number of Shareholders	Number of Shares Held	% Shareholding
Kenyan Individual Investors	186,785	796,775,251	24.79%
Kenyan Institutional Investors	6,214	1,760,701,023	54.79%
East African Individual Investors	279	2,931,733	0.09%
East African Institutional Investors	57	363,901,603	11.32%
Foreign Individual Investors	579	30,188,843	0.94%
Foreign Institutional Investors	67	258,964,362	8.06%
	193,981	**3,213,462,815**	**100.00%**

Summary of Totals

Shares Range	Shareholders	Number of Shares	% Shareholding
1 to 500	79,679	10,213,673	0.3%
501 to 1,000	15,106	10,760,883	0.3%
1,001 to 5,000	72,354	176,776,201	5.5%
5,001 to 10,000	17,091	112,139,152	3.5%
10,001 to 50,000	7,907	149,339,768	4.7%
50,001 to 100,000	727	50,067,451	1.6%
100,001 to 500,000	701	148,231,898	4.6%
500,001 to 1,000,000	155	107,279,767	3.3%
1,000,001 to 2,000,000,000	261	2,448,654,022	76.2%
	193,981	3,213,462,815	100.0%

Major Shareholders	Number of Shares Held	% Shareholding
Cabinet Secretary to the Treasury of Kenya	635,001,947	19.76%
National Social Security Fund	327,790,192	10.20%
Stanbic Nominees Ltd A/C Nr3530153-1	199,345,600	6.20%
Kenya Commercial Bank Nominees Ltd A/C 927b	79,289,541	2.47%
Standard Chartered Kenya Nominees Ltd A/C Ke004667	44,186,578	1.38%
Kenya Commercial Bank Nominees Ltd A/C1094A	35,703,800	1.11%
Babla Sandip Kana Sinh; Babla Alka Sandip	34,866,952	1.09%
NCBA Custodial Services ACC 325	31,648,400	0.98%
Co-op Custody AC 16017 - NSSF UG	31,082,463	0.97%
Standard Chartered Nominees Non-Resd. A/C Ke10085	27,864,726	0.87%
	1,446,780,199	**45.03%**

Regulatory Changes in 2025 Impacting KCB Group Subsidiaries

COUNTRY: BURUNDI

Date of Change (Month)	Legislation	Change	Impact to KCB
February 2025	Revised Burundi Budget Law (FY 2025–2026)	• Ministerial Ordinance No. 540/550/1120 which increased legal fees by 100% to 500%.	• KCB to take note. Increase of legal costs incurred by customers.
February 2025	Revised Burundi Budget Law (FY 2025–2026)	• Ministerial Ordinance No. 540/550/1121 - Established conditions for obtaining secure electronic land titles.	• KCB to secure these digital land titles for collateral to ensure valid and enforceable security interests. • Cost implications: for mortgaged properties, banks will be responsible for covering the costs of transitioning to electronic land titles, ultimately charging clients for these expenses. This calls for careful cost management and transparent communication with borrowers.
February 2025	Revised Burundi Budget Law (FY 2025–2026)	• Ministerial Ordinance No. 540/550/720/1145 – Updated the reference values used in real estate transactions and set new minimum property transfer values based on location and building completion.	• With elevated reference prices, real estate valuations for collateral may increase, potentially inflating the value of assets pledged to KCB.
February 2025 Applicable from 1 January 2026	Revised Burundi Budget Law (FY 2025–2026)	• Article 18 now expressly requires the collecting/domiciliary bank to ensure daily sweeping ("nivellement") of collected taxes: • Tax amounts collected must be swept each day to the OBR transit account, and thereafter to the Treasury account (Compte du Trésor).	• This provision makes KCB strictly accountable for the operational execution of tax collection settlement. Any disruption, system downtime, cut-off mismatch, delayed batch processing, reconciliation breaks, unclear mapping of "telepayment" tax flows, or manual errors, can translate into an immediate 100% penalty.

REGULATORY DIRECTIVES

Date of Change (Month)	Legislation	Change	Impact on KCB
March 2025	Policy proposal	• Presentation of the National Financial Sector Digitalization Project (National Switch). All payment channels in Burundi to become interoperable by the end of 2025. The system will be managed by the Bank of the Republic of Burundi (BRB).	• KCB must expedite the development and roll-out of its mobile and digital payment solutions to remain competitive in an era where customers can seamlessly switch providers. • There might be some revenue erosion risk as BRB will manage the new payment infrastructure and impose commissions and fees.
July 2025	Circular Issue	• The Central Bank BRB has authorized the use of the Chinese yuan to settle imports from China. This measure aims to diversify international payment currencies and BRB has invited commercial banks to join this initiative by acting on behalf of their customers and submitting payment requests to the central bank along with the required information.	KCB should: • Become one of the first movers by offering yuan accounts, faster payments with Chinese suppliers and trade advisory services in China transactions. • Have access to a new market segment and attract new customers and increase trade finance volumes from SMEs and wholesalers. • Establish connections with Chinese financial institutions for Yuan liquidity or correspondent banking.

COUNTRY: KENYA

Date of Change (Month)	Legislation	Change	Impact on KCB
May 2025	Persons with Disabilities Act, 2025	• The Act introduced enhanced statutory obligations regarding the recruitment, retention and support of persons with disabilities (PWDs). • Key employer obligations include: i. Employers with 20 or more employees must ensure that at least 5% of their workforce comprises PWDs. ii. Employers must submit an annual compliance report to the National Council for Persons with Disabilities.	• KCB is required to submit an annual compliance report to the National Council for Persons with Disabilities. • KCB is also required to reasonably accommodate employees and job applicants by ensuring physical accessibility in all branch and office premises, providing assistive devices and specialized software as well as offering flexible work arrangements including modified work hours or responsibilities.
May 2025	Kenya Information and Communication (Registration of Telecommu-nications Service Subscribers) Regulations 2025	• The Regulations were issued to provide the legal framework for registration of telecommunication service subscribers regulations and the identification documents required for registration. • The special categories of subscribers recognized in the regulations include: i. for a child, the birth certificate of the child and identification documents of the parent or guardian. ii. for members of the Kenya Defence Forces, an original service card. iii. for foreigners, a valid passport or Foreign National Registration Certificate. iv. for a refugee, a valid Refugee Identity Card.	• KCB to take note of the provisions when partnering with a telecommunications service provider for various products/services.
June 2025	Finance Act	• Notably, the Act did not introduce as many changes as was witnessed in the Finance Act, 2024. Key provisions impacting KCB include: i. Changes to Tax Administration and Appeals – KRA cannot issue agency notices to freeze taxpayers' funds while an appeal is pending at the High Court. ii. Kenya Revenue Authority was empowered to develop enforce and administer the Data Management and Reporting Systems (DMRS) however KRA cannot access personal data and trade secrets . iii. The Act has limited the deductibility of tax losses by restricting the carrying forward of tax losses to 5 years. iv. Excise duty to be charged on digital platforms to include services offered by a non-resident person over the internet, electronic network or through a digital marketplace.	• The amendments on carrying forward tax losses will impact on KCB with respect to capital intensive expenditures. • Excise duty for non-resident digital supplies subject to excise duty will result in increased expenses.
June 2025	Insurance Professionals Act	The Act seeks to establish a comprehensive legal framework that will regulate professionals in the Insurance Industry and aims to improve service standards, strengthen accountability and address professional misconduct in the sector.	Staff members in KCB Bancassurance Intermediary will be required to apply for practicing certificates, attend continuous professional development trainings and pay annual licence fees.

COUNTRY: KENYA

Date of Change (Month)	Legislation	Change	Impact on KCB
June 2025	Anti-Money Laundering and Combating of Terrorism Financing Laws (Amendment) Act, 2025	• The Act was amended in a bid to address technical compliance deficiencies flagged by the Eastern and Southern Africa Anti- Money Laundering Group and Financial Action Task Force. • The Act amended the Retirements Benefits Act by introducing the Retirements Benefits Authority's mandate to regulate, supervise and enforce compliance for entities under its watch for AML/TF matters.	• The amendments seek to seal loopholes that have previously enabled misuse of property transactions and shell companies for illegal financial activities • The Bank and KCB Asset Management as licensees of Retirement Benefits Authority take note of the changes for compliance.
July 2025	The Banking (Penalties) Regulations, 2025	The Regulations significantly increase penalties for violations of the Banking Act, regulations and prudential guidelines to a maximum of Ksh 20 million for an institution and Ksh 1 million for individual staff members.	KCB, including individual staff members, should ensure strict adherence to the provisions of the Bank Act, Prudential Guidelines and CBK Directives.
October 2025	National Land Commission (Amendment) 2025	The amendments enhance the Commission's power to review historical land injustices and grants of public land. The Act also provides for registration of a determination by the National Land Commission in the High Court making the determination an enforceable judgment of the High Court.	The restoration of NLC's oversight role may curb illegal or questionable disposal of public land. However, titles issued decades ago may now be reviewed, if land was allocated under public grant or lease, might face investigation, delays or even annulment which may affect some landowners who have offered their property to the Bank as security.
October 2025	Virtual Asset Service Providers Act, 2025	• The Virtual Asset Service Providers Act, 2025 establishes a legal framework for the licensing and supervision of Virtual Asset Service Providers (VASPs) offering cryptocurrencies such as bitcoin and stablecoins in Kenya. It aims to address risks such as money laundering, terrorism financing, consumer harm, and financial instability, while promoting responsible innovation in digital assets. • The Act marks a policy shift from the Central Bank of Kenya's 2015 circular that prohibited financial institutions from engaging with virtual currencies. It now recognizes the growing prominence and adoption of virtual assets among consumers, signalling the Government's move from prohibition to regulation.	KCB can position itself as the preferred banking partner for licensed VASPs by offering: i. Transaction accounts (operational + trust accounts for client funds) ii. Treasury and liquidity management for VASPs' float and settlement funds iii. FX and cross-border payment rails for exchanges and VASP platforms iv. Merchant services for VASP-to-fiat (legal tender) payment processors.

REGULATORY DIRECTIVES

Date of Change (Month)	Legislation	Change	Impact on KCB
August 2025	CBK Circular on the issuance of the revised Risk-Based Credit Pricing Model (RBCPM)	• The revised RBCPM is anchored on the overnight interbank average rate, renamed KESONIA. As such, the total lending rate= KESONIA + Premium ("K"). The revised model will be applicable to all variable rate loans effective 1 September 2025 for new facilities and 28 February 2026 for existing facilities • Foreign currency denominated loans and fixed rate loans are exempted from the model • Banks were also given the option of using Central Bank Rate (CBR) as the common reference rate plus the Premium ("K").	KCB adopted use of Central Bank Rate (CBR) as the common reference rate plus the Premium ("K") and customers have been duly notified of the implementation of the model for the new and existing facilities.
August 2025	CBK Guidance on Customer Due Diligence (CDD), Beneficially Ownership (BO) and Politically Exposed Persons (PEPs).	The Guidance notes outline key procedures for customer identification and verification using a risk-based approach, identification and verification of beneficial owners as well as PEPs	KCB is required to apprise itself of the guidance notes, update internal policies, procedures and controls to enhance internal capacity and ensure full compliance with AML/CFT obligations

COUNTRY: RWANDA

Date of Change (Month)	Legislation	Change	Impact to KCB
January 2025	The Prevention and Punishment of Money Laundering, Terrorist Financing and the Financing of Proliferation of Weapons of Mass Destruction LAW N° 001/2025 OF 22/01/2025	• The law improved some definitions such as terrorist financing, politically exposed persons, money laundering and inserted new terms such terrorist, terrorist act, terrorist organization and virtual assets service provider. • The law has enhanced the rules for provisional measures related to offence-linked funds or assets, aligning them with international standards. As a result, the Financial Intelligence Centre now has the authority to freeze assets for up to 30 days, an extension from the previous limit of 3 days. • To prevent and combat money laundering, terrorist financing and the financing of the proliferation of weapons of mass destruction, the Centre was the sole authority responsible for conducting financial intelligence. • Additionally, virtual asset service providers, court bailiffs and other professionals were designated as reporting entities.	• BPR to ensure compliance
February 2025	REGULATION NO 86/2004 OF 19/12/2004 on Credit Facilities Classification and Provisioning for Banks	• The regulation provides that a credit facility under a renewed grace period is treated as a restructured credit facility and is subjected to the conditions of the restructured facility • The moratorium period granted to borrower may be renewed only upon approval from the approving authority as per credit policy and regularly be reported to the Board of Directors. In any case, the moratorium period should not be renewed more than twice.	• BPR to ensure compliance

COUNTRY: SOUTH SUDAN

Date of Change (Month)	Legislation	Change	Impact to KCB
November and December 2024.	South Sudan Financial Act 2024/2025	• A 4% Business Profit Tax (BPT) rate was reintroduced by the Act as Advance Payment of BPT on imported goods. • A 30% tax on income from rental investments was introduced by the Act subject to allowable deductions. This tax will only apply to businesses that solely operate within the real estate sector. • For purposes of Customs Valuation, the exchange rate has been set to be determined by the prevailing official Bank of South Sudan rate (BOSS Rate). • The Act has significantly altered the excise tax regime, with both reductions and additions to excise tax rates across a range of products	• All imported goods shall be taxed at a rate of 4% irrespective of whether they are food/non-food items. • Real estate owners to pay tax on income at a rate of 30%. Tax for entrepreneurs and sole proprietors without records has been increased across all bands. • Where the customs value is in foreign currency, the conversion to South Sudan Pound (SSP) will be based on the prevailing rate published by the Bank of South Sudan which is typically higher than SSP300. This will lead to payment of more taxes on importation. • With these adjustments, taxpayers in South Sudan should expect increased prices for the goods and services affected. This is because excise duty in nature is a consumption tax. It is usually passed on to the final consumer.

COUNTRY: UGANDA

Date of Change (Month)	Legislation	Change	Impact to KCB
June 2025	The Stamp Duty (Amendment) Act, 2025	Removal of Stamp duty on mortgages which was previously at 0.5% of the secured amount	The removal will result in reduction on the statutory costs associated with secured borrowing.
June 2025	The Tax Procedure (Amendment) Act, 2025	For tax purposes, the following shall be used as the tax identification numbers. i. National Identification Number (NIN) in the case of individuals. ii. Registration Number issued by Uganda Registration Services Bureau (URSB) in the case of a non-individual. iii. Tax Identification Number (TIN) issued by a foreign tax authority with whom Uganda has a tax treaty or agreement for exchange of information.	• The Tax Identifier is no longer going to be a TIN (Tax Identification Number) once the law is operationalized. However, this has not yet been operationalized by the Uganda Revenue Authority.
August 2025	Occupational Health & Safety (Amendment) Act, 2025	• Employers have a duty to prepare and submit to the Commissioner a health surveillance plan for the Employer's workplace. • Employers are required to put in place measures to monitor health of workers and carry out assignment medical examinations where an assignment exposes the worker to danger. • Employers are required to put in place occupational health services. • Employers shall at least once every Twelve (12) months conduct a health audit of the workplace. No person shall carry out an occupational health and safety audit/ assessment unless they are a registered and licensed safety and health practitioner under the Act. • Employers are required to keep a record of all occupational incidents, and all such incidents shall be reported to the Commissioner.	• Although the occupational safety legal framework had previously been more centred on high-risk industries such as manufacturing and construction, the amendment created responsibilities that increasingly extended to the service sector. • The law requires the Bank to undertake proactive and preventive measures to protect the occupational safety of workers and imposes additional obligations on the Employer under the occupational safety legal framework.

Risk Management

Risk is an inherent part of the KCB Group's business, and its effective management is a fundamental enabler of our strategic plan.

At KCB, risks are managed as part of our business model and strategy, through alignment of risk appetite to changes in the operating environment, instilling a risk-aware culture throughout all levels of the organisation, proactively and continuously adapting, and improving our risk management capabilities. Our strategy for managing risk is aimed towards shareholder value preservation, customer protection and enabling sustained performance.

We maintain a robust and comprehensive Risk Management Framework to strengthen our capacity to recognise and address risks. Backed by an independent Risk Function, the Board oversees all facets of risk management. The Group's risk management approach is shaped by our business objectives and risk capacity, appetite, and tolerance statements. Policies, sound practices, and the minimum regulatory requirements per principal risk type inform risk management practices.

The economic environments in the countries that we operate in continued to face different levels of challenges, evolving regulations coupled with the rising prevalence of sophisticated fraud and cyber threats. Against this backdrop, we continued to enhance and mature our risk capabilities through independent validation of our risk management practices and aligning them with best practices, maintaining a proactive and integrated approach to risk identification, mitigation, and resilience.

Our Approach to Risk Management

KCB has adopted an integrated risk management approach designed to ensure that the diverse range of risks and opportunities faced by the Group are proactively and effectively identified, quantified and managed within acceptable risk appetite limits. This is achieved through clear business ownership of risks supported by governance structures, policy and process frameworks, and board oversight. This is further expounded below:

1. Risk Governance Framework

The Board is ultimately accountable for risk management and setting of the Group's risk appetite. The board takes the lead in setting a strong risk management culture across the Bank and oversees the governance structures through which the Bank's risk management strategy is implemented.

The Board maintains oversight by delegating authority down to the management hierarchy, with management committees supporting senior executives in making decisions where required. This structure thrives on a shared commitment to openness, which allows the organisation to flag issues early and take corrective action immediately.

The Risk Division operates several management committees, chaired by the Group's Chief Executive Officer:

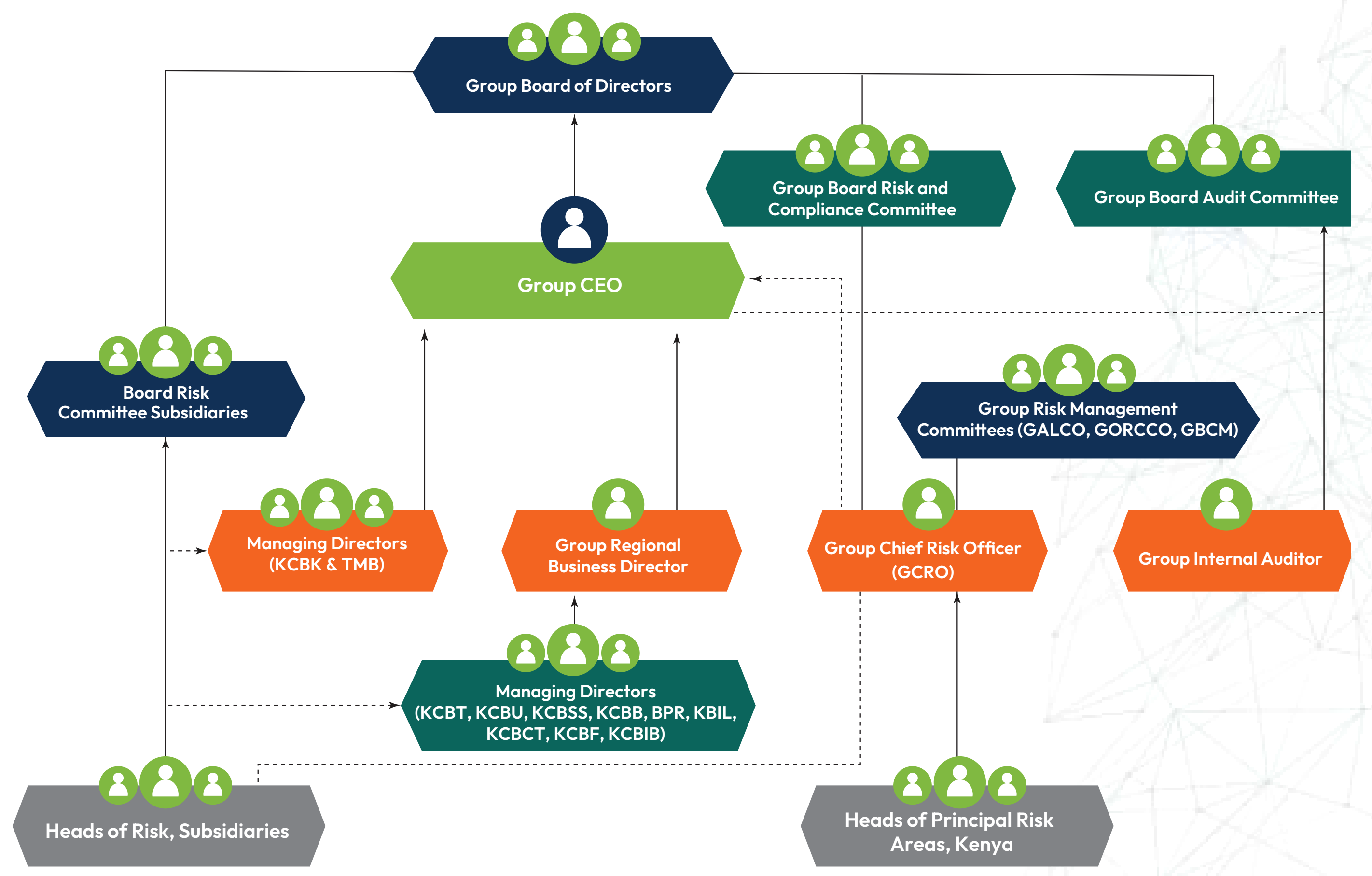
Group Operation Risk and Compliance Committee (GORCCO) – responsible for reviewing risk and compliance issues to ensure all material risks inherent in the activities of the Group are identified and managed within the risk appetite.

Group Assets and Liabilities Committee (GALCO) – reviews pricing of assets and liabilities to ensure loan mix and yields are optimised, and funding costs minimised, while keeping the balance sheet structure consistent with the current asset-liability strategy of the Group.

Group Business Continuity Management Committee (GBCM) – is a cross-functional team of key stakeholders which includes senior managers with key support roles and the appropriate Business owners of critical functions, who together have the responsibility for the overall management of the business continuity function on a day-to-day basis.

KCB Group Risk and Compliance Structure

The diagram below depicts the Group Risk Management Structure.



Three Lines of Defence Model

Our risk and control structure is based on the three lines of defence (3LOD) model. Each line has a specific role and defined responsibilities. The three lines work closely together to identify, assess, and mitigate risks. The Risk function enables the first-line risk owners to manage their risks by providing appropriate policies, frameworks, and processes to ensure risks are identified and managed within approved risk appetite limits and provide an oversight function through ongoing monitoring and reporting to management and the board.

The below summarises our 3LOD model:

Senior Management | **Board**

First Line of Defence

Business Units and Support Functions

- Identify, monitor and manage risks within risk appetite.
- Own risks and execute risk remediation plans.
- Design processes and controls in line with risk policies.
- Undertake risk and control self assessments to identify control gaps and emerging risks for timely mitigation.
- Ensure applicable laws and regulations are being complied with.
- Promote a robust risk management culture.
- Escalate risks to second line and senior management.

Second Line of Defence

Risk Management

- Develop risk management strategy, policies, standards and monitor compliance.
- Identify, monitor and report risks to senior management and the board.
- Provide support to the first line on risk Identification and recommendation of controls.
- Oversee and challenge first line risk taking activities.
- Propose risk appetite to the board, monitor and report any deviations.
- Ensure there are appropriate controls to comply with applicable laws and regulations.
- Foster a strong risk management culture.

Third Line of Defence

Internal /External Audit

- Provide independent assurance on effectiveness of controls implemented by the first line of defense and the processes.
- Assess adequacy of the design of controls and operating effectiveness.

2. Risk Appetite

The board reviews and approves our risk appetite annually or whenever there is a significant change to our strategy, operating environment, or regulatory requirements. Any changes to the enterprise risk appetite statement, risk appetite, and/or risk tolerance limits are approved by the Board.

Our Enterprise Risk Management and Risk Appetite Frameworks articulate the risk appetite for various risk categories under which various business lines operate. It is expressed through quantitative measures and qualitative statements that provide direction to all business areas and set clear tolerances for activities that are both within and outside risk appetite.

Performance against appetite limits are monitored using a range of key indicators with the resultant risk profile reported to the board regularly. Where the desired risk appetite is breached, a predefined escalation governance matrix is applied so that these breaches are highlighted to senior management for remediation.

The Bank continuously reviews the operating environment and closely monitors significant risks that could impact business. Further, detailed and periodic reviews are conducted at various Board Committees on the portfolios and operations of the Bank.

3. Enterprise Risk Management Process

I. Risk Identification, Assessment, and Management

Risk identification is forward-looking and seeks to identify material risks to which the Group may become exposed to while conducting its day-to-day operations. Risk and Control assessments are undertaken for each key business function, processes or systems.

Risk quantification and measurement are performed to the extent possible based on appropriate, accepted methodologies and models. Where set limits are breached, clear mitigating actions are put in place including timelines to resolve the breaches to bring such risks within acceptable tolerance levels.

II. Risk Monitoring and Reporting

The Group actively monitors the risk control measures by tracking the trends of the risks and their risk levels. Risk reporting provides Senior Management and the board with the information they need to respond to and manage risks.

4. Risk and Compliance Culture

Central to our risk management strategy is fostering a mature risk culture that embeds responsible risk taking and accountability across the Group. By reinforcing ethical behaviours, promoting accountability and cultivating a proactive risk management culture, we ensure that KCB remains resilient and trusted as an industry leader.

We endeavour to maintain a risk management culture that aids awareness of risk, appropriate behaviour, and judgment in connection with risk taking. This starts with the Board setting the tone from the top of the organisation to influence the risk consciousness of all employees while the Group Chief Executive Officer works with the Executive Management to embed a strong risk culture within the Group. Every employee is considered a risk manager and therefore expected to participate in risk management activities on an ongoing basis.

To measure our risk maturity, we undertake annual enterprise risk management surveys across all our entities and address any opportunities for improvement identified through this process.

5. Stress Testing

KCB Group undertakes regular internal stress testing to assess the resilience of its balance sheet, capital adequacy, and liquidity position under adverse but plausible conditions. Stress testing provides forward-looking insights into how key portfolios and earnings may perform during periods of economic and financial stress and supports prudent risk-taking in line with the Group's strategy.

Scenario analysis is conducted using a forward-looking approach that considers the Group's balance sheet, business plans, prevailing economic conditions, and medium-term outlook. The results are used to inform management actions, including adjustments to risk appetite, capital planning, and funding strategies, where necessary.

Stress testing forms an integral part of the Group's Internal Capital Adequacy Assessment Process (ICAAP) and recovery planning framework. It supports the Group's ability to anticipate potential vulnerabilities, maintain adequate capital and liquidity buffers, and enhance overall financial resilience in a changing operating environment.

Management of Principal Risks

The Risk Committee of the Board and management regularly receive reports with multifaceted discussions held to ensure appropriate risk control measures and risk responses are put in place.

I. Credit Risk.

The credit portfolio is a major component of the asset portfolio of the Group; therefore, deterioration in the stability of the various borrowers may have a significant adverse effect on the Group's asset value and profitability.

Our Mitigations:

- Having in place the Credit Policy, Credit Risk Appetite, and related governing guidelines. The goal of credit risk management is to ensure the Group operates within the risk appetite defined in accordance with the policies and strategic objectives in the area of credit, from a single transaction to credit portfolio level.
- The Bank's credit risk management framework and policy are based on diversification of the credit portfolio and controlled management of risks. Risk diversification is reflected by the distribution of the Bank's credit portfolio across different sectors of the economy, many borrowers, different linkage segments, and different geographical regions. For this purpose, the Group conducts industry-level economic feasibility studies to evaluate the risk and business potential related to activity in the various economic sectors.
- The identification of credit risk in existing products is based on risk management, measurement, and control processes at the various lines of defense, on the other hand, the identification of risk in new credit products is guided by the new products and initiatives risk assessment policy which specifies the processes to be followed for each new product at the Bank to identify all risks inherent in the product, assess the extent and materiality of such risk, and provide solutions for the measurement, control, and hedging of the risk.

II. Capital Adequacy

Maintaining adequate capital is fundamental to the Group's ability to pursue its strategic objectives, absorb losses, and operate effectively under both normal and stressed conditions. Capital management supports financial resilience, protects depositors, and underpins sustainable value creation.

Our Mitigations:

- KCB Group prepares an Internal Capital Adequacy Assessment Process (ICAAP) report annually to provide the Board with a comprehensive and forward-looking assessment of the adequacy of the Group's capital relative to its risk profile, strategic objectives, and operating environment. The ICAAP integrates risk identification, capital planning, and stress testing and is aligned with regulatory expectations on capital adequacy and planning.
- Capital management is embedded within the Group's strategic and financial planning processes. Capital plans are aligned to approved business plans and regulatory directives and are translated into projected risk-weighted assets and movements across the various tiers of capital, while maintaining prudent safety margins. Sensitivity and scenario analyses are applied to assess the robustness of capital ratios under different operating conditions, supporting proactive and disciplined capital management.
- The Group submitted its 2024 ICAAP to the Central Bank of Kenya in April 2025. All banking subsidiaries prepare ICAAP reports annually in accordance with applicable local regulatory requirements and global best practice, ensuring consistent capital oversight across the Group.

III. Technology and Cybersecurity Risks

Technology risks arise from inadequate technology/systems, inadequate ICT policy and strategy, or inadequate use of the Group's information and communication technology.

The growing threat of cyber-attacks coupled with the increasing digitisation of banking products and services could expose the Bank to security risks. Further, the Bank also leverages partnerships with third parties, which could also be a source of information security risks.

Our Mitigations:

- KCB maintains an Information Risk Policy which governs the protection of KCB's information assets from all threats, whether internal or external, deliberate, or accidental, to ensure business continuity, minimise business damage, and maximise return on investments and business opportunities. The policy also provides a consistent risk management framework in which information and technology risks are identified, considered, and addressed.
- Employing multilayered approach to cyber controls and regular security system assessments such as Red Team assessments.
- Monitoring, detection, and analysis of potential cybersecurity intrusions using Security Information and Event Management (SIEM) tools and Security Operations Centre (SOC) supported by proactive threat analysis.
- A Cybersecurity Incident Response Plan ensures the Bank is prepared to manage cyber incidents effectively and efficiently.
- Providing situational awareness and reporting on cybersecurity status, incidents, and trends in adversary behaviour.
- Implementation of a Data Protection and Privacy policy, including a data management programme focusing on strengthening our Data Management Framework across the Group.
- We also collaborate with a range of government, community, and industry bodies to strengthen system-level resilience and to reduce the possibility of cyber-attacks and the impact of fraud and scams on the community.
- Provision of regular training to all staff, including rolling out mandatory cybersecurity training courses, and awareness initiatives to customers.

IV. Data Protection

Data protection forms an essential part of KCB's risk resilience and plays a critical role in ensuring the delivery of innovation with embedded regulatory compliance. KCB Group reaffirms its dedication to responsibly handling personal data and ensuring the rights of data subjects are upheld across all its operations.

There has been an increase in the data protection regulatory footprint with the regulators in the different subsidiaries increasing scrutiny on the Bank's processes. The existence of different regulators in Kenya, Uganda, Tanzania, and Rwanda instituted through in-country data protection legislation has resulted in more complex compliance requirements for the Group. Apart from conducting audits, the regulators have created precedent through considering customer complaints and making determinations within the different jurisdictions.

Additionally, the General Data Protection Regulations from the European Union also form a compliance guide due to the extra-jurisdictional application of the law.

Our Mitigations:

- We have in place a Data Protection department to ensure continuous compliance with the prevailing laws across the countries of operation.
- Enhanced capacity of our data protection department with the refinement of operations to ensure technological and operational compliance.
- Mandatory data protection training for all employees to ensure understanding of the Group data protection policies.
- Comprehensive role-based training for the upskilling of KCB Group's internal and external stakeholders on data protection.
- Binding Corporate Rules are underway to allow for free flow of data across borders among the Group subsidiaries. For other cross border data transfers, the data protection department continues to review vendor contracts and ensure alignment with regulatory standards.
- Embedding data protection by design for all Group projects and/or systems to ensure early detection and mitigation of privacy risks.
- KCB Group shall endeavor to continuously enhance its risk frameworks to ensure compliance in line with the KCB Group Data Protection & Privacy Policy, which is a key guide in ensuring compliance standards throughout the Group.

V. Market Risk

Market Risk is the risk of loss arising from potential adverse changes in the value of the Bank's assets and liabilities due to fluctuations in market risk factors such as interest rate risk (IRR) and foreign exchange rates (FX risk).

Liquidity Risk is the risk that the Bank is unable to meet its contractual or contingent obligations or that it does not have the appropriate amount, tenor, and composition of funding and liquidity to support its assets.

Our Mitigations:

- Market Risk exposures arising from the trading book are managed by the Treasury department whilst those arising from the non-trading activities are managed through Asset and Liability Management (ALM) and ICAAP processes. Oversight of market and liquidity risk is provided by the Asset Liability Committee (ALCO).
- Market and Liquidity Risk measurement, limit setting, reporting, and oversight are conducted by the Market Risk Department under the Group Chief Risk Officer.
- The Market Risk Framework defines the policies that govern KCB's strategy and objectives for Market, Liquidity, and Country Risk management and the approach and processes by which KCB achieves those objectives. It establishes Risk Management Processes that result in the identification, assessment, measurement, monitoring, and control / mitigation of market, liquidity, and country risks in a consistent manner across KCB Group. It also outlines the risk governance structure and relevant roles and responsibilities, with the ALCO providing key oversight at the management level.
- KCB expresses its acceptable level of market, liquidity and country risk through risk appetite statements and setting the respective risk limits. The Group monitors risk through various limits including, but not limited to exposure, risk (PV01) and stop loss limits. The Group has a limit approval matrix that allows the Business units to take risk in a controlled manner. The respective limits are monitored on a daily /weekly / monthly / quarterly basis, keeping a record for all breaches as well as the breach authorization. Any limit breaches are required to be reported in a timely manner to limit approvers to determine the suitable course of action required to return the applicable positions to compliance.
- Liquidity risk is monitored through the Liquidity and Loan-to-Deposit Ratio limits as well as the review of the funding analysis looking at interbank borrowing and deposit concentration. The bank maintains a Contingency Funding Plan and a Capital and Liquidity recovery plan which details the actions that can be taken to recover from a liquidity stress event.

VI. Operational Risk

This is the risk of an adverse outcome resulting from inadequate or failed internal processes, people, and systems or external events, or legal risk.

Our Mitigations:

- Operational risks are proactively identified, assessed, measured, monitored and reported as guided by the Operational Risk Management Policy. All business areas are required to identify and assess their operational risks and evaluate the effectiveness of controls to mitigate those risks through the Risk and Control assessment process. This process allows management to demonstrate that all significant risks are identified, assessed, owned and appropriately managed through the application of controls.
- All new products, processes, and changes undergo thorough risk assessments to ensure appropriate measures have been put in place to mitigate the identified risks prior to product rollout.
- Outsourcing arrangements are scrutinized and approved by the sourcing committees, with input from the Risk team. The Bank has in place a framework and policy on managing third-party risks which serves to ensure that there is an alignment of the third-party arrangements with the Bank's business objectives, potential risks are addressed, responsibilities are clearly understood, and regulatory requirements complied with.
- The Business Continuity framework is rigorously tested for critical internal processes, enabling readiness for diverse contingency scenarios. Further, a crisis simulation exercise is conducted annually to ensure that the Group maintains a robust resilience posture. Learnings from these exercises are used to refine the framework.

VII. Fraud Risk

Fraud includes all those activities involving dishonesty and deception that can drain value from the business, directly or indirectly, whether or not there is personal benefit.

Our Mitigations:

- The Group Fraud Risk Policy and framework addresses both internal and external frauds and aims to reinforce honesty, integrity and ethics within the organisation. In this regard, KCB has a "zero tolerance" approach to fraud and corruption, as articulated in the Group Code of Ethical Conduct. KCB is committed to ensuring that a fraud-free environment exists, and high ethical standards are upheld in the organization. The strategy employed in the management of fraud entails detection, prevention, response and pursuing recoveries.
- KCB continues employing a broad fraud risk management strategy, with the key purpose being minimization of exposure from fraud losses whose main drivers in the year 2025 were system challenges and resultant fraudulent funds transfers, staff complicity as well as social engineering. This is achieved inter alia through use of the Fraud Management System to facilitate automated detection of fraud across banking systems in terms of identification of unusual behaviour and increasing operational efficiency by augmenting fraud investigation efforts.
- The bank undertakes fraud awareness training sessions underpinned by the zero tolerance to fraud culture, as well as fraud risk assessments on key products or processes being rolled out, to identify opportunities for fraud, and take timely remedial measures, including strengthening controls.
- At KCB, it is everybody's responsibility to prevent and report fraud and other inappropriate conduct within their knowledge. To further facilitate receipt of information on suspected fraud and misconduct, the Group has in place a whistleblowing platform available to both internal and external stakeholders for reporting such issues with protection mechanisms to enable whistle blowers to make reports to the Bank without fear of victimisation or reprisals. There is also a management-level Disciplinary Committee that reviews fraud cases and applies the consequence management framework. Additionally, fraud cases are escalated to various law enforcement agencies, for investigations and appropriate prosecutorial action against the perpetrators.

VIII. Compliance Risk

This includes policies, procedures, processes, monitoring, and testing programs, regarding compliance with all applicable laws and regulations.

Our Mitigations:

- The Group holds that Compliance is not just the responsibility of specialist compliance staff, but it is a part of the culture of the Group and an integral element of the bank's entire scope of activities. It is therefore the responsibility of every business and support function, and every member of staff to conduct business in compliance with all applicable requirements.
- The Group is committed to transparent management that emphasizes accountability, disclosure, and compliance with all relevant laws, regulations, and standards of practice, including the industry charters. KCB recognizes and affirms that Compliance starts at the top, and that it concerns everyone within the Bank. We hold that Compliance is an integral part of the bank's entire scope of activities, and it is therefore the responsibility of every member of staff to conduct their business in compliance with all applicable requirements.
- In line with its commitment to compliance, the Group takes proactive steps to ensure compliance with the ever-changing regulatory environment and applicable standards and supports its business growth by adequately monitoring and addressing compliance risks.
- The Compliance Function identifies, assesses, advises on, monitors, and reports on the Bank's compliance risk, that is, the risk of legal or regulatory sanctions, financial loss, or loss of reputation that the Group may suffer as a result of its failure to comply with all applicable laws, regulations, codes of conduct and standards of good practice applicable in all the jurisdictions it operates in, as well as failure to conform to internal compliance policies and standards of operation, and with the highest ethical standards.
- KCB Group minimizes compliance uncertainty by ensuring that the activities of the Group and its staff are conducted in accordance with all laws, regulations, codes of conduct, and standards of good practice applicable in all the jurisdictions it operates in, as well as conforming to internal policies and standards of operation, and with the highest ethical standard. This is achieved through a compliance and ethics framework that supports a robust compliance culture that is based on the highest standards of ethical business practice.
- The Compliance Function is led by the Head of Compliance & Ethics who reports to the Group Chief Risk Officer, who maintains oversight of Compliance across all Subsidiaries. The Compliance Office provides Group Shared Services support on policies and fit-for-purpose functional maintenance of the systems used. Heads of Risk and Compliance in KCB subsidiaries oversee Compliance and Ethics in each Subsidiary.

IX. AML/CFT/CPF Compliance

Potential exposures from noncompliance with international rules and standards on Anti-Money Laundering (AML), Countering Financing of Terrorism (CFT) and Combating Proliferation Financing (CPF)

There has been a continued supervisory and regulatory focus on Anti-Money Laundering, Combating Financing of Terrorism, and Countering Proliferation Financing (AML/CFT/CPF) and scrutiny from international financial partners, as well as on overall compliance in the industry within the Region. With three KCB countries of operation in the region currently on the Financial Action Task Force (FATF) grey list (Kenya, South Sudan, Democratic Republic of the Congo), and Kenya further placed on the European Union grey list in June 2025, the Group continues to uphold and enhance its AML/CFT/CFP Risk Assessments and control actions.

Our Mitigations:

- The Group remains committed to strictly upholding and complying with international rules and standards on Anti-Money Laundering (AML), Countering the Financing of Terrorism (CFT), and the new focus area of Combating Proliferation Financing (CPF). The Group, through its AML, KYC, and Sanctions policies has implemented a robust AML/CFT/CPF compliance program aligned to international best-practice. The program is deployed across all branches and subsidiaries. Each Subsidiary maintains an independent Money Laundering Reporting Officer (MLRO). A common standards approach is upheld through Group AML Policies and in the deployed AML/CFT system, which is supported by the Compliance Group Shared Service Centre in alignment to requirements in all jurisdictions.
- The Group has incorporated monitoring of the new focus area of Combating Proliferation Financing.
- The Group's AML/CFT/CPF Program is benchmarked with best international practices while maintaining compliance with the Regulatory requirements in countries of operation.
- We closely monitor regulatory developments to ensure new regulatory requirements, laws, or regulations are embedded in our policies and implemented promptly.
- We scan our local, regional, and global environment to keep abreast of emerging regulatory issues and ensure appropriate response.
- We continue to invest significant resources to improve our compliance systems, and control and enhance capabilities to continually comply with new requirements.
- We continuously assess and promote compliance and desired behaviours through ongoing monitoring and assessments.
- We undertake periodic Anti Bribery and Corruption Risk Assessment
- Regular compliance programs with remedial actions applied where any gaps are noted.
- We continue to ensure that regulatory ratios and limits are adhered to.
- We continuously embed a strong compliance culture through continuous training and awareness (through both physical engagements and e-learning platforms) to both internal and external service stakeholders as appropriate.

X. Climate Risk

Climate risk represents the potential for adverse financial and non-financial impacts arising from climate change and the transition to a low-carbon economy. The Group recognises climate risk as a transversal risk that can affect credit, market, liquidity, operational, and reputational risk profiles.

Our Mitigations:

- The Group is committed to supporting the global transition to a low-carbon economy and is a signatory to the Net Zero Banking Alliance (NZBA). In this regard, the Group is working towards aligning its lending and investment portfolios with net-zero greenhouse gas emissions by 2050, while progressively reducing its contribution to and exposure from climate-related risks.
- KCB has embedded climate risk considerations within its risk management and due diligence processes to support the identification, assessment, and mitigation of exposure to both transition and physical risks across its lending and investment portfolios. This is complemented by the Group's comprehensive Environmental and Social Risk Management System, which guides the identification, avoidance, and management of environmental and social risks arising from its financing activities, in support of sustainable finance objectives.

XI. Strategic Risk

Strategic risk refers to the current and prospective impact on earnings or capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes.

Our Mitigations:

- The Group's strategic plan covers three years. It is approved by the Board of Directors and reviewed annually to reflect changes in the business environment, competitive landscape, and the Bank's goals.
- Developing the plan involves reviewing the Bank's business, identifying key risks, sizing scalable opportunities and carrying out a full planning process.
- The plan is influenced by both internal and external factors, which can either support or hinder progress. Risk assessments are conducted to evaluate these factors and provide Senior Management and the Board with guidance for decisions or adjustments.
- Goals and metrics are set for each process and business result, turning the strategy into measurable steps for different units and helping identify the Group's level of strategic risk.
- As the strategy is developed, the Risk team reviews potential risks before and after approval to support decision-making and allow course corrections when needed.
- The Strategy team and senior management regularly monitor external developments and update strategic plans to address new issues in key risk areas.

XII. Conduct Risk

Conduct risk is the risk of creating harm to a customer, counterparty, or market arising from inappropriate behaviour by KCB or its partners in the execution of business activities.

Our Mitigations:

- The Group has maintained and regularly updates the Group Code of Ethical Conduct that sets out its commitment to a zero-tolerance position to all forms of corruption, bribery and unethical business practices.
- Guided by the Code of Ethical Conduct, the Group manages Conduct risk through:
  - » Maintaining an ethical culture that promotes good business practices and reinforces appropriate behaviours aligned with the Group's values.
  - » Policies and procedures in place to ensure appropriate controls and processes that deliver fair customer outcomes, and support market integrity and competition requirements.
  - » Customer needs are considered through customer plans, with integral risk assessments for all new products and initiatives before rollout.
  - » Enhanced product governance framework to ensure products continue to offer customers fair value and consistently meet their needs throughout their product life cycle.
  - » Effective complaints management and escalation mechanisms when required.
  - » Ongoing engagement with third parties involved in serving the Group's customers to ensure consistent delivery.
  - » Ensuring that communications with customers are clear, fair, and not misleading.
  - » Risk Assessment of high-risk areas for bribery and corruption and enhancement of controls.

XIII. Reputational Risk

This is the possibility that our reputation will be harmed, which can negatively impact on our financial performance.

Our Mitigations:

- The Group values its good reputation and protects its Brand through monitoring Reputational risks and their drivers, as well as through continuous media monitoring. All staff and other parties working for or on behalf of the Group are called upon to uphold ethical business conduct in all their business dealings.
- In addition, annual ethics training is provided to all staff, and employees are encouraged to freely raise any ethical concerns through established channels, either internally, or anonymously through external channels.

Looking Ahead

As we move into the 2026 financial year, risk management remains a key strategic enabler, guiding decision-making and ensuring accountability at every level.

Agentic and Generative AI are transforming decision making, transaction processing, risk management and customer engagement presenting with it both opportunities and challenges of safe and practical use of AI tools. KCB has put in place and continues to enhance appropriate governance frameworks and procedures to ensure adequate management of the associated risks.

The Group proactively performs horizon scanning to identify emerging risks and implement appropriate control strategies to adapt, adequately mitigate potential exposures, and ensure compliance with new regulatory actions. With the expectation that data continues to play a transformative role, KCB aims to enhance its risk management capabilities, improve operational efficiency and unlock insights by harnessing data analytics.

Internal Controls

The Group Internal Audit function provides independent, objective, and risk-based assurance, advice, insight, and foresight to the Board and senior management over the effectiveness of governance, risk management, and internal controls across the Group.

Guiding Principles and Scope

The mandate of our Internal Audit team is anchored in the Institute of Internal Auditors (IIA) Global Internal Audit Standards, which guide the worldwide professional practice of internal auditing and serve as a basis for evaluating and elevating quality in the profession. The standards, which became effective in January 2025, codify expectations across five domains and require demonstrable conformance. These domains are:

- i. Purpose
- ii. Ethics and Professionalism
- iii. Governing the Function
- iv. Managing the Function
- v. Performing Services

The Internal Audit Charter articulates Internal Audit's purpose, authority, and responsibilities, confirms unrestricted access to people and information, and formalises functional reporting to the Board Audit Committee(s) with administrative reporting to the Group Chief Executive Officer. This is consistent with the Standards' emphasis on board oversight and coordinated assurance.

The independence of the internal audit function is preserved through:

i. Functional accountability to the Group Audit Committee (GAC) including approval of the Charter, annual audit plan and budget;
ii. Direct reporting to subsidiary Audit Committees;
iii. Annual independence affirmations by all auditors; and
iv. A Quality Assurance & Improvement Programme (QAIP) combining ongoing internal assessments with independent external assessments at least every five years, as per Global Internal Audit Standards.

Group Oversight Across the Enterprise

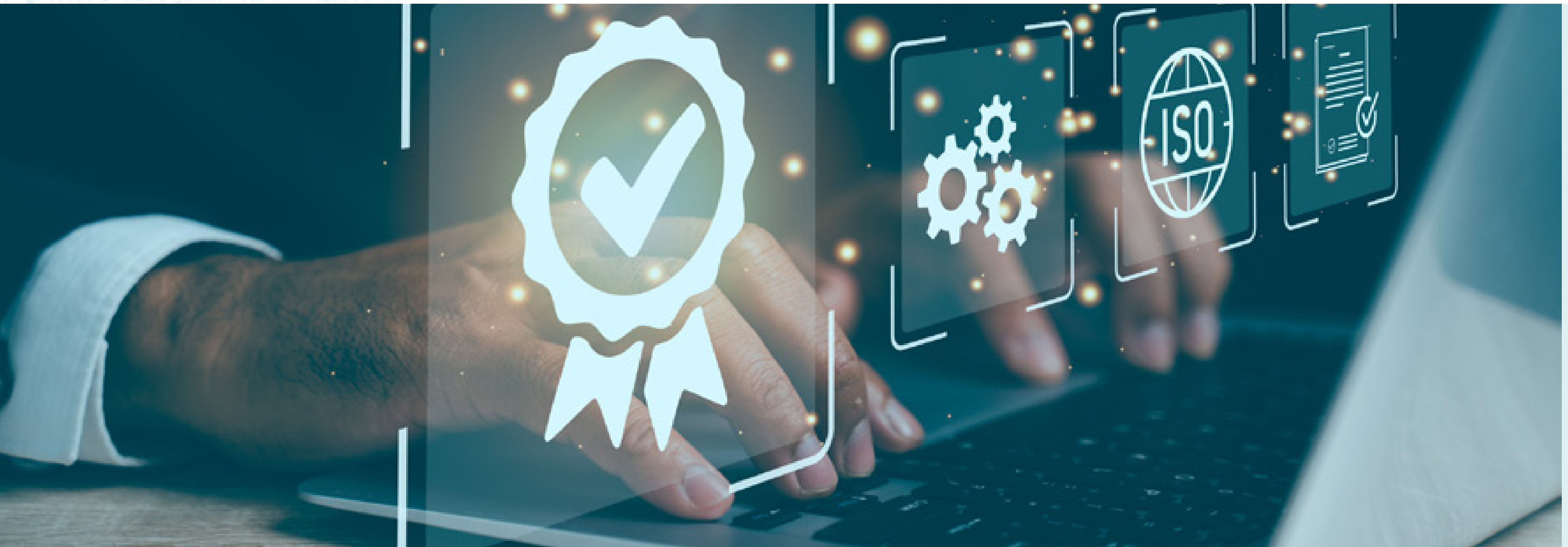
We apply a unified methodology across entities, consolidate systemic and cross-entity themes for the GAC, conduct cross-border audits and secondments to share specialist skills, and converge control maturity across the Group.

Following independent External Quality Assessments across most entities in 2024 and BPR Bank Rwanda's external assessment in 2025, we reviewed our audit methodology to align it to the new Global Internal Audit Standards, developed a combined assurance framework, strengthened root cause analysis & prioritization, upgraded evidence & documentation standards, and expanded the use of continuous auditing.

Audit Issue Remediation

In 2025, we implemented targeted actions addressing root causes and strengthening both preventive and detective controls, supported by a structured follow up protocol. This led to a closure rate of 99% of audit issues identified in the year. Most issues were resolved within established timelines, evidencing sustained management ownership and effective collaboration with Internal Audit.

99% Closure rate of audit issues identified in the year



External Audit: Tenure, Qualifications, Independence & Non Audit Services

The Group upholds robust standards of audit quality and independence through disciplined governance over the appointment and oversight of the external auditor. The GAC leads a rigorous selection process, with recommendations approved by the Board and ultimately ratified by shareholders, ensuring that the appointed audit firm brings deep technical expertise, industry experience, and a strong commitment to professional ethics.

In alignment with Central Bank of Kenya regulatory expectations, the Group implements a structured partner rotation cycle requiring the lead audit partner to rotate after five years to preserve independence and introduce renewed professional skepticism. Regular evaluations of the external auditor's performance and compliance with relevant regulatory and quality standards further reinforce accountability.

Auditor independence is additionally protected by a strictly governed non audit services framework. Any proposed non audit engagement undergoes detailed assessment and discussion with the external auditor to avoid conflicts of interest and ensure the integrity of the assurance process. Through these measures, the Group safeguards transparency, objectivity, and continued confidence in the external audit function.

People and Capability

Our Internal Audit team's experience spans diverse competencies, including banking operations, risk management, finance, information systems audit, and cybersecurity disciplines.

Our Internal Audit Competency Framework, which is aligned to the Institute of Internal Auditors' model, outlines the essential competencies required for success of internal audit in the Group. This framework also serves as a robust onboarding resource and a basis for a multi-year training plan, enabling us to continually identify and address skill gaps within the Audit function.

Each team member maintains relevant certifications from recognized professional organisations, including the Institute of Internal Auditors (IIA), relevant statutory bodies governing the accountancy profession in the countries we operate in, and the Information Systems Audit and Control Association (ISACA).

Recognizing the speed of change in the risk landscape, we continually upskill the team through structured learning pathways that blend domain training, tooling capability, and applied practice on selected reviews.

The 2025 learning and development outcomes included 57 Continuous Professional Education (CPE) hours per employee on average, against a target of 40.

2026 Outlook

Our 2026 annual audit plan remains risk-based and dynamic, aligned to the Group's strategic objectives and regulatory expectations, and is increasingly enabled by data analytics. Internal Audit will continue to focus on the risks most consequential to KCB Group's resilience and value creation.

Based on residual-risk assessment and entity-level scoping, the plan prioritises cybersecurity and operational resilience, digital platform delivery and third-party technology risk, and data governance, including emerging AI use. The emphasis is on safeguarding customer trust and service continuity as the Group scales digital capabilities across various jurisdictions. In addition, we will deepen coverage of core financial, operational, and conduct risks, with particular attention to credit, treasury, liquidity, and market risks and controls, delivered through a coordinated assurance approach. Given our regional footprint, regulatory compliance and financial-crime risk remain central themes, alongside proportionate assurance over ESG and climate-related risks.

As the operating environment becomes more dynamic and complex, Internal Audit's role has broadened beyond traditional assurance and compliance. Stakeholders increasingly expect high-quality advisory that helps the Group anticipate risks, strengthen governance, and support better, faster decisions. In 2026, approximately 15% of our Internal Audit's activities will be advisory reviews. These will be aimed at supporting digital transformation, cyber resilience, sustainability readiness, and strategic project assurance while preserving the objectivity and independence of our Internal Audit team.

2025 Highlights

The Group upholds robust standards of audit quality and independence through disciplined governance over the appointment and oversight of the external auditor.

Learning & development outcomes included 57 Continuous Professional Education hours per employee on average, against a target of 40.

Internal Audit will continue to focus on the risks most consequential to KCB Group's resilience and value creation.

KCB GROUP PLC

Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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Corporate information
For the year ended 31 December 2025

Directors

Dr. Joseph Kinyua - Group Chairman
Mr. Paul Russo - Group Chief Executive Officer
C.S. National Treasury - Alternate, Mr. Geoffrey Malombe
Mrs. Alice Kirenge - Retired on 31 August 2025
Mr. Ahmed Mohamud
Mr. Lawrence Njiru
Mrs. Agnes Lutukai
Ms. Anuja Pandit
Mr. William Asiko
Mrs. Lyn Mengich - Appointed on 4 February 2026
Mr. Lawrence Kimathi - Group Finance Director

Company secretary

Bonnie Okumu
P.O. Box 48400 – 00100
Nairobi, Kenya

Auditor

PricewaterhouseCoopers LLP
PwC Tower
Waiyaki Way / Chiromo Road
P.O. Box 43963 – 00100
Nairobi, Kenya

Registered offices and principal places of business

KCB Group Plc
Kencom House
Moi Avenue
P.O. Box 48400 – 00100
Nairobi, Kenya

KCB Bank South Sudan Limited
KCB Plaza
Ministry Road
P.O. Box 47
Juba, South Sudan

BPR Bank Rwanda Plc
KN 67 Street, 2
P.O. Box 1348
Kigali, Rwanda

KCB Bank Kenya Limited
Kencom House
Moi Avenue
P.O. Box 48400 – 00100
Nairobi, Kenya

KCB Bank Tanzania Limited
Harambee Plaza
Ali Hassan Mwinyi Road/Kaunda Road Junction
P.O. Box 804
Dar es Salaam, Tanzania

KCB Bank Uganda Limited
Commercial Plaza
7 Kampala Road
P.O. Box 7399
Kampala, Uganda

KCB Bank Burundi Limited
Boulevard Patrice Lumumba
P.O. Box 6119
Bujumbura, Burundi

KCB Bank Kenya (Ethiopia Representative Office)
Morning Star Mall 4th floor
Bole Medhanialem
Addis Ababa, Ethiopia.

Trust Merchant Bank SA
P.O. Box 72866 -0200
Lubumbashi, Democratic Republic of Congo

Trust Merchant Bank (Brussels Representative Office)
1B, rue de l'Aurore
B- 1000 Brussels

Riverbank Solutions Limited
Suite B31, Silverpool Office suites
Jabavu Lane, Hurlingham, Nairobi, Kenya

Principal lawyers

Iseme Kamau & Maema Advocates
P.O Box 11866-00400
Nairobi, Kenya

Oraro & Company Advocates
P.O Box 51236-00100
Nairobi, Kenya

MMC Asafo LLP
P.O Box 75362-00200
Nairobi, Kenya

TripleOKLaw Advocates
P.O Box 11866-00400
Nairobi, Kenya

The full list of the Group lawyers is available at Kencom House, the principal place of business of the Group.

Report of the Directors
For the year ended 31 December 2024

Principal Activities

The company is licensed as a non-operating holding company under the Banking Act (Cap 488). The principal activities of its main subsidiaries are provision of corporate, investment and retail banking services.

Results

The results of the Group and the Company are set out on pages 154 to 156.

Dividend

The directors have proposed payment of a final dividend in respect of the year 31 December 2025 of Ksh 3.00 per ordinary share (2024: Ksh 1.50 per share) amounting to Ksh 9,640 million (2024: Ksh 4,820 million). An interim dividend of Ksh 2.00 per ordinary share (2024: Ksh 1.50 per share) and a special dividend of Ksh 2.00 per ordinary share (2024: Nil) amounting to Ksh 12,853 million was paid during the year (2024: Ksh 4,820 million). Together with the interim dividend, this brings the total dividends for the year to Ksh 7.00 per ordinary share amounting to Ksh 22,491 million (2024: Ksh 3.00) per ordinary share amounting to Ksh 9,640 million.

Directors

The Directors who served during the year and up to the date of this report are set out on page 140. All the Directors are non-executives other than the Group Chief Executive Officer and the Group Finance Director.

Business Review and Financial Performance

The Group consolidation includes the results of the entities owned by KCB Group Plc. The entities operate in Kenya, Tanzania, South Sudan, Rwanda, Uganda, Burundi, and the Democratic Republic of Congo mainly undertaking retail and corporate banking business and financial services in the domicile countries. Our subsidiaries. KCB Bank Kenya and Trust Merchant Bank also have representative offices in Ethiopia and Brussels respectively.

On May 30, 2025, the Group completed the disposal of its entire shareholding in National Bank of Kenya (NBK), following receipt of all required regulatory approvals. Consequently, the assets and liabilities of National Bank of Kenya Limited have been derecognized from the Group's consolidated financial statements as at the disposal date. Further details regarding classification, measurement and financial impact of the disposal are provided in the accompanying notes to financial statements.

The Group also completed acquisition of 75% shareholding in Riverbank Solutions, a software development company based in Nairobi. This followed receipt of regulatory approvals on 19 December 2025. The subsidiary has been recognized in the consolidated financial statements of the Group, as at the date of acquisition. Further details regarding the acquisition are provided in the accompanying note 33(c).

On November 3, KCB Group Plc entered into an agreement to invest in a minority stake in Pesapal Limited (Pesapal), in a transaction that is expected to significantly accelerate commerce, create pathways to prosperity, and drive digital and inclusive growth for businesses across Africa. The transaction is subject to conditions that are customary to transactions of this nature, including receipt of regulatory approvals.

Net interest income increased by 15% to Ksh 158 billion (2024: Ksh 137 billion) driven by income growth and easing of cost of funding. This resulted from an increase in total government securities to Ksh 450 billion from Ksh 409 billion and growth in customer loans by 16% from Ksh 988 billion to Ksh 1.1 trillion.

The net fees and commission income remained stable at Ksh 28.3 billion from Ksh 28.9 billion. The regional economies experienced stable currencies during the year, except for TMB, Burundi and South Sudan. This stability led to reduced foreign exchange trading margins. The Group strengthened its digital banking strategy by improving capabilities and availing new products on the digital channels.

The Group's net credit impairment losses increased from Ksh 24.0 billion in 2024 to Ksh 29.7 billion not withstanding an improvement in asset quality reflected in the reduction of non-performing loans from Ksh 225.7 billion in 2024 to Ksh 217.1 billion in 2025. The increase in provisions was deliberate to increase portfolio coverage.

The Group recorded a Ksh 2.7 billion gain from disposal of NBK, net of tax. This has been reported as part of profit from discontinued operation and detailed under note 49. Profit before tax from continuing operations grew by 8% from Ksh 80.7 billion to Ksh 87.1 billion

The Group's activities expose it to a variety of financial risks, including credit risk, liquidity risk, market risks and operational risks. The Group's overall risk management framework focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group. This is entrenched in the Group's governance structure. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Board of Directors of the Group has established various committees including Audit, Risk & Compliance, Nominations & Governance, Strategy & Oversight and People & Remuneration committees, which are tasked with developing and continuous monitoring of the Group risk management policies in their specified areas. The detailed description and analysis of the key risks is set out on note 4 of the financial statements.

Employees' Welfare

Our leadership believes in creating an environment where high performing individuals care about each other and work towards achieving the success of the organization. Our leaders passionately drive clarity and direction, allowing our employees to connect to each other as they are bound by a common mission and vision.

The Group's management focuses on building the right culture as a strategic human resource priority by ensuring that the Group's culture is embedded across all levels and the same is driven across the entire workforce.

Having the right culture is an essential element for the Group's future development as we transform towards creating the digital era banking. Amongst the key components in this development is ensuring that our leaders are charged by the major roles of fostering strong leadership capabilities, talent management, enhancing employee relationships and development.

Environmental Footprint

At KCB Group, we believe that taking care of the ecological environment is a solemn responsibility for every human being. As a corporate citizen we have embraced a culture of responsible living, with the ultimate intention of building a sustainable work environment that has minimal or nil adverse effects on the environment.

Statement as to Disclosure to the Group and Company's Auditor

The directors confirm that with respect to each director at the time of approval of this report:

a. there was, as far as each director is aware, no relevant audit information of which the company's auditor is unaware; and
b. each director had taken all steps that ought to have been taken as a director so as to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Terms of Appointment of the Auditor

PricewaterhouseCoopers LLP continues in office in accordance with the Company's Articles of Association and Section 723 of the Companies Act, 2015.

The directors monitor the effectiveness, objectivity and independence of the auditor. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees.

Events after the Reporting Period

There has been no event after the reporting date that requires adjustment or disclosure to these financial statements.

By Order of the Board

Bonnie Okumu
Company Secretary
Nairobi

11 March 2026

Information not Subject to Audit

This Directors' Remuneration Report has been prepared by the Board of Directors of KCB Group Plc ("the Group") in accordance with:

- The Companies Act, No. 17 of 2015 as amended, and its Regulations.
- The Companies (General) Regulations – Tenth Schedule.
- Corporate governance best practices, including transparent disclosure of remuneration policies, structure, and outcomes.

The objective of this report is to provide shareholders and other stakeholders with a comprehensive, transparent and auditable disclosure of how directors are remunerated in line with the Group's strategic goals, governance standards, and shareholder interests.

The Group's Directors' Remuneration Policy aims to:

- Attract, retain and motivate directors with relevant qualifications, experience and expertise.
- Align director remuneration with the Group's long-term strategy, performance, and risk framework.
- Ensure Non-Executive Directors' fees and allowances are fair, competitive, and aligned with market practice.

This policy is reviewed periodically by the People & Remuneration Committee and ultimately approved by the Board and Shareholders.

During the 54th Annual General Meeting of the Company held via electronic communication on Thursday, 22 May 2025, the shareholders considered and approved the remuneration policy presented pursuant to Regulation 8.21 of the Capital Markets Public Offers, Listings and Disclosures (POLD) Regulations.

During the year ended 31 December 2025, the Board of Directors consisted of:

a. Two Executive Directors:
   i. Paul Russo – Group Chief Executive Officer
   ii. Lawrence Kimathi – Group Finance Director

b. One non-independent Non-Executive Director:
   i. Cabinet Secretary - National Treasury (Alternate: Mr. Geoffrey Malombe)

c. Seven independent Non-Executive Directors:
   1. Joseph Kinyua (Chairman)
   2. Lawrence Njiru
   3. Ahmed Mohamud
   4. Alice Kirenge-Retired on 31 August 2025
   5. Anuja Pandit
   6. Agnes Lutukai
   7. William Asiko

1. Directors Emoluments

For the financial year ended 31 December 2025, the total Non-executive Directors remuneration was Ksh 97.4 million (2024: Ksh 82.6 million).

The total amount of emoluments paid to Directors for services rendered during the Year ended 31 December 2025 is disclosed in Note 17 and 39 to the Financial Statements.

Neither at the end of the financial year, nor at any time during the year, did there exist any arrangement to which the Company is a party, under which Directors acquired benefits by means of acquisition of the Company's shares.

2. Non-Executive Directors Remuneration and Privileges Policy

The Group has put in place a policy that adequately defines the remuneration and related privileges received by the Non-Executive Directors of the Company.

All the remuneration and privileges accorded to the Non-executive Directors and enumerated under the policy are competitive and reviewed according to the prevailing market trends for companies of a similar size and complexity of the Company.

The Board has in place a formal process of reviewing its performance and that of its committees and individual directors. Evaluation of the board is externally facilitated after every two years. Each director completes a detailed questionnaire designed to obtain feedback on the board's performance on the following areas:

- Strategic objectives.
- Risk governance.
- Board composition and skills.
- Board meetings and preparation.
- Board interaction and support.
- Performance of governance functions.
- Performance of Chairman, respective committees, and individual directors.

Each Non-Executive Director serves for a total non-renewable period of six (6) years from the date of appointment in compliance with the Capital Markets (Public Offers, Listings and Disclosures) Regulations 2023. However, as part of the transition to the current framework, some non-executive directors appointed before the 2023 amendments will serve their maximum tenure of eight (8) years.

Additionally, in accordance with the Articles of Association of the Company, one-third of the Non-executive Directors are required to resign and may offer themselves for reappointment to continue serving on the Board. No Director is entitled to any compensation upon the termination or end of their tenure as a member of the board.

2. Non-Executive Directors Remuneration and Privileges Policy (continued)

The details of the tenure of the current Non-executive Directors is provided in the following table:

Name	Appointment Date	Retirement Date
Dr. Joseph Kinyua (Chairman)	24 March 2023	24 March 2028
C.S. National Treasury (Alternate: Geoffrey Malombe)	27 September 2022*	-
Mr. Lawrence Njiru	7 August 2018	6 August 2026
Mr. Ahmed Mohamud	12 July 2020	11 July 2028
Ms. Anuja Pandit	16 August 2022	15 August 2030
Mrs. Agnes Lutukai	1 March 2024	2 March 2030
Mr. William Asiko	26 September 2024	25 September 2030
Mrs. Lyn Mengich	4 February 2026	3 February 2032

*Appointment date of alternate. The C.S National Treasury is an institutional director.

The People & Remuneration Committee of the Board is responsible for setting and administering the Non-executive Directors remuneration policy.

The People & Remuneration Committee continuously reviews the entitlements under the policy to ensure these are aligned to the market. In March 2025, the Committee reviewed the entitlement under the Remuneration Policy based on a previous evaluation undertaken by an external consultant. An adjustment through an increase of 10% across the fees and allowances was made. The previous adjustment of remuneration was undertaken in the year 2019. The impact of the adjustment is recognized in the full year 2025 financial statements.

The following components are provided to the Non-executive Directors:

Monthly fees
These are paid to the Non-Executive Directors taking into account their responsibility as the Director of the Company. These are paid monthly.

Sitting allowance
A sitting allowance is paid to each Non-Executive Directors for attending a duly convened and constituted meeting of the Board or of any of the Committees.

Duty day allowance
An allowance paid to a Non-Executive Director for any day away from his regular station in order to attend to duties of the Company.

Telephone allowance
Non-Executive Directors are entitled to a telephone allowance paid monthly.

Club membership
Non-Executive Directors are entitled to paid membership to a social or fitness club

Medical insurance cover
Provided to all Non-Executive Directors for their individual medical requirements covering both outpatient and in-patient requirements.

Professional Indemnity Cover
This is provided in line with best market practice to protect the Non-Executive Directors in undertaking their duties in such capacity.

3. Executive Directors Remuneration

The remuneration for Executive Directors is as per the negotiated employment contracts. Each Executive Director is employed on a fixed-term basis. The fixed term contracts run for a period not exceeding 5 years. The contracts are renewable.

The details of the contracts for the Executive Directors are as follows:

Name	Commencement Date	Duration	Unexpired term*	Termination Notice
Paul Russo	25 May 2022	5 years	1 years 5 months	3 months
Lawrence Kimathi	21 December 2022	5 years	2 years	3 months

* As at 31 December 2025

3. Executive Directors Remuneration (continued)

Executive Directors' performance is measured based on a Balanced Score Card. Annual business performance targets are derived from the KCB Group three-year (2024-2026) strategic plan. The key pillars under the strategic plan are as follows:

- Building customer-centered value propositions.
- Leveraging Group capabilities to build sufficient scale.
- Digital leadership.
- Optimizing data and analytics.

The achievements of the pillars under the strategic plan are supported by the following enablers:
- Execution excellence: Fostering a culture of innovation and execution.
- Technology evolution: Building future-ready capabilities.
- Risk resilience: Managing emerging threats.
- Sustainable citizenship: integrating priority Sustainable Development Goals.

Key performance measures under the Balances Score Card cover areas around:
- Financial performance.
- Customer and stakeholder satisfaction.
- Human capital, culture, learning and growth.
- Efficiency in internal business processes.

Executive Directors are entitled to the following remuneration:

Consolidated Basic Pay
This is the consolidated base salary paid to the Executive Director that includes an element of housing.

Bonus
Executive Directors are entitled to performance-based bonus pay. Part of the bonus is deferred for payment in the future.

Allowances
Allowances paid include a house allowance, a car allowance, a telephone allowance, and an allowance related to loan benefit adjustment.

Gratuity
This is paid to Executive Directors at the rate of 30% of the annual gross basic salary.

Club Membership
Executive Directors are entitled to paid membership to a social or fitness club.

Medical Insurance Cover
As provided to all employees, Executive Directors are entitled to medical insurance cover for their individual and family medical requirements covering both outpatient and in-patient requirements.

Professional Indemnity Cover
This is provided in line with best market practice to provide protection for the Executive Directors in undertaking their duties in such capacity.

AUDITABLE PORTION

i. Non-Executive Directors' fees, allowances and other benefits for the year ended 31 December 2025

Director's Name	Directors' fees Ksh '000'	Sitting allowance Ksh '000'	Other allowances [1] Ksh '000'	Non-cash benefit [2] Ksh '000'	Total Ksh '000'
Dr. Joseph Kinyua	9,592	5,600	1,878	254	**17,324**
C.S. National Treasury	3,440	-	-	-	**3,440**
Mr. Geoffrey Malombe	1,440	11,602	1,625	254	**14,921**
Mr. Lawrence Njiru	3,193	4,857	152	254	**8,456**
Mr. Ahmed Mohamud	5,887	7,385	1,085	254	**14,611**
Mrs. Alice Kirenge[3]	3,871	4,200	262	254	**8,587**
Ms. Anuja Pandit	3,326	5,020	1,985	254	**10,585**
Mrs. Agnes Lutukai	2,895	8,342	1,306	254	**12,797**
Mr. William Asiko	1,747	4,060	613	254	**6,674**
GRAND TOTAL [4]	**35,391**	**51,066**	**8,906**	**2,032**	**97,395**

Notes:
1. Other allowances include the telephone allowance, a meal allowance, and the duty day allowance.
2. Non-cash benefits include medical insurance cover cost and entitlement; club membership and professional indemnity cover cost.
3. Retired 31 August 2025
4. The amount includes fees, allowances, and other benefits in respect of KCB Bank Kenya Limited, National Bank of Kenya Limited, KCB Bank Tanzania Limited, KCB Bank South Sudan Limited, KCB Bank Uganda Limited, BPR Bank Rwanda PLC, KCB Bank Burundi Limited, KCB Investment Bank Limited, KCB Bancassurance Intermediary Limited and KCB Foundation. The Group Board nominates at least one member to sit on each subsidiary board. The amount relating to National Bank of Kenya covers the period up to the disposal date in May 2025.

ii. Non-Executive Directors fees, allowances and other benefits for the year ended 31 December 2024

Director's Name	Directors' fees Ksh '000'	Sitting allowance Ksh '000'	Other allowances [1] Ksh '000'	Non-cash benefit [2] Ksh '000'	Total Ksh '000'
Dr. Joseph Kinyua	8,923	4,000	720	239	**13,882**
C.S. National Treasury	3,200	-	-	-	**3,200**
Mr. Geoffrey Malombe	1,440	11,373	418	239	**13,470**
Mr. Lawrence Njiru	5,139	7,088	293	239	**12,759**
Mr. Ahmed Mohamud	5,465	6,891	360	682	**13,398**
Mrs. Alice Kirenge	4,505	6,402	180	338	**11,425**
Ms. Anuja Pandit	3,065	3,773	688	239	**7,765**
Mrs. Agnes Lutukai[3]	1,354	2,681	1,024	239	**5,298**
Mr. William Asiko[4]	429	974	45	-	**1,448**
GRAND TOTAL [5]	**33,520**	**43,182**	**3,728**	**2,215**	**82,645**

Notes:
1. Other allowances include the telephone allowance, a meal allowance, and the duty day allowance.
2. Non-cash benefits include medical insurance cover cost and entitlement; club membership and professional indemnity cover cost.
3. Appointed 1 March 2024.
4. Appointed 26 September 2024.
5. The amount includes fees, allowances, and other benefits in respect of KCB Bank Kenya Limited, National Bank of Kenya Limited, KCB Bank Tanzania Limited, KCB Bank South Sudan Limited, KCB Bank Uganda Limited, BPR Bank Rwanda PLC, KCB Bank Burundi Limited, KCB Investment Bank Limited, KCB Bancassurance Intermediary Limited and KCB Foundation. The Group Board nominates at least one member to sit on each subsidiary board.

iii. Executive Directors' Remuneration for the Year Ended 31 December 2025

Director's Name	Salary Ksh '000	Bonus Cash Ksh '000	Deferred Ksh '000	Allowances Ksh '000	Gratuity Ksh '000	Noncash benefit (1) Ksh '000	Total Ksh '000
Mr. Paul Russo	85,922	118,572	39,524	10,800	25,777	4,711	**285,306**
Mr. Lawrence Kimathi	58,778	51,578	17,192	2,413	17,634	177	**147,772**

Note:

1. Non-cash benefits include medical insurance cover, club membership and professional indemnity cover.

iv. Executive Directors' Remuneration for the Year Ended 31 December 2024

Director's Name	Salary Ksh '000	Bonus		Allowances Ksh '000	Gratuity Ksh '000	Non-cash benefit (1) Ksh '000	Total Ksh '000
		Cash Ksh '000	Deferred Ksh '000				
Mr. Paul Russo	80,301	98,770	32,923	9,600	24,090	4,491	**250,175**
Mr. Lawrence Kimathi	52,481	42,509	14,169	2,413	15,744	177	**127,493**

Note:

1. Non-cash benefits include medical insurance cover, club membership and professional indemnity cover.

BY ORDER OF THE BOARD

Lawrence Njiru
Chairman, Human Resources & Governance Committee

Date: 11 March 2026

Statement of Directors' Responsibility

The Companies Act, 2015 requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the Group and Company as at the end of the financial year and of their profit or loss for that year. The directors are responsible for ensuring that the Group and Company keep proper accounting records that are sufficient to show and explain the transactions of the Group and Company; disclose with reasonable accuracy at any time the financial position of the Group and Company; and that enables them to prepare financial statements of the Group and Company that comply with prescribed financial reporting standards and the requirements of the Companies Act, 2015. They are also responsible for safeguarding the assets of the Group and Company, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with IFRS Accounting Standards and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

i. designing, implementing, and maintaining internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.
ii. selecting suitable accounting policies and then apply them consistently; and
iii. making judgements and accounting estimates that are reasonable in the circumstances.

Having assessed the Group's and Company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Group's and Company's ability to continue as a going concern.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the board of directors on 11 March 2026 and signed on its behalf by:

Dr Joseph Kinyua
Chairman

Paul Russo
Chief Executive Officer

Agnes Lutukai
Director

Bonnie Okumu
Company Secretary

Report of the independent auditor to the shareholders of KCB Group Plc
Report on the financial statements

Opinion

We have audited the accompanying financial statements of KCB Group Plc (the Company) and its subsidiaries (together, the Group) set out on pages 154 to 269 which comprise the consolidated statement of financial position at 31 December 2025 and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, together with the Company statement of financial position at 31 December 2025, and the Company statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and the notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the Group and their Company at 31 December 2025 and of their financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act, 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as applicable to audits of financial statements of public interest entities and the ethical requirements that are applicable to our audit of financial statements in Kenya. We have also fulfilled our ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements, as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Report of the independent auditor to the shareholders of KCB Group Plc (continued)
Report on the financial statements (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Credit risk assessment and determination of expected credit losses on loans and advances at amortised cost As explained in Note 2.8, 3 (a) and 4 (a) of the financial statements, determining expected credit losses on loans and advances is complex, judgmental and involves significant estimation uncertainty. IFRS 9, Financial Instruments, requires the directors to measure expected credit losses on a forward-looking basis reflecting a range of future economic conditions. The standard adopts a 3-stage model approach where the loans and advances are categorised in stage 1, 2 and 3 depending on whether the facilities are performing, have experienced significant increase in credit risk or are in default. Changes to the assumptions and estimates used by management could generate significant fluctuations in the Group's financial results and materially impact the valuation of the portfolio of loans and advances. The calculation of the expected credit losses involves complex mathematical models that are prone to data integrity or configuration errors, or mathematical formulae errors. This is an area of focus because of significant impact on the calculation of the expected credit losses: • the judgments made to determine the categorization (staging) of individual loans and advances accounts in line with IFRS 9. In particular, the identification of Significant Increase in Credit Risk ("SICR") and Default requires consideration of quantitative and qualitative criteria. This is a key area of judgement as this determines whether a 12-month or lifetime PD is used; • the assumptions applied in deriving the probabilities of default (PDs), loss given default (LGD) and exposures at default (EAD) for the various segments of loans and advances. • the appropriateness of forward-looking information used in the models; and the mathematical logic, appropriateness and accuracy of the expected credit losses models used by the entities in the Group.	We evaluated the Group's methodology for determining expected credit losses, against the requirements of IFRS 9. Tested how the individual entities applied the system extracts of 'days past due (DPD)' report in categorising the loan book into the three stages required by IFRS 9. For a sample of loans, we recalculated the DPD applied in the model and agreed these to the DPD reports from the IT systems and the respective customer files. Reviewed judgments applied in the staging of loans and advances. Tested the completeness of restructured loans listing and, on a sample basis, assessed the rationale for the restructures and the appropriateness of their subsequent measurement in accordance with IFRS 9 requirements. Obtained an understanding of the basis used to determine the probabilities of default (PDs), loss given default (LGD) and exposures at default (EAD), including the cure rates and post write-off recovery rates for unsecured facilities. Tested the completeness and accuracy of the historical data used in derivation of PDs, LGDs and EADs, and re-calculated the outcomes on a sample basis. For LGD, we tested the assumptions on the timing of the cash flows based on historical empirical evidence. In addition, for secured facilities, we agreed the collateral values used in the ECL model to external valuers' reports. On a sample basis, we recomputed the EADs for both on and off-balance sheet exposures to check their reasonableness, including applying cash conversion factors. We also reviewed judgments applied in the staging of loans and advances. Corroborated the assumptions used for determination of forward-looking information (FLI) in the models using publicly available information. We also reviewed and evaluated the work of the component auditors of entities not audited by the Group audit team. Assessed the adequacy of the disclosures in the financial statements.

Report of the independent auditor to the shareholders of KCB Group Plc (continued)
Report on the financial statements (continued)

Other information

The other information comprises Corporate Information, Report of the directors, Directors' remuneration report and Statement of directors' responsibilities which we obtained prior to the date of this auditor's report, and the rest of the other information in the 2025 Integrated Report and Financial Statements which are expected to be made available to us after that date but does not include the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information we have received prior to the date of this auditor's report we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the rest of the other information in the 2025 Integrated Report and Financial Statements and we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the requirements of the Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

Report of the independent auditor to the shareholders of KCB Group Plc (continued)
Report on the financial statements (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the Group's financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other matters prescribed by the Companies Act, 2015

Report of the directors

In our opinion the information given in the Report of the directors on pages 141 to 142 is consistent with the financial statements.

Directors' remuneration report

In our opinion the auditable part of the directors' remuneration report on pages 146 to 148 has been properly prepared in accordance with the Companies Act, 2015

K. Saiti

FCPA Kang'e Saiti, Practicing Certificate Number 1652
Engagement partner responsible for the audit

For and on behalf of PricewaterhouseCoopers LLP
Certified Public Accountants
Nairobi
11 March 2026

Financial Statements
For the year ended 31 December 2025

Consolidated statement of profit or loss

	Note	2025 Ksh million	2024 Ksh million
Interest income	8	217,140	206,857
Interest expense	8	(59,497)	(69,622)
Net interest income		**157,643**	**137,235**
Fees and commission income	9	34,209	34,473
Fees and commission expense	9	(5,905)	(5,610)
Net fees and commission income		**28,304**	**28,863**
Net foreign exchange gain	10	11,111	16,648
Other operating income	11	6,141	4,778
Total income		**203,199**	**187,524**
Allowance for expected credit losses	12	(29,665)	(24,019)
Net gain / (loss) from financial assets at fair value through profit or loss	13	(139)	643
		(29,804)	(23,376)
Net operating income		**173,395**	**164,148**
Employee benefits	14	(37,241)	(35,490)
Depreciation and amortisation	15	(8,371)	(9,030)
Other operating expenses	16	(39,993)	(36,817)
Loss on monetary position	18	(877)	(2,333)
Share of net profit from associates accounted for using equity method	24	191	246
Profit before income tax		**87,104**	**80,724**
Income tax expense	19	(22,004)	(20,176)
Profit for the year from continuing operations		**65,100**	**60,548**
Profit from discontinued operation, net of tax	49 (b)	3,251	1,227
Profit for the period		**68,351**	**61,775**
Profit attributable to:			
Equity holders of the company		66,819	60,090
Non-controlling interest		1,532	1,685
		68,351	**61,775**
Profit attributable to owners of the Company arises from:			
Continuing operations		65,100	58,863
Discontinued operations		3,251	1,227
		68,351	60,090
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company:			
Basic earnings per share		19.81	18.33
Diluted earnings per share		19.81	18.33
Earnings per share for profit attributable to the ordinary equity holders of the company:	20		
Basic earnings per share		20.80	18.70
Diluted earnings per share		20.80	18.70

Financial Statements
For the year ended 31 December 2025

Consolidated statement of comprehensive income

	Note	2025 Ksh million	2024 Ksh million
Profit for the year		**68,351**	**61,775**
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of post-employment obligation	48	(319)	8
Income tax expense thereon	34	96	(2)
		(223)	**6**
Items that may be reclassified subsequently to profit or loss			
Currency translation differences on foreign operations		1,002	(17,102)
Gain/(loss) from fair value re-measurement of financial assets through other comprehensive income from continuing operations		7,437	8,692
Gain/(loss) from fair value re-measurement of financial assets through other comprehensive income from discontinued operations		694	2,108
Income tax expense thereon	34	(2,439)	(3,240)
		6,694	**(9,542)**
Other comprehensive loss for the year net of income tax		**6,471**	**(9,536)**
Total comprehensive income for the year		**74,822**	**52,239**
Total comprehensive income for the year is attributable to			
Equity holders of the company		73,290	52,186
Non-controlling interest		1,532	53
Total comprehensive income for the year		**74,822**	**52,239**
Total comprehensive income for the year is attributable to equity holders of the company arises from:			
Continuing operations		71,085	49,483
Discontinued operations		3,737	2,703
		74,822	**52,186**

Financial Statements
For the year ended 31 December 2025

Company statement of profit or loss and other comprehensive income

	Note	2025 Ksh million	2024 Ksh million
Dividend income	11	13,780	7,115
Interest income	8	832	379
Net foreign exchange (loss) / gain	10	(52)	(80)
Other operating income	11	5,117	1,167
Total income		**19,677**	**8,581**
Interest expense	8	(308)	(310)
Employee benefits	14	(1,256)	(1,073)
Depreciation and amortisation	15	(24)	(21)
Other operating expenses	16	(2,069)	(1,088)
Profit before income tax		**16,020**	**6,089**
Income tax expense	19	(183)	(113)
Profit for the year		**15,837**	**5,976**
Other comprehensive income, net of tax		-	-
Total comprehensive income for the year		**15,837**	**5,976**
Earnings per share (Ksh)	20		
Basic		**4.93**	**1.86**
Diluted		**4.93**	**1.86**

Financial Statements
For the year ended 31 December 2025

Consolidated statement of financial position

	Note	2025 Ksh million	2024 Ksh million
ASSETS			
Cash and balances with Central Bank	21	228,275	114,420
Loans and advances to banks	22	158,320	168,352
Assets classified as held for sale	49	-	148,805
Financial assets at fair value through other comprehensive income	23	172,172	165,310
Financial assets at fair value through profit or loss	28	46,324	19,438
Derivative financial assets	25	172	-
Financial assets at amortised cost	27	235,227	224,147
Other assets and prepayments	25	61,612	42,906
Loans and advances to customers at amortised cost	26	1,148,176	987,552
Loans and advances at fair value through profit and loss	26	3,400	2,861
Investment accounted for using equity method	24	1,054	837
Property and equipment	29	24,270	22,036
Investment property	30	7,184	14,436
Right-of-use assets	31	3,822	2,547
Intangible assets	32	18,596	14,944
Current income tax recoverable	19	2,135	-
Deferred income tax	34	36,467	33,729
TOTAL ASSETS		**2,147,206**	**1,962,320**
LIABILITIES AND EQUITY			
Liabilities			
Deposits from banks	35	63,163	43,017
Deposits from customers	36	1,592,612	1,381,975
Liabilities relating to assets held for sale	49	-	135,588
Payables and accrued expenses	37	51,063	36,209
Derivative liability	37	708	267
Lease liabilities	38	4,292	3,896
Current income tax payable	19	1,774	6,455
Post-employment benefits obligation	48	701	664
Borrowings	40	90,151	69,273
Deferred income tax	34	2,187	1,997
Total liabilities		**1,806,651**	**1,679,341**
Equity			
Share capital	41	3,213	3,213
Share premium		27,690	27,690
Statutory credit risk reserve	42	17,903	20,687
Other reserves	42	(17,155)	(24,588)
Proposed dividends		9,640	4,820
Retained earnings		290,175	243,066
Attributable to equity holders of the company		331,466	274,888
Non-controlling interest		9,089	8,091
Total equity		**340,555**	**282,979**
TOTAL LIABILITIES AND EQUITY		**2,147,206**	**1,962,320**

The financial statements set out on pages 154 to 269 were approved and authorised for issue by the Board of Directors on 11th March 2026 and were signed on its behalf by:

Dr. Joseph Kinyua
Chairman

Paul Russo
Chief Executive Officer

Agnes Lutukai
Director

Bonnie Okumu
Company Secretary

Financial Statements
For the year ended 31 December 2025

Company statement of financial position

	Note	2025 Ksh million	2024 Ksh million
ASSETS			
Cash and bank balances	21	8,292	1,389
Other assets and prepayments	25	3,431	379
Receivables from related parties	39	2,045	4,775
Loans and advances to customers at amortised cost	26	5,162	-
Loans and advances at fair value through profit or loss	26	-	1,062
Current income tax recoverable	19	-	52
Investment in subsidiaries	33	101,078	114,280
Deferred income tax	34	1,035	33
Intangible assets	32	6	9
Property and equipment	29	853	853
TOTAL ASSETS		**121,902**	**122,832**
LIABILITIES AND EQUITY			
Liabilities			
Payables and accrued expenses	37	4,567	900
Current income tax payable	19	482	-
Due to related parties	39	7,030	10,272
Total liabilities		**12,079**	**11,172**
Equity			
Share capital	41	3,213	3,213
Share premium		27,690	27,690
Proposed dividends	43	9,640	4,820
Retained earnings		69,280	75,937
Total equity		**109,823**	**111,660**
TOTAL LIABILITIES AND EQUITY		**121,902**	**122,832**

The financial statements set out on pages 154 to 269 were approved and authorised for issue by the Board of Directors on 11 March 2026 and were signed on its behalf by:

Dr. Joseph Kinyua
Chairman

Paul Russo
Chief Executive Officer

Agnes Lutukai
Director

Bonnie Okumu
Company Secretary

Financial Statements
For the year ended 31 December 2025

Consolidated statement of changes in equity

	Share capital Ksh million	Share premium Ksh million	Statutory credit risk reserve Ksh million	Other reserves Ksh million	Retained earnings Ksh million	Proposed dividends Ksh million	Total Ksh million	Non-controlling interest Ksh million	Total equity Ksh million
At 1 January 2025	3,213	27,690	20,687	(24,588)	243,066	4,820	274,888	8,091	282,979
Non-controlling interests from business acquisition	-	-	-	-	-	-	-	428	428
Profit for the year from continuing operations	-	-	-	-	63,568	-	63,568	1,532	65,100
Profit for the year from discontinuing operations	-	-	-	-	3,251	-	3,251	-	3,251
Other comprehensive income (net of taxes)									
Foreign currency translation differences for foreign operations	-	-	-	1,964	-	-	1,964	(962)	1,002
Net gain on fair value of financial assets at fair value through other comprehensive income (net of tax)	-	-	-	5,692	-	-	5,692	-	5,692
Transfer to statutory credit risk reserve	-	-	(2,784)	-	2,784	-	-	-	-
Re-measurement of post-employment benefit obligation (net of taxes)	-	-	-	(223)	-	-	(223)	-	(223)
Total comprehensive income	**-**	**-**	**(2,784)**	**7,433**	**69,603**	**-**	**74,252**	**998**	**75,250**
Transactions with owners recorded directly in equity									
Interim dividend paid in 2025	-	-	-	-	(12,854)	(4,820)	(17,674)	-	(17,674)
Final dividend proposed	-	-	-	-	(9,640)	9,640	-	-	-
Total contributions and distributions	**-**	**-**	**-**	**-**	**(22,494)**	**4,820**	**(17,674)**	**-**	**(17,674)**
At 31 December 2025	**3,213**	**27,690**	**17,903**	**(17,155)**	**290,175**	**9,640**	**331,466**	**9,089**	**340,555**

Financial Statements
For the year ended 31 December 2025

Consolidated statement of changes in equity

	Share capital Ksh million	Share premium Ksh million	Statutory credit risk reserve Ksh million	Other reserves Ksh million	Retained earnings Ksh million	Proposed dividends Ksh million	Total Ksh million	Non-controlling interest Ksh million	Total equity Ksh million
At 1 January 2024	3,213	27,690	17,152	(16,684)	196,151	-	227,522	8,038	235,560
Profit for the year	-	-	-	-	60,090	-	60,090	1,685	61,775
Other comprehensive income (net of taxes)									
Foreign currency translation differences for foreign operations	-	-	-	(15,470)	-	-	(15,470)	(1,632)	(17,102)
Net gain on fair value of financial assets at fair value through other comprehensive income (net of tax)	-	-	-	7,560	-	-	7,560	-	7,560
Transfer to statutory credit risk reserve	-	-	3,535	-	(3,535)	-	-	-	-
Re-measurement of post-employment benefit obligation (net of taxes)	-	-	-	6	-	-	6	-	6
Total comprehensive income	**-**	**-**	**3,535**	**(7,904)**	**(3,535)**	**-**	**(7,904)**	**(1,632)**	**(9,536)**
Transactions with owners recorded directly in equity									
Interim dividend paid in 2024	-	-	-	-	(4,820)	-	(4,820)	-	(4,820)
Final dividend proposed	-	-	-	-	(4,820)	4,820	-	-	-
Total contributions and distributions	**-**	**-**	**-**	**-**	**(9,640)**	**4,820**	**(4,820)**	**-**	**(4,820)**
At 31 December 2024	**3,213**	**27,690**	**20,687**	**(24,588)**	**243,066**	**4,820**	**274,888**	**8,091**	**282,979**

Financial Statements
For the year ended 31 December 2025

Company statement of changes in equity

	Share capital Ksh Million	Share premium Ksh Million	Retained earnings Ksh Million	Proposed dividends Ksh Million	Total Ksh Million
At 1 January 2025	3,213	27,690	75,937	4,820	111,660
Profit for the year	-	-	15,837	-	15,837
Other comprehensive income (net of taxes)					**-**
Net gain on fair value of financial assets at fair value through other comprehensive income (net of tax)	-	-	-	-	-
Total comprehensive income	**3,213**	**27,690**	**91,774**	**4,820**	**127,497**
Transactions with owners recorded directly in equity					
Dividend paid - Final FY24	-	-	-	(4,820)	(4,820)
Dividend paid – Interim and special FY25	-	-	(12,854)	-	(12,854)
Dividend proposed – Final FY25	-	-	(9,640)	9,640	-
Total contributions and distributions	**-**	**-**	**(22,494)**	**4,820**	**(17,674)**
At 31 December 2025	**3,213**	**27,690**	**69,280**	**9,640**	**109,823**

Company statement of changes in equity

	Share capital Ksh Million	Share premium Ksh Million	Retained earnings Ksh Million	Proposed dividends Ksh Million	Total Ksh Million
At 1 January 2024	3,213	27,690	79,601	-	110,504
Profit for the year	-	-	5,976	-	5,976
Other comprehensive income (net of taxes)					
Net gain on fair value of financial assets at fair value through other comprehensive income (net of tax)	-	-	-	-	-
Total comprehensive income	**-**	**-**	**5,976**	**-**	**5,976**
Transactions with owners recorded directly in equity					
Dividend paid - Interim FY24	-	-	(4,820)	-	(4,820)
Dividend proposed - Final FY24	-	-	(4,820)	4,820	-
Total contributions and distributions	**-**	**-**	**(9,640)**	**4,820**	**(4,820)**
At 31 December 2024	**3,213**	**27,690**	**75,937**	**4,820**	**111,660**

Consolidated statement of cashflows

	Note	2025 Ksh million	2024 Restated* Ksh million
Net cash flows from/ (used in) operating activities	**44**	**103,951**	**(135,786)**
Investing activities			
Proceeds from disposal of property and equipment		278	79
Purchase of intangible assets	32	(6,108)	(3,883)
Purchase of property and equipment	29	(4,048)	(6,252)
Disposal of subsidiary, net of cash disposed of	49(a)	(16,666)	
Net cash flows from/ (used in) investing activities		**(26,544)**	**(10,056)**
Financing activities			
Proceeds from borrowings	40	35,593	18,645
Payment of principal portion of borrowings	40	(14,563)	(11,292)
Payment of interest portion of borrowings	40	(5,547)	(5,004)
Payments of standby letters of credit	40	-	(12,400)
Payment of principal portion of lease liabilities	38	(1,646)	(2,380)
Dividends paid		(17,674)	(4,820)
Net cash flows used in financing activities		**(3,837)**	**(17,251)**
Increase/ (Decrease) in cash and cash equivalents		73,570	(163,093)
Cash and cash equivalents at start of year		329,257	495,021
Effects of foreign currency translation		2,072	(2,671)
Cash and cash equivalents at end of year	**44**	**404,899**	**329,257**

*See note 2.31 for details regarding the restatement as a result of change in KCB Bank Kenya Cash Reserve Ratio (CRR) treatment.

Net cash flows from discontinued operations are included in the categories above. Refer to note 49(a) for the disaggregation of these cash flows.

Company statement of cashflows

	Note	2025 Ksh million	2024 Ksh million
Net cash flows used in operating activities	**44**	**(2,014)**	**(1,791)**
Investing activities			
Purchase of property and equipment	29	(20)	(33)
Purchase of intangible assets	32	(1)	(9)
Disposal of subsidiary	49	12,832	-
Dividends from subsidiaries		13,780	7,115
Net cash flows from investing activities		**26,591**	**7,073**
Financing activities			
Dividends paid		(17,674)	(4,820)
Net cash flows from financing activities		**(17,674)**	**(4,820)**
Increase in cash and cash equivalents		6,903	462
Cash and cash equivalents at start of the year		1,389	927
Cash and cash equivalents at the end of the year	**44**	**8,292**	**1,389**

Notes

1. Reporting entity

KCB Group Plc is incorporated in Kenya under the Kenyan Companies Act, 2015 and has subsidiaries in Kenya, South Sudan, Tanzania, Uganda, Rwanda, Burundi and the Democratic Republic of Congo. The consolidated financial statements of the Company as at and for the year ended 31 December 2025 comprise the Group and its subsidiaries (together referred to as the "Group" and individually referred to as the "Company") and the Group's interest in associates. The address of its registered office is as follows:

Kencom House
Moi Avenue
P.O. Box 48400 - 00100
Nairobi, Kenya

The Company has a 100% ownership in KCB Bank Kenya Limited, Kenya Commercial Finance Company Limited, Savings & Loan Kenya Limited, Kenya Commercial Bank Nominees Limited, Kencom House Limited, KCB Bank Tanzania Limited, KCB Bank South Sudan Limited, KCB Bank Uganda Limited, KCB Bank Burundi Limited, KCB Bancassurance Intermediary Limited, KCB Investment Bank, 87.6% ownership in BPR Rwanda,85% ownership in Trust Merchant Bank SA (TMB),75% ownership in Riverbank Solutions, 20% ownership in Kenya Mortgage Refinance Company (KMRC) and a 45% ownership in United Finance Limited.

The shares of the Company are listed on the Nairobi Securities Exchange and cross listed in the Uganda Securities Exchange, Dar-es-Salaam Stock Exchange and Rwanda Stock Exchange.

2. Material accounting policies

2.1 Compliance with IFRS Accounting Standards

The financial statements of the Group have been prepared in accordance with IFRS Accounting Standards and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS Accounting Standards. The financial statements comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

For purposes of the Companies Act, 2015 reporting, the balance sheet is represented by the statement of financial position and the profit and loss account by the statement of profit or loss and the statement of other comprehensive income in these financial statements.

2.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for the following:

- Financial assets at fair value through profit or loss are measured at fair value.
- Financial assets at fair value through other comprehensive income are measured at fair value.
- Property and equipment, intangible assets and right of use assets are measured at historical cost less accumulated depreciation/ amortisation.
- Investment property is measured at fair value; and,
- The liability for defined benefit obligations is recognised as the present value of the defined benefit obligation less the net total of the plan assets, plus unrecognised actuarial gains less unrecognised past service cost and unrecognised actuarial losses.

2.3 Changes in accounting policies and disclosures

The accounting policies set out below have been applied consistently to all years presented on these financial statements and have been applied consistently by the Group.

i. New standards, amendments and interpretations effective and adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2025. These standards and amendments did not have a material impact on the financial statements of the Group.

Title	Effective date	Key requirements
Amendments to IAS 21 Lack of Exchangeability (Amendments to IAS 21)	Annual periods beginning on or after 1 January 2025 (Published August 2023)	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. This amendment did not have a material impact on the Group's financial statements.

The new published accounting standards and interpretations below are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group. This includes standards and amendments that would be effective based on new standards or amendments but local endorsement has resulted in a later effective date.

Notes (continued)
2. Material accounting policies (continued)
2.3 Changes in accounting policies and disclosures (continued)
ii. New standards, amendments and interpretations issued not yet effective

The following are IFRS sustainability standards effective 1 January 2024.

Title	Effective date	Key requirements
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	Annual periods beginning on or after 1 January 2024 subject to endorsement of the by local jurisdictions (Published June 2023)	IFRS S1 provides guidance on identifying sustainability-related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability-related risks and opportunities.
IFRS S2 Amendments to Climate-related Disclosures	Annual periods beginning on or after 1 January 2024 subject to lendorsement of the by local jurisdictions (Published June 2023)	IFRS S2 requires an entity to identify and disclose climate-related risks and opportunities that could affect the entity's prospects over the short, medium and long term. It also requires entities to consider specified industry metrics when disclosing qualitative and quantitative components on how the entity uses metrics and targets to measure, monitor and manage the identified material climate-related risks and opportunities.

In Kenya, the local regulators have set an effective date of 1 January 2027 for adoption of IFRS S1 and IFRS S2.

Title	Effective date	Key requirements
IFRS 18 Presentation and Disclosure in Financial Statements	Annual periods beginning on or after 1 January 2027 (Published April 2024)	IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, which are subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.
Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7	Annual periods beginning on or after 1 January 2026 (Published May 2024)	The Amendments include: A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Group is assessing the likely impact of the new standards and amendments not yet effective in its financial statements.

Notes (continued)
2. Material accounting policies (continued)
2.4 Basis of consolidation

i. Business Combinations
The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identified net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

ii. Subsidiaries
Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when the following conditions are met:
The Group has the current ability to direct key activities of the investee such as budgets, strategy or executive appointments.
The Group is entitled to benefits or is exposed to losses based on how well the investee performs.
The Group can use its decision-making power to influence the returns it receives.

De facto control may also exist where the Group holds less than a majority voting rights but can still direct relevant activities unilaterally due to dispersed shareholding or passive investors.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The subsidiaries are shown in Note 33.

iii. Non-controlling interest (NCI)
NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.
Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv. Loss of control
When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost. During the year, the Group disposed of 100% shares held in National Bank of Kenya Limited. The results of the derecognition are disclosed on note 49.

v. Interests in equity-accounted investees
The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence (20%-50% ownership), but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

vi. Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.5 Foreign Currency Translation
i. Functional and Presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which each subsidiary company operates ('the functional currency'). The functional currency for the Company is Kenyan Shillings. The financial statements are presented in Kenyan Shillings (Ksh), which is the Group's presentation currency.

ii. Foreign Currency Translations
Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit or loss within net foreign exchange gain. All other foreign exchange gains and losses are presented in the statement of profit or loss within 'other income' or 'other expenses.

Notes (continued)
2. Material accounting policies (continued)
2.5 Foreign Currency Translation (continued)

Changes in the fair value of monetary securities denominated in foreign currency classified as fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security.

Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss.

Translation differences on non-monetary financial assets, such as equities classified as fair value through other comprehensive income, are included in other comprehensive income.

iii. Group Companies
The results and financial position of all the group entities (two of which have the currency of a hyper-inflationary economy as at 31 December 2025) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. assets and liabilities of foreign subsidiaries are translated into Kenya Shillings at the rate of exchange ruling at the reporting date;
ii. income and expenses for each statement of comprehensive income are translated at the weighted average exchange rates for the period; and exchange differences arising on translation are recognised in other comprehensive income and accumulated in equity in the translation reserve.
iii. on disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is reclassified from equity to profit or loss when the gain or loss on disposal is recognised.

2.6 Recognition of income and expenses

i. Interest income and expenses
Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL. The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate.

Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. The effective interest rate is revised because of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest. The effective interest rate is also revised for fair value hedge adjustments at the date amortisation of the hedge adjustment begins.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

Interest income calculated using the effective interest method presented in the statement of profit or loss and other comprehensive income includes:
- interest on financial assets and financial liabilities measured at amortised cost;
- interest on debt instruments measured at fair value through other comprehensive income.

Interest expense presented in the statement of profit or loss and other comprehensive income includes financial liabilities measured at amortised cost.
Interest income and expense on other financial assets and financial liabilities at fair value through profit or loss (FVTPL) are presented in net income from other financial instruments at FVTPL

ii. Dividend income
Dividend income is recognised when the Group's right to receive payment is established.

Notes (continued)
2. Material accounting policies (continued)
2.6 Recognition of income and expenses (continued)

iii. Fees and commission income and expenses
Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate.

Other fee and commission income – including account servicing fees, investment management fees, sales commission, placement fees and syndication fees – is recognised as the related services are performed. If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment period.

A contract with a customer that results in a recognised financial instrument in the Group's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual. Other fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

iv. Net trading income
Net trading income comprises gains less losses related to trading assets and liabilities and includes all realised and unrealised fair value changes, interest and foreign exchange differences.

2.7 Income tax
Income tax expense comprises current income tax and change in deferred income tax.

i. Current income tax
Income tax expense is recognized in profit or loss except to the extent that it is related to items recognized directly in equity or other comprehensive income.

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years. The amount of tax payable or recoverable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

ii. Deferred Income tax
Deferred income tax is recognised on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except differences relating to the initial recognition of assets or liabilities in a transaction that is not a business combination, and which affects neither accounting nor taxable profit. It is also not recognised for temporary differences related to investments in subsidiaries and associates to the extent that it is probable that they will not reverse in the foreseeable future and the investor is able to control the timing of the reversal of the temporary difference.
Deferred income tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. A deferred income tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis, or their tax assets and liabilities will be realized simultaneously.

In determining the amount of current and deferred tax, the Group considers the impact of tax exposures, including whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities would impact tax expense in the period in which such a determination is made.

After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

2.8 Financial assets
2.8.1 Recognition and measurement
Financial assets are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Recognised financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at FVTPL) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss.

If the transaction price differs from fair value at initial recognition, the Group will account for such difference as follows:
- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e., day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e., day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

Notes (continued)
2. Material accounting policies (continued)
2.8 Financial assets (continued)

After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

2.8.2 Classification and Measurement

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL. Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit or loss. For all financial assets the amount presented on the statement of financial position represent all amounts receivable including interest accruals.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

i. Debt instruments at amortised cost or at FVTOCI

The Group assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Group's business model for managing the asset.

a. The Solely Payment of Principal and Interest (SPPI) Criterion

i. For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are SPPI. For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

b. Business model assessment

i. An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument; therefore, the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

ii. The Group has more than one business model for managing its financial instruments which reflect how the Group manages its financial assets in order to generate cash flows. The Group's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

iii. The Group considers all relevant information available when making the business model assessment. However, this assessment is not performed on the basis of scenarios that the Group does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. The Group considers all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- how managers of the business are compensated (e.g., whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

iv. At initial recognition of a financial asset, the Group determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Group reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Group has not identified a change in its business models.

c. Reclassifications

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Group's financial assets.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

d. Non-recourse loans

In some cases, loans made by the Group that are secured by collateral of the borrower limit the Group's claim to cash flows of the underlying collateral (non-recourse loans). The Group applies judgment in assessing whether the non-recourse loans meet the SPPI criterion. The Group typically considers the following information when making this judgement:

- whether the contractual arrangement specifically defines the amounts and dates of the cash payments of the loan;
- the fair value of the collateral relative to the amount of the secured financial asset;

Notes (continued)
2. Material accounting policies (continued)
2.8 Financial assets (continued)
2.8.2 Classification and Measurement (continued)
i. Debt instruments at amortised cost or at FVTOCI (continued)
d. Non-recourse loans (continued)

- the ability and willingness of the borrower to make contractual payments, notwithstanding a decline in the value of collateral;
- whether the borrower is an individual or a substantive operating entity or is a special-purpose entity;
- the Group's risk of loss on the asset relative to a full-recourse loan;
- the extent to which the collateral represents all or a substantial portion of the borrower's assets; and
- whether the Group will benefit from any upside from the underlying assets.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are:

- assets with contractual cash flows that are not SPPI; or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option
- derivative financial assets

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in profit or loss. Fair value is determined in the manner described in note 5- Fair value of financial instruments.

Reclassifications

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Group's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

2.8.3 Impairment of financial assets

The Group recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- loans and advances to banks;
- loans and advances to customers;
- debt investment securities;
- loan commitments issued; and
- financial guarantee contracts issued.

No impairment loss is recognised on equity investments.

a. Measurement of ECL

The Group measures ECLs on all financial assets within the scope of IFRS 9, except for Purchased Originated Credit Impaired (POCI) assets, which are addressed separately.
ECLs are a probability-weighted estimate of the credit losses, discounted to present value using the assets original EIR. Credit losses are calculated as the difference between the contractual cash flows due to the Group and the cash flows that the Group expects to receive arising from the weighting of multiple future economic scenarios.

ECLs are measured based on the credit risk stage of the financial instrument:

- **Stage 1:12-month ECL**, i.e. lifetime ECL that result from default events that are possible within 12 months after the reporting date.
- **Stage 2: Lifetime ECL**, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, and is applied when the credit risk has increased significantly since initial recognition
- **Stage 3: Lifetime ECL**. i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, and is applied when the asset is credit impaired. More details on the determination of a significant increase in credit risk are provided in note 3.
- **for undrawn loan commitments,** the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Group if the holder of the commitment draws down the loan and the cash flows that the Group expects to receive if the loan is drawn down; and
- **for financial guarantee contracts,** the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group expects to receive from the holder, the debtor or any other party.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

b. Unexpected events

When unexpected events occur, management shall make judgemental adjustments at both the customer and portfolio levels in order to account for model deficiencies and expert credit judgement application. Internal governance and controls measures shall be adhered to in order to monitor the post-model adjustments based on the economic performance in the midst of the pandemic.

The post model adjustments shall consider the following parameters when reviewing impairment:

- Declining performance in certain sectors of the economy
- Downward changes in credit ratings (both internal and external)
- Increased time to realization of collateral for some portfolios and sectors as well as reassessment of the quality of collateral
- Macroeconomic factors that have impacted the forward-looking estimates

Notes (continued)
2. Material accounting policies (continued)
2.8 Financial assets (continued)
2.8.3 Impairment of financial assets (continued)

c. Creditimpaired financial assets
A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Group considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a back- stop if amounts are overdue for 90 days or more.

d. Purchased or originated credit impaired (POCI) financial assets
POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Group recognises all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in profit or loss. A favourable change for such assets creates an impairment gain.

e. Definition of default
Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk (see note 3).
The Group considers the following as constituting an event of default:
- the borrower is past due more than 90 days on any material credit obligation to the Group or
- the borrower is unlikely to pay its credit obligations to the Group in full.
- This definition of default is used by the Group for accounting purposes as well as for internal credit risk management purposes and is broadly aligned to the regulatory definition of default. The definition of default is appropriately tailored to reflect different characteristics of different types of assets.
- Overdrafts are considered as being past due once the customer has breached an advised limit or has been advised of a limit smaller than the current amount outstanding.

f. Significant increase in credit risk
i. The Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.
ii. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information. See note 3 for more details about forward-looking information.
iii. Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.
iv. For corporate lending, forward-looking information includes the future prospects of the industries in which the Group's counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think- tanks and other similar organisations, as well as consideration of various internal and external sources of actual and forecast economic information. For retail, lending forward-looking information includes the same economic forecasts as corporate lending with additional forecasts of local economic indicators, particularly for regions with a concentration to certain industries, as well as internally generated information of customer payment behaviour.

Notes (continued)
2. Material accounting policies (continued)
2.8 Financial assets (continued)
2.8.3 Impairment of financial assets (continued)
f. Significant increase in credit risk (continued)

v. The Group allocates its counterparties to a relevant internal credit risk grade depending on their credit quality. The quantitative information is a primary indicator of significant increase in credit risk and is based on the change in lifetime PD by comparing:
» the remaining lifetime PD at the reporting date; with
» the remaining lifetime PD for this point in time that was estimated based on facts and circumstances at the time of initial recognition of the exposure.

The PDs used are forward-looking and the Group uses the same methodologies and data used to measure the loss allowance for ECL (please refer to Note 4).

The qualitative factors that indicate significant increase in credit risk are reflected in PD models on a timely basis. However, the Group still considers separately some qualitative factors to assess if credit risk has increased significantly. For corporate lending there is particular focus on assets that are included on a 'watch list' given an exposure is on a watch list once there is a concern that the creditworthiness of the specific counterparty has deteriorated. For retail lending the Group considers the expectation of forbearance and payment holidays, credit scores and events such as unemployment, bankruptcy, divorce or death. Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the PD will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

As a back- stop when an asset becomes 30 days past due, the Group considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL. In addition, loans that are individually assessed and are included on a watch list are in stage 2 of the impairment model. As noted, if there is evidence of credit-impairment the assets are at stage 3 of the impairment model.

More information about significant increase in credit risk is provided in Note 4.

2.8.4 Modification and derecognition of financial assets
a. A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset.
b. When a financial asset is modified the Group assesses whether this modification results in derecognition. In accordance with the Group's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Group considers the following:
- Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or when rights to cash flows between the original counterparties expire because a new debtor replaces the original debtor (unless both debtors are under common control), the extent of change in interest rates, and maturity. If these do not clearly indicate a substantial modification, then
- A quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest. If the difference in present value is greater than 10%, the Group deems the arrangement as substantially different leading to derecognition.

c. In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms shall lead to a gain or loss on derecognition. The new financial asset shall have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated- credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

d. When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Group determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:
- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
- the remaining lifetime PD at the reporting date based on the modified terms.

2.8.5 Write-off
Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities shall result in impairment gains, which shall be presented in 'net impairment loss on financial assets' in the statement of profit or loss.

Notes (continued)
2. Material accounting policies (continued)
2.8 Financial assets (continued)

2.8.6 Presentation of allowance for ECL in the statement of financial position
Loss allowances for ECL are presented in the statement of financial position as follows:
a. for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
b. for debt instruments measured at FVTOCI: no loss allowance is recognised in the statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investment's revaluation reserve;
c. for loan commitments and financial guarantee contracts: as a provision; and where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component:
d. The Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

2.9 Financial liabilities

2.9.1 Recognition and measurement
The Group recognises a financial liability when it becomes party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value, net of transaction costs where applicable.

Subsequent measurement is based on the classification of the liability:
a. Financial liabilities at amortised cost are measured using effective interest method. These include trade payables, borrowings and other financial obligations not held for trading.
b. Financial liabilities at fair value through profit or loss (FVTPL) are remeasured at fair value at each reporting date, with gains and losses recognised in profit or loss.

Derecognition occurs when the obligation is discharged, cancelled, or expires.

2.9.2 Classification and Measurement
Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities. For all financial liabilities the amount presented on the statement of financial position represent all amounts payable including interest accruals.

a. Financial Liabilities at FVTPL
i. Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading, or (ii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:
- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a Group of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Group is provided internally on that basis; or
- it forms part of a hybrid (combined) contract, containing one or more embedded derivatives that significantly modifies the cash flows of the contract, or it is clear with little or no analysis that separation of the embedded derivative is not prohibited.

ii. Financial liabilities at FVTPL are stated at fair value, with any gains/ losses arising on remeasurement recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain/loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'net income from other financial instruments at FVTPL' line item in the profit or loss account.
iii. However, for non-derivative financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in OCI are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.
iv. For issued loan commitments and financial guarantee contracts that are designated as at FVTPL all gains and losses are recognised in profit or loss.
v. In making the determination of whether recognising changes inthe liability's credit risk in OCI will create or enlarge an accounting mismatch in profit or loss, the Group assesses whether it expects that the effects of changes in the liability's credit risk will be offset in profit or loss by a change in the fair value of another financial instrument measured at FVTPL.

Notes (continued)
2. Material accounting policies (continued)
2.9 Financial liabilities (continued)
2.9.2 Classification and Measurement (continued)

b. Other financial liabilities
Other financial liabilities, including deposits and borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of financial liability and of allocating interest expense over the relevant period. EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. For details on EIR see the "net interest income section" above.

2.9.3 Modification and derecognition of financial liabilities
a. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of financial liability derecognised and the consideration paid and payable is recognised in profit or loss.
b. When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. To determine if the modified terms of liability are substantially different to the original terms a similar process with modification of financial assets is followed.
c. The modification is assessed at first on a qualitative basis, factors such as a change in currency or the introduction of a non-closely related embedded derivative that significantly modifies the cash flows are regarded as substantially different. If it is not clear from the qualitative assessment that a modification has resulted in a substantial change in a financial liability, a quantitative assessment is applied. It is assumed that the terms of the financial liability are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.
d. If the modification is not substantial, the Group recalculates the amortised cost of the modified financial liability by discounting the modified contractual cash flows using the original effective interest rate. The Group recognises any adjustment to the amortised cost of the financial liability in profit or loss as income or expense at the date of the modification. The financial liability modification gain/loss is not significant for the Group. Modification gains are presented in 'other income' and modification losses are presented in 'other expenses' in the profit or loss account.

2.9.4 Offsetting financial assets and liabilities
Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS Standards, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

2.10 Property and equipment

i. Recognition and measurement
Items of property and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

Costs include expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.
Right of use assets are recognized at the commencement of the lease contract and is measured at cost less accumulated depreciation and accumulated impairment.

Property and equipment are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset or at the expiration of a lease contract for right of use assets. Gains and losses arising on disposal of an item of property and equipment are determined by comparing the net proceeds from disposal with the carrying amount of the item and are recognised net within 'other operating income' in profit or loss.

ii. Depreciation
Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each class of property and equipment. The annual depreciation rates in use are:

Freehold land	Nil
Lease premises and leasehold improvements	Rates based on the shorter of the lease term or estimated useful lives
Motor vehicles	25%
Furniture and fittings	10%
Office equipment	20%
Computers	20%

The residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each reporting date. Changes in the expected useful life, residual values or methods of depreciation are accounted for as changes in accounting estimates.

Notes (continued)
2. Material accounting policies (continued)
2.10 Property and equipment (continued)

iii. Subsequent costs
Subsequent expenditure is capitalized only when it is probable that future economic benefits of the expenditure will flow to the Group. Recurring repairs and maintenance costs are expensed as incurred.

2.11 Intangible assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

Intangible assets with finite lives are amortized on a straight-line basis in profit or loss over their estimated useful economic lives, from the date that they are available for use.

The amortisation method, useful life and the residual value are reviewed at each reporting date and adjusted if appropriate. Changes in the expected useful life, residual value or amortisation method are accounted for as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

The useful lives of intangible assets are assessed to be either finite or indefinite. Costs associated with maintaining computer software programme are recognised as an expense as incurred. However, expenditure that enhances or extends the benefits of computer software programme beyond their original specifications and lives is recognised as a capital improvement and added to the original cost of the software. Computer software development costs recognised as assets are amortized using the straight-line method over a period of five years.

Intangible assets arising from business combinations include brands, customer relationships, and core deposits. Details of how these assets are determined are described in note 32.

2.12 Leases
At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

The Group leases several retail network premises (branches) and vehicles. The branch leases typically run for a period of 6 years, with an option to renew the lease after that date. Lease payments are renegotiated after the expiry of the lease to reflect market rental values. Some leases provide for additional rent payments that are based on changes in local price indices. Leases for the vehicles typically run for a period of two years with no renewal options.

i. Group as a lessee
At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Practical expedients applied
In applying IFRS 16, the Group has used the following practical expedients permitted by the standard:
- applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review;
- accounting for operating leases with a remaining lease term of less than 12 months as short-term leases;
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Notes (continued)
2. Material accounting policies (continued)
2.12 Leases (continued)
i. Group as a lessee (continued)

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii. Group as a lessor
At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone selling prices. When the Group acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for a major part of the economic life of the asset.

The Group applies the derecognition and impairment requirements in IFRS 16 to the net investment in the lease (see Note 38). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

2.13 Impairment of non-financial assets
The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in profit or loss in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

2.14 Employee benefits
The Group operates both a defined contribution plan and defined benefit plan.

i. Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as staff costs in profit or loss in the periods during which related services are rendered. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Group also contributes to the statutory defined contribution in the various countries in which it operates. The Group's contribution to these schemes is charged to the income statement.

ii. Defined benefit plans
The Group's net obligation in respect of defined benefit plan is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of the economic benefits available in the form of any refunds from the plan or deductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which compromise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognised immediately in other comprehensive income.

Notes (continued)
2. Material accounting policies (continued)
2.14 Employee benefits (continued)
ii. Defined benefit plans (continued)

The Group determines the net interest (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during a period as a result of contributions and benefit payments.

Net interest expense and other expenses related to the defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that employees have earned in return for their service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on settlement of a defined benefit plan when the settlement occurs.

iii. Other post – employment obligations
The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the periods in which they arise.

iv. Short-term benefits
Short-term benefits consist of salaries, bonuses and any non-monetary benefits such as medical aid contributions and free services. They exclude equity-based benefits and termination benefits.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

v. Termination benefits
Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

2.15 Fiduciary assets
When the Group or/and its subsidiaries acts in a fiduciary capacity such as a nominee or agent, assets and income arising thereon with related undertakings to return such assets to customers are excluded from these financial statements.

2.16 Contingent liabilities and loan commitments
Letters of credit, acceptances, guarantees and performance bonds are disclosed as contingent liabilities. Estimates of the outcome and the financial effect of contingent liabilities is made by management based on the information available up to the date that the financial statements are approved for issue by the Directors.

Loan commitments are firm commitments to provide credit under pre-specified terms and conditions.

2.17 Earnings per share
Basic and diluted earnings per share (EPS) data for ordinary shares are presented in the financial statements. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any. Refer to note 20.

2.18 Dividends
Dividends are recognised as a liability in the period in which they are declared and approved.

2.19 Sale and repurchase agreements
Securities sold under sale and repurchase agreements (Repos) are retained in the financial statements with the counterparty liability included in amounts due to banking institutions. Securities purchased from the various Central Banks under agreement to resell (reverse Repos), are disclosed as treasury bills as they are held to maturity after which they are repurchased and are not negotiable or discounted during the tenure.

The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

2.20 Related parties
This relates to transactions entered into between groups entities at arms-length.

2.21. Segment Reporting
An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Group's Management Committee (being the chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

Notes (continued)
2. Material accounting policies (continued)

2.22 Share capital and reserves
Ordinary shares are classified as share capital in equity. Any premium received over and above the par value of the shares is classified as share premium.

2.23 Provisions
A provision is recognised when a past event creates a present legal or constructive obligation, the amount can be estimated reliably, and it is probable that the Group will need to settle it. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

2.24 Fair value measurements
IFRS 13, Fair Value Measurement, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). That definition of fair value emphasizes that fair value is a market-based measurement, not an entity-specific measurement.

When measuring fair value, an entity uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk.
As a result, an entity's intention to hold an asset or to settle or otherwise fulfil a liability is not relevant when measuring fair value. The standard explains that a fair value measurement requires an entity to determine the following:

- the particular asset or liability being measured;
- for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis;
- the market in which an orderly transaction would take place for the asset or liability; and
- the appropriate valuation technique(s) to use when measuring fair value. The valuation technique(s) used should maximise the use of relevant observable inputs and minimise unobservable inputs. Those inputs should be consistent with the inputs a market participant would use when pricing the asset or liability.

2.25 Cash and cash equivalents
Cash and cash equivalents include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

2.26 Investment property
Investment property relate to collateral (mainly properties) transferred to the bank to extinguish outstanding loan balances which are in default. The Group holds these properties for a considerable period of time in expectation of capital appreciation.

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. The gain or loss on disposal of investment property is recognised in profit or loss. The fair value of investment property is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

2.27 Investment in associates
Associates are all entities over which the Group has significant influence but not control or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. This is generally the case where the Group holds between 20% and less than 50% of the voting rights of the entity. In assessing existence of significant influence, the Group considers among other parameters whether there is:

- Representation on the board of directors or equivalent governing body of the investee;
- Participation in the policy-making process and material transactions between the investor and the investee;
- Interchange of managerial personnel between the investor and the investee; and
- Provision of essential technical information by the investor to the investee

Equity method
Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividend received or receivable from associates are recognised as a reduction in the carrying amount of the investment. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides

Notes (continued)
2. Material accounting policies (continued)
2.27 Investment in associates (continued)

evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

In certain instances, the requirement that significant influence arises from a 20% or more in investments can be invalidated where an entity can demonstrate that it does not have significant influence, or there is demonstrable presence of significant influence in an investment of less than 20% based on the above assessment criteria.

Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

2.28 Derivative financial Instruments
The Group engages in derivative financial instruments as part of its trading operations and risk management framework. The primary derivatives utilized include foreign exchange forwards and cross-currency swaps. These instruments are employed to mitigate exposure to interest rate, and foreign currency fluctuations, and liquidity risks across the Group's balance sheet and customer-driven activities.

Derivatives are initially recognized at fair value on the trade date and are subsequently remeasured at fair value at each reporting date. The determination of fair value is based on observable inputs including forward exchange rates, yield curves, and prevailing interest rate benchmarks as at the balance sheet date.The Group's derivatives do not qualify for hedge accounting under IFRS. Accordingly, changes in fair value are recognized immediately in the Statement of Profit or Loss within net trading income.

Derivative assets and liabilities are offset and presented on a net basis only when the Group has a legally enforceable right to set off the recognized amounts and intends to settle on a net basis. Derivatives are derecognized when the contractual rights and obligations expire, are exercised, or are terminated

2.29 Non-current assets held for sale
Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell except for those assets and liabilities that are not within the scope of the measurement requirements of IFRS 5.

2.30 Comparatives
Except otherwise required, all amounts are reported or disclosed with comparative information. Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

2.31 Restatement of presentation of cashflow
Banks in Kenya are required to maintain with the Central Bank of Kenya, a mandatory Cash Reserve Ratio (CRR) of 3.25% of their domestic and foreign currency deposit liabilities. Previously, these were excluded from the cash and cash equivalents. Following a reassessment of IAS 7, Banks are now required to include CRR as part of cash and cash equivalents, as they are demand deposits accessible on demand, with restrictions relating to use rather than access. The Group has adopted this requirement, resulting in a prior-period restatement of the Consolidated Statement of cashflows. The restatement has no impact on the Consolidated Statement of financial position, Consolidated Statement of Profit or Loss and Other Comprehensive Income, and Consolidated Statement of Changes in Equity.

Line Item	As previously stated	Adjustment (CRR)	As restated
	2024		2024
	Ksh million	Ksh million	Ksh million
Net Cash from Operating Activities*	(131,189)	(4,597)	(135,786)
(Decrease)/increase in Cash & Cash Equivalents	(158,496)	(4,597)	(163,093)
Cash and cash equivalent at start of year**	459,637	35,384	495,021
Cash and cash equivalent at end of year	299,284	29,973	329,257

* The adjustment reflects the removal of the Central Bank of Kenya related movement in Cash Reserve Ratio(CRR) balances from operating working capital changes.
** Includes the KCB Kenya CRR balance as at 1 January 2024.

Notes (continued)
3. Critical judgements in applying the Group's accounting policies

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

a. Judgments
The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements:

i. **Business model assessment:** Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets and liabilities sections of note 1). The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

ii. **Significant increase of credit risk:** As explained in note 2, ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information. Refer to note 4(a) for more details.

Establishing groups of assets with similar credit risk characteristics: When ECLs are measured on a collective basis, the financial instruments are ranked on the basis of shared risk characteristics. The Group monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets.

This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.

iii. **Models and assumptions used:** The Group uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk. See note 1 and note 4 for more details on ECL and note 5 for more details on fair value measurement.

Internal governance and controls were put in place in order to monitor the post-model adjustments based on the economic performance in the midst of the pandemic.

b. Assumptions and estimation uncertainties
The information relating to assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment in the financial statements are set out below.

i. Impairment losses on loans and advances
The estimation of potential credit losses is inherently uncertain and depends upon many factors, including general economic conditions, changes in individual customers' circumstances, structural changes within industries that alter competitive positions and other external factors such as legal and regulatory requirements.

Impairment is measured for all accounts that are identified as non-performing. All relevant considerations that have a bearing on the expected future cash flows are taken into account which include but not limited to future business prospects for the customer, realizable value of securities, the Group's position relative to other claimants and the existence of any court injunctions placed by the borrower. Subjective judgments are made in this process of cash flow determination both in value and timing and may vary from one person to another and team to team. Judgments may also change with time as new information becomes available.

The Group reviews its loans and advances at each reporting date to assess whether an allowance for impairment should be recognized in profit or loss. In particular, judgment by the Directors is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on the assumptions about a number of factors and actual results may differ, resulting in future changes in the allowance.

Notes (continued)
3. Critical judgements in applying the Group's accounting policies (continued)
b. Assumptions and estimation uncertainties (continued)
i. Impairment losses on loans and advances (continued)

The Group also makes a collective impairment measurement for exposures which, although not specifically identified as non-performing, have an inherent risk of default. The portfolio constitutes a large number of loan and advances accounts cutting across various industries. Assets with similar risk characteristics are ranked together for the purpose of determining the collective impairment in the Group.

The following are key estimations that the directors have used in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements:

a. Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and determining the forward-looking information relevant to each scenario.
b. When measuring ECL the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Refer to Note 4 for more details, including analysis of the sensitivity of the reported ECL to changes in estimated forward-looking information.
c. Probability of default: PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. See note 4 for more details, including analysis of the sensitivity of the reported ECL.
d. Loss Given Default: LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. See note 4 for more details, including analysis of the sensitivity of the reported ECL to changes in LGD resulting from changes in economic drivers.
e. Fair value measurement and valuation process: In estimating the fair value of a financial asset or a liability, the Group uses market-observable data to the extent it is available. Where such Level 1 inputs are not available the Group uses valuation models to determine the fair value of its financial instruments. Refer to note 5 for more details on fair value measurement.

ii. Impairment losses on financial assets measured at amortized cost and FVOCI

In accordance with IFRS 9, the Group recognizes impairment losses on a forward-looking basis, using the Expected Credit Loss (ECL) model. Government securities are classified as financial assets measured at amortized cost or at fair value through other comprehensive income (FVOCI). The Group applies the general approach for recognizing impairment and the ECL is measured as the probability-weighted estimate of credit losses over the expected life of the financial instrument.

Key assumptions adopted in the determination of the ECL are:

- Default likelihood: The Group relies on sovereign and corporate rating-based default studies conducted by S&P Global. The 12-month likelihood of default is determined from the global average issuer rated default transitions over a 1-year period. The Group considers these assets to be of investment grade based on the fact that there has been no historical instance of default as such the estimated probabilities of default are considered very low.
- Recovery: The recovery assumption adopted is directly linked to market perception and liquidity characteristics of government securities. At current market conditions, the bank holds the view that these assets are marketable and can be sold and disposed in the secondary market without any material difficulty.

The carrying amount of government securities is adjusted for the impairment losses recognized.

When measuring ECL for government securities, management uses external credit ratings as proxies to infer approximate PDs. The securities are held by institutions that are highly rated and therefore considered low risk.

(iii) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer liability in orderly transaction between market participants at the measurement date.

All financial instruments are initially recognized at fair value, which is normally the transaction price. Subsequent to initial recognition, some of the Group's financial instruments are carried at fair value. The fair values of quoted financial instruments in active markets are based on current prices with no subjective judgments. If the market for a financial instrument does not exist or is not active including for unlisted securities, the Group establishes fair value by using valuation techniques.

These include the use of recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. Where representative prices are unreliable because of illiquid markets, the determination of fair value may require estimation of certain parameters, which are calibrated against industry standards and observable market data, or the use of valuation models that are based on observable market data.

The fair value for the majority of the Group's financial instruments is based on observable market prices or derived from observable market parameters. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Notes (continued)
3. Critical judgements in applying the Group's accounting policies (continued)
b. Assumptions and estimation uncertainties (continued)

(iv) Retirement benefits

The cost of the defined benefit pension plan is determined using actuarial valuation. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty and a change in any of the assumptions will alter the carrying amount of pension obligations.
The assumptions used in determining the net cost (income) for pensions include the discount rate. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations.

In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability. Other key assumptions for pension obligations are based in part on current market conditions. Refer to note 48 for more information including sensitivity analysis on key parameters.

4. Financial risk management

The Group's activities expose it to a variety of financial risks, including credit risk, liquidity risk, market risks and operational risks. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors of the Group has established the Audit, Risk and Compliance, Nominations & Governance, Strategy & Oversight and People and Remuneration Committees, which are responsible for developing and monitoring the Group risk management policies in their specified areas. All Board committees have both executive and non-executive members and report regularly to the Board of Directors on their activities.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Risk and Compliance Committee is responsible for monitoring compliance with the Group's risk management policies and procedures and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Group. The Committee is assisted in these functions by a Risk and Compliance department which undertake reviews of risk management controls and procedures, the results of which are reported to the Risk Committee.

4.Financial risk management

(a) Credit risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's main income generating activity is lending to customers and therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances to customers and other banks (including related commitments to lend such as loan or credit card facilities), investments in debt securities and derivatives that are an asset position. The Group considers all elements of credit risk exposure such as counterparty default risk, geographical risk and sector risk for risk management purposes.

For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure.

The Group maintains oversight over the management of credit risk within each subsidiary by:

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business unit credit officers. Larger facilities require approval by the Management Credit Committee or the Board Credit Committee as appropriate.
- Reviewing and assessing credit risk. The Subsidiary credit departments assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- Limiting concentrations of exposure to counterparties, geographies and industries (for loans and advances), and by issuer, credit rating band, market liquidity and country (for investment securities).
- Developing and maintaining the Group's risk gradings in order to categorise exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks. The risk grading system is used in determining where impairment provisions may be required against specific credit exposures.
- The current risk grading framework consists of eight grades reflecting varying degrees of risk of default and the availability of collateral or other credit risk mitigation. The responsibility for setting risk grades lies with the final approving executive / committee as appropriate. Risk grades are subject to regular reviews by the Board Credit Committee.
- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports are provided to the credit department on the credit quality of local portfolios and appropriate corrective action is taken.
- Providing advice, guidance and specialist skills to business units to promote best practice throughout the Group in the management of credit risk

Notes (continued)
4. Financial risk management(continued)
a. Credit risk (continued)

Significant increase in credit risk
The Group monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

Internal credit risk ratings
In order to minimise credit risk, the Group has tasked its subsidiary credit management committees to develop and maintain the Group's credit risk grading to categorise exposures according to their degree of risk of default. The credit risk grading framework comprises five categories. The credit rating information is based on a range of data that is determined to be predictive of the risk of default and applying experienced credit judgement. The nature of the exposure and type of borrower are taken into account in the analysis. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default.

The credit risk grades are designed and calibrated to reflect the risk of default as credit risk deteriorates. As the credit risk increases the difference in risk of default between grades changes. Each exposure is allocated to a credit risk grade at initial recognition, based on the available information about the counterparty. All exposures are monitored and the credit risk grade is updated to reflect current information. The monitoring procedures followed are both general and tailored to the type of exposure. The following data are typically used to monitor the Group's exposures:
- Delinquency in contractual payments of principal or interest;
- Cash flow difficulties experienced by the borrower;
- Breach of loan covenants or conditions;
- Initiation of Bank bankruptcy proceedings;
- Deterioration of the borrower's competitive position; and
- Deterioration in the value of collateral.

The Group uses credit risk grades as a primary input into the determination of the term structure of the PD for exposures. The Group collects performance and default information about its credit risk exposures analysed by jurisdiction or region and by type of product and borrower as well as by credit risk grading. The information used is both internal and external depending on the portfolio assessed.
The table below provides a mapping of the Group's internal credit risk grades.

Group's credit risk grades	Description	IFRS 9 Classification
10	Normal risk	Stage 1
20	Watch risk	Stage 2
30	Substandard risk	Stage 3
40	Doubtful risk	
50	Loss	

The Group analyses all data collected using statistical models and estimates the remaining lifetime PD of exposures and how these are expected to change over time. The factors taken into account in this process include macro-economic data such as GDP growth, unemployment, benchmark interest rates and house prices. The Group generates a 'base case' scenario of the future direction of relevant economic variables for each region as well as a representative range of other possible forecast scenarios. The Group then uses these forecasts, which are probability-weighted, to adjust its estimates of PDs.

The Group uses different criteria to determine whether credit risk has increased significantly per portfolio of assets. The criteria used are both quantitative changes in PDs as well as qualitative. The table below summarizes per type of asset the range above which an increase in lifetime PD is determined to be significant, as well as some indicative qualitative indicators assessed.

Corporate exposures	Retail exposures	All exposures
Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality of management, senior management changes. Data from credit rating agencies, press articles, changes in external credit ratings. Quoted bond and credit default swap (CDS) prices for the borrower where available. Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities.	Internally collected data on customer behaviour – e.g. utilisation of credit card facilities. Affordability metrics. External data from credit reference agencies, including industry-standard credit scores.	Payment record – this includes overdue status as well as a range of variables about payment ratios. Utilisation of the granted limit. Requests for and granting of forbearance. Existing and forecast changes in business, financial and economic conditions.

The risk ratings are composed of a combination of the risk factors below. Each Risk factor has parameters which are assessed, weighted and the total score in each is mapped onto a rating.

Notes (continued)
4. Financial risk management(continued)
a. Credit risk (continued)
Internal credit risk ratings (continued)

Risk Factor	Description	Weight
Financial Risk	Is the assessment of entity's assets & liabilities structure (i.e. the mix of long- and short-term debt, maturity structure, interest rates, collateralization and other elements), cash flows and P&L in the light of current financing conditions.	50%
Company	Is the assessment of the size and scope of the rated entity, which often drives its diversification in terms of products, customers and geography	10%
Management	Is the assessment of the quality and experience of the management team as well as its strategic objectives in light of the sector specifics.	10%
Banking Relationship	Is the assessment of the current and historical behavior of the entity's with bank products	20%
Industry	Is the assessment of entity's future market, regulatory environment and industry environment with insights into competition, entry barriers and trends .	10%

The table below provides an indicative mapping of how the Group's internal credit risk grades relate to PD and, for the wholesale portfolio, to external credit ratings of Moody's and S&P.

Corporate
The corporate portfolio of the Group is comprised of loans and advances to banks, public sector entities, sovereigns, corporates and other businesses.

Staging	12-month weighted-average PD	Internal risk rating	Days past due
Grade 10	0.86%	AAA to A	0 - 30 days
Grade 20	29.00%	B- to C	31 – 89 days
Grade 30 – Grade 50	100%	Default	90 days and above

Retail & Mortgage

The retail portfolios are comprised of mortgage lending, personal loans, micro small and medium (MSME) lending and credit cards.

Staging	12-month weighted-average PD	12-month weighted-average PD
	Personal loans	Mortgage loans
Grade 10	7.16%	8%
Grade 20	47.94%	42%
Grade 30 – Grade 50	100.00%	100%

Loan commitments are assessed along with the category of loan the Group is committed to provide, i.e. commitments to provide mortgages are assessed using similar criteria to mortgage loans, while commitments to provide a corporate loan are assessed using similar criteria to corporate loans.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group has monitoring procedures in place to make sure that the criteria used to identify significant increases in credit are effective, meaning that significant increase in credit risk is identified before the exposure is defaulted or when the asset becomes 30 days past due. The Group performs periodic back-testing of its ratings to consider whether the drivers of credit risk that led to default were accurately reflected in the rating in a timely manner.

Notes (continued)
4. Financial risk management(continued)
a. Credit risk (continued)

Relationship between the Group's internal credit ratings and external ratings
The Group's rating method comprises 2 rating levels for instruments not in default (Stage 1 & 2) and one default class (stage 3).

The rating methods are subject to annual validation and recalibration so that they reflect the latest projections in the light of observed default trends. The Group's quantitative credit quality grading as compared to Central Bank of Kenya's prudential guidelines grading is summarised in the table below.

Staging	CBK grading	Days past due	Credit quality
Stage 1	Normal	Up to date within contractual terms or has less than 30 days arrears	Performing
Stage 2	Watch	31 to 90 days	Under-performing
Stage 3	Substandard	91 to 180 days	In default
	Doubtful	181 to 360 days	
	Loss	above 360 days	

In addition to the standard credit ratings above, the Group also utilises other qualitative information relating to counterparties to determine their internal credit grading.

Incorporation of forwardlooking information
The Group uses forward-looking information that is available without undue cost or effort in its assessment of significant increase of credit risk as well as in its measurement of ECL. The Group employs experts who use external and internal information to generate a 'base case' scenario of future forecasts of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data and forecasts published by governmental bodies and monetary authorities.

The Group applies probabilities to the forecast scenarios identified. The base case scenario is the single most likely outcome and consists of information used by the Group for strategic planning and budgeting. The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using a statistical analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The Group has not made changes in the estimation techniques or significant assumptions made during the reporting period.

The key, identified macroeconomic drivers for credit risk for the Group are :-

Corporate Portfolio	Consumer price index inflation, 2010=100, eop	Lending rate, %, average	Nominal GDP per capita, USD
Retail Portfolio	Total debt service per capita, USD	Nominal GDP per capita, LCU	Private final consumption per capita, USD
Mortgage Portfolio	Consumer price index inflation, 2010=100, average	Goods and services imports, LCU	Lending rate, %, eop

The tables below summarises the principal macroeconomic indicators included in the economic scenarios used at 31 December 2025 for the years 2026 to 2030, for Kenya, Tanzania, Uganda, Rwanda, South Sudan, DRC Congo and Burundi which are the countries where the Group operates and therefore is the country that has a material impact in ECLs.

Kenya

Corporate					
Macro-economic factor	2026	2027	2028	2029	2030
Capital expenditure USD	(0.2386497)	1.1710822	2.8680260	3.6889460	4.4975857
Import cover months	0.3773678	0.5832048	0.8478524	0.8184471	0.7890419
Manufacturing_nominal_GVA of GDP	(0.5844431)	(0.7030879)	(0.8837395)	(1.0570492)	(1.2259535)
Real_effective_exchange_rate_index	(1.9101411)	0.0778592	0.3327311	0.4142901	0.4856542
Trade nominal_GVA Of GDP	(1.6489155)	(1.8526165)	(2.0637490)	(2.2512410)	(2.4269234)

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For the year ended 31 December 2025

Notes (continued)
4. Financial risk management(continued)
a. Credit risk (continued)
Incorporation of forwardlooking information (continued)
Kenya (continued)

Retail					
Macro-economic factor	**2026**	**2027**	**2028**	**2029**	**2030**
Lending_rate_EOP	(0.8514055)	(1.2543959)	(1.2543959)	(1.6518659)	(1.6518659)
Private_final_consumption__USD	22.4910908	23.1525316	23.1355873	25.1107176	27.2477167
Total_employment___chg_y_o_y	1.5033982	1.2974759	0.9631276	0.6587725	0.7441142
Trade_nominal_GVA Of GDP	(1.6489155)	(1.8526165)	(2.0637490)	(2.2512410)	(2.4269234)
Mortgage					
Macro-economic factor	**2026**	**2027**	**2028**	**2029**	**2030**
Electricity_supply_nominal_GVA_Of GDP	(1.0277613)	(1.0581206)	(1.0915766)	(1.1220800)	(1.1511763)
Real_effective_exchange_rate_index	(1.9101411)	0.0778592	0.3327311	0.4142901	0.4856542
Real_lending_rate_EOP	(3.8008205)	(2.8190829)	(3.3945842)	(0.7540487)	(0.0092823)
Water_supply_nominal_GVA_of_GDP	(1.7246727)	(1.9518380)	(2.1562536)	(2.3371302)	(2.4965800)

The following are probability weightings applied in the forward - looking scenario analysis			
	Upside	**Median/Central**	**Downside**
Corporate	10%	80%	10%
Retail	15%	70%	15%
Mortgage	20%	60%	20%

Regional Subsidiaries

Uganda

Corporate & Mortgage	2026	2027	2028	2029	2030
Imports of goods and services, EUR	15.24	14.56	15.74	16.94	18.20
Manufacturing nominal GVA, LCU, % chg y-o-y	9.32%	11.48%	9.08%	8.59%	8.52%
Accommodation & food service nominal GVA, % of GDP	2.29%	2.30%	2.31%	2.32%	2.32%
Industry (exc construction) nominal GVA, LCU, % chg y-o-y	10.71%	13.33%	10.36%	9.43%	9.24%
Import cover months	3.52	4.6	4.68	4.68	4.57
Public external debt stock per capita, USD	276.60	268.85	260.57	255.53	253.85
Interest payments, USD	329.34	332.01	333.6	334.54	337.71
Retail (Personal & SME)	**2026**	**2027**	**2028**	**2029**	**2030**
Unemployment, % of labor force, ave	2.69%	2.56%	2.57%	2.52%	2.44%
Current expenditure, % of total fiscal expenditure	69.18%	68.46%	68.70%	68.61%	68.50%
Goods imports, USD (Bns)	13.24	11.91	12.78	13.60	14.45
Primary income balance, LCU (Bns)	(5,051.18)	(5,611.54)	(6,001.47)	(6,188.54)	(6,334.41)
Terms of trade, 2010=100	98.04	98.05	98.04	98.04	98.05
Interest payments, USD, % chg y-o-y	4.00%	0.81%	0.48%	0.28%	0.95%

Probability weights	Base	Upside	Downside
Corporate, SME & Mortgage	50%	25%	25%
Retail (Personal)	60%	20%	20%

Financial Statements
For the year ended 31 December 2025

Notes (continued)
4. Financial risk management(continued)
a. Credit risk (continued)
Incorporation of forwardlooking information (continued)

Burundi

Overall	2026	2027	2028	2029	2030
Exports of goods and services, USD Mns (2010 prices)	338.39	346.92	355.98	369.03	386.50
Unemployment, % of labor force, ave	1.01%	1.03%	1.04%	1.06%	1.09%
M3, % of GDP	48.46%	51.18%	54.07%	57.76%	62.40%
Services imports, pct of GDP	7.54%	7.39%	7.26%	7.19%	7.21%
Goods and services imports, EUR (Mns)	1,385.00	1,447.50	1,514.17	1,584.17	1,658.33
Secondary income balance, pct of GDP	10.58%	10.62%	10.15%	9.80%	9.55%

Probability weights	Base	Upside	Downside
Portfolio wide	60%	20%	20%

Rwanda

Agriculture	2026	2027	2028	2029	2030
Real effective exchange rate index, % chg y-o-y	-6.6%	-5.0%	-4.6%	-4.1%	-4.0%
Capital expenditure, LCU, % chg y-o-y	7.9%	9.5%	12.5%	14.2%	10.3%
Employment in Transportation and storage sector (thousands)	252.00	264.61	277.05	289.39	301.72
Consumer	**2026**	**2027**	**2028**	**2029**	**2030**
Tertiary sector nominal GVA, USD, % chg y-o-y	7.5%	8.5%	8.6%	8.7%	8.7%
Total debt service, EUR, % y-o-y	9.5%	-1.3%	20.5%	16.9%	11.1%
Employment in Primary sector (millions)	2.05	1.98	1.92	1.86	1.81
Mortgage	**2026**	**2027**	**2028**	**2029**	**2030**
Tertiary sector nominal GVA, LCU, % chg y-o-y	13.1%	13.0%	12.2%	12.0%	11.9%
Active population total, % chg y-o-y	2.6%	2.6%	2.6%	2.6%	2.5%
Total debt service, % of exports of G&S	17.2%	15.6%	17.4%	18.9%	19.5%
Services	2026	2027	2028	2029	2030
Net exports of goods & services, EUR	-1.57	-1.53	-1.52	-1.52	-1.52
Nominal GVA, % of GDP	92.6%	92.7%	92.8%	93.0%	93.1%
General government interest payments (% of revenue) - Sovereign Scorecard	6.1	5.95	5.8	5.65	5.5
Trade	**2026**	**2027**	**2028**	**2029**	**2030**
Current expenditure, USD (Bn)	3.10	3.42	3.55	3.73	4.00
Goods exports, % of exports of G&S	73.2%	73.4%	73.4%	73.4%	73.5%
Import cover months	4.37	4.48	4.53	4.56	4.59
Interest payments, EUR, % y-o-y	-8.8%	6.2%	16.2%	28.1%	5.3%

Probability weights	Base	Upside
Agriculture	60%	20%
Consumer	70%	15%
Mortgage	60%	20%
Services	50%	25%
Trade	60%	20%

Financial Statements
For the year ended 31 December 2025

Notes (continued)
4. Financial risk management(continued)
a. Credit risk (continued)
Incorporation of forwardlooking information (continued)

Tanzania

Corporate	2026	2027	2028	2029	2030
Current expenditure, USD, % chg y-o-y	15.03%	-6.82%	0.08%	4.73%	4.91%
Goods exports, USD (billions)	10.625	10.837	11.163	11.631	12.12
Financial and insurance activities and real estate activities sector average annual wages, LCU, % chg y-o-y	0.55%	0.53%	0.52%	0.50%	0.49%
Construction sector total annual wages, LCU (billions)	3,313.51	3,440.03	3,566.37	3,693.19	3,819.44
Wholesale and retail trade; transport; accommodation and food service activities; information and communication sector total annual wages, LCU (billions)	19,406.78	19,617.17	19,839.87	20,082.68	20,332.34
Mortgage	**2026**	**2027**	**2028**	**2029**	**2030**
Utilities nominal GVA, EUR, % chg y-o-y	4.22%	5.30%	4.65%	4.51%	5.09%
Central bank policy rate, %, eop	5.75%	5.75%	5.75%	5.75%	5.75%
Construction sector total annual wages, EUR (mns)	1,093.57	1,107.90	1,111.02	1,104.09	1,097.54
Personal	**2026**	**2027**	**2028**	**2029**	**2030**
Utilities nominal GVA, EUR (mns)	537.38	565.85	592.15	618.86	650.38
Central bank policy rate, %, eop	5.75%	5.75%	5.75%	5.75%	5.75%
Capital expenditure, % of total fiscal expenditure	35.83%	38.57%	39.90%	40.23%	40.56%
SME	**2026**	**2027**	**2028**	**2029**	**2030**
Central bank policy rate, %, eop	5.75%	5.75%	5.75%	5.75%	5.75%
Capital expenditure, % of total fiscal expenditure	35.83%	38.57%	39.90%	40.23%	40.56%
Goods exports, USD (Bn)	10.625	10.837	11.163	11.631	12.12

Probability weights	Base	Upside	Downside
Corporate	60%	20%	20%
Mortgage	70%	15%	15%
Personal	50%	25%	25%
SME	80%	10%	10%

South Sudan

Corporate	2026	2027	2028	2029	2030
Industry & services GVA, % of GDP	99.91%	99.87%	99.88%	99.87%	99.86%
Consumer prices (annual average % change) - Sovereign Scorecard	42.00%	16.50%	17.00%	22.50%	27.50%
Capital expenditure, % of total fiscal expenditure	20.00%	21.00%	22.00%	23.00%	23.00%
Goods imports, EUR (Bns)	1.93	2.05	2.15	2.25	2.34
Retail	**2026**	**2027**	**2028**	**2029**	**2030**
Construction nominal GVA, LCU, % chg y-o-y	31.19%	11.82%	11.51%	15.55%	18.67%
Nominal Effective Exchange Rate, % chg y-o-y	0.61%	0.59%	0.61%	0.60%	0.58%
General government debt (% of GDP) - Sovereign Scorecard	26.63%	25.30%	27.24%	30.19%	32.26%

	Base	Upside	Downside
Corporate	70%	15%	15%
Retail	50%	25%	25%

Notes (continued)
4. Financial risk management(continued)
a. Credit risk (continued)
Incorporation of forwardlooking information (continued)

TMB (DRC)

Macro-economic factor		2025	2026	2027	2028	2029
GDP Growth		4.04%	3.44%	4.17%	3.30%	3.40%
CPI (Base: 2010=100)		447.3	523.9	600.6	677.2	733.9
FX Rate (USD/CDF)		3,010.5	3,140.7	3,270.8	3,400.9	3,531.1
Fiscal deficit in %		-0.95%	-1.54%	0.27%	-0.61%	-1.04%

	Base	Upside	Downside
	60.0%	25.0%	15.0%

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 10 years.

LCU – local currency unit
*AVE - Average
*EOP – End of Period

Measurement of ECL
IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:
- A financial instrument that is not credit-impaired on initial recognition is classified under Stage 1 and has its credit risk continuously monitored by the Group. If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.

- Purchased or originated credit-impaired (POCI) financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

The key judgements and assumptions adopted by the Group in computing expected loss in line with IFRS 9 are as follows:

i. Significant increase in credit risk (SICR)
The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:
- Significant dip in operating results of the borrowers
- Credit distress necessitated extension to the terms granted
- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates
- Significant change in collateral value which is expected to increase risk of default
- Early signs of cashflow/liquidity problems such as delay in servicing of trade creditors/loans

A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payment.

ii. Definition of default and credit-impaired assets
The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria: The borrower is more than 90 days past due on the contractual payments.

Qualitative criteria: The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:
- The borrower is in long-term forbearance.
- The borrower is deceased.
- The borrower is insolvent.
- The borrower is in breach of financial covenant(s)
- An active market for that financial asset has disappeared because of financial difficulties.
- Concessions have been made by the lender relating to the borrower's financial difficulty.
- Increase in probability that the borrower will enter bankruptcy.
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

Financial Statements
For the year ended 31 December 2025

Notes (continued)
4. Financial risk management(continued)
Incorporation of forwardlooking information (continued)
Measurement of ECL (continued)
ii. Definition of default and credit-impaired assets (continued)

The above criteria has been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Group's expected loss calculations.

An instrument is considered to no longer be in default (i.e., to have cured) when it no longer meets any of the default criteria for a consecutive period of six months. This period of six months is aligned to Central Bank of Kenya's prudential guidelines.

(iii) Measuring ECL – Inputs, assumptions and estimation techniques
The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:
- The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months, or over the remaining lifetime of the obligation.
- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime (Lifetime EAD). For a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur, using a determined credit conversion factor.
- Loss Given Default (LGD) represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment and multiplied together which effectively calculates an ECL.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans.

The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis. Where sufficient data is not available to estimate the 12-month PD transition into lifetime PDs, the Group interpolates its internal 12-month PD to external rating agencies long term proxies to estimate the lifetime PDs.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.
- For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12month or lifetime basis.
- For revolving products, the exposure at default is predicted by taking current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilisation band, based on analysis of the Group's recent default data.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.
- For secured products, this is primarily based on expected recovery from collateral forced sale values, adjusted for time to repossession and recovery costs observed.
- For unsecured products, LGD's are typically derived from past recoveries from past defaults of unsecured products or the residual unsecured portions of partly secured exposures.

(iv) Forward looking information factor
The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. These economic variables and their associated impact are adjusted to the ECL. The forward-looking economic variables have been adjusted by a management multiplier

Sensitivity analysis
The most significant assumption affecting the ECL allowance is interest rates given their impact on borrowers' ability to meet their contractual repayments. Other forward-looking considerations not otherwise incorporated within the calculation of ECL, such as inflation, GDP and exchange rates, have been considered but do not have a material impact therefore no adjustment has been to ECL for such factors. This is reviewed and monitored periodically.

Set out below are the changes to the ECL as at 31 December 2025 that would result from reasonably possible changes in this parameter from actual assumptions used in the Group's economic variable assumptions.

Notes (continued)
4. Financial risk management(continued)
a. Credit risk (continued)
Measurement of ECL (continued)
Sensitivity analysis (continued)

	Interest rates			
	2025		2024	
	-5%	5%	-5%	5%
	Ksh million	Ksh million	Ksh million	Ksh million
Corporate portfolio	(58)	58	(57)	57
Retail portfolio	(6)	6	(5)	5

(v) Impaired financial assets
Impaired financial assets are those which the Group determines it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan / securities agreement(s). These loans are classified under stage 3 in the Group's internal credit risk grading system and graded as grade 3 to 5 as required by the regulator. According to the Central Bank of Kenya prudential guidelines, loans and advances overdue by over 90 days are considered non-performing. The Group also utilizes a robust Internal Risk Rating Model (IRRM) that ensures accurate and timely classification of credit exposures. The model incorporates quantitative borrowerlevel metrics, behavioural trends, industry risk factors, and forwardlooking macroeconomic indicators to assess the creditworthiness of each obligor. Any borrower assigned an internal risk rating of D is objectively classified non performing.

(vi) Past due but not impaired financial assets
Financial assets where contractual interest or principal payments are past due, but the Group believes that impairment is not appropriate on the basis of the level of security/collateral available and/or the stage of collection of amounts owed to the Group. Loans under this category are no more than 90 days overdue. The Group utilizes the Internal Risk Rating Model (IRRM) to classify loans as past due but not impaired when their internal risk rating is not assessed to be 'D'.

(vii) Loans and advances that are neither past due nor impaired
The Group classifies loans and advances under this category for those exposures that are up to date and in line with contractual agreements. Such loans would have demonstrated financial conditions, risk factors and capacity to repay that are acceptable. These exposures will normally be maintained largely within approved product programs and with no signs of impairment or distress.

Rankings based on shared risks characteristics
When ECL are measured on a collective basis, the financial instruments are ranked on the basis of shared risk characteristics, such as:
- instrument type;
- credit risk grade;
- collateral type;
- date of initial recognition;
- remaining term to maturity;
- industry; and
- the value of collateral relative to the financial asset if it has an impact on the probability of a default occurring (loan-to-value (LTV) ratios).

The rankings are reviewed on a regular basis to ensure that each Group is comprised of homogenous exposures.

The Group uses external benchmark information for portfolios with limited historical data. The table below depicts the portfolios for which external benchmark information represents a significant input into measurement of ECL.

	Exposure	External benchmark PD	
	2025 Ksh million	2024 Ksh million	Sovereign
Cash and bank balances*	188,847	82,119	Sovereign
Financial assets held through FVOCI	172,172	165,310	Sovereign
Financial assets held through FVTPL	46,324	19,438	Sovereign
Financial assets held at amortized costs	235,227	224,147	Sovereign
Loans and advances to banks	162,391	168,352	Corporate
Other assets**	42,388	31,398	Corporate
Off balance sheet***	341,297	305,236	Corporate

* Excludes cash in hand as it does not have credit risk
** Other assets excludes non-financial assets like prepayments
*** Financial guarantees and letters of credit

Notes (continued)
4. Financial risk management(continued)
a. Credit risk (continued)
Measurement of ECL (continued)

Credit quality
The Group monitors credit risk per class of financial instrument. The table below outlines each class, the corresponding financial statement line item, and the related note providing detailed analysis.

Class of financial instrument	Financial statement line	Note
Loans and advances to banks at amortised cost	Loans and advances to other banks	Note 22
Loans and advances to customers at amortised cost	Loans and advances to customers	Note 26
Debt investment securities at amortised cost	Financial assets at amortised costs	Note 27
Debt investment securities at FVTOCI	Financial assets at FVOCI	Note 23
Cash and balances with banks	Loans and advances to banks	Note 22
Other assets	Other assets and prepayments	Note 25
Loan commitments and financial guarantee contracts	None as they are off balance sheet	Note 4
Other financial assets	Other financial assets	Note 4

An analysis of the Group's credit risk concentrations per class of financial asset is provided in the following tables. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

Loans and advances at amortised cost

	Kenya Ksh million	Holdco Ksh million	Tanzania Ksh million	Uganda Ksh million	Rwanda Ksh million	South Sudan Ksh million	Burundi Ksh million	DR Congo Ksh million	Total Ksh million
31-Dec-25	928,513	5,162	63,074	42,751	75,599	8,610	10,989	118,832	1,248,368
31-Dec-24	812,870	-	53,401	33,201	61,428	9,064	7,824	100,901	1,078,689

An analysis of the Group's credit risk exposure per class of financial asset, internal rating and "stage" without taking into account the effects of any collateral or other credit enhancements is provided in the following tables. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

Notes (continued)
4. Financial risk management(continued)
a. Credit risk (continued)
Credit quality (continued)

The table below analyses the movement of the gross loans during the year.

Gross loans

2025 Loans and advances to customers	Corporate Ksh million	Mortgages Ksh million	Retail Ksh million	Total Ksh million
Gross loans and advances to customers	**653,888**	**126,818**	**467,662**	**1,248,368**
Of which stage 1 and 2	511,873	114,125	427,604	1,053,602
Of which stage 3	142,015	12,693	40,058	194,766
Expected credit loss provisions	**59,678**	**3,412**	**37,102**	**100,192**
Of which stage 1 and 2	6,870	684	10,249	17,803
Of which stage 3	52,808	2,728	26,853	82,389
Net loans and advances to customers	**594,210**	**123,406**	**430,560**	**1,148,176**
Of which stage 1 and 2	505,003	113,441	417,355	1,035,799
Of which stage 3	89,207	9,965	13,205	112,377
2024 Loans and advances to customers	**Corporate Ksh million**	**Mortgages Ksh million**	**Retail Ksh million**	**Total Ksh million**
Gross loans and advances to customers	**536,419**	**134,246**	**408,024**	**1,078,689**
Of which stage 1 and 2	411,126	112,482	360,181	883,789
Of which stage 3	125,293	21,764	47,843	194,900
Expected credit loss provisions	**60,583**	**4,017**	**26,537**	**91,137**
Of which stage 1 and 2	718	1,595	8,663	10,976
Of which stage 3	59,865	2,422	17,874	80,161
Net loans and advances to customers	**475,836**	**130,229**	**381,487**	**987,552**
Of which stage 1 and 2	410,408	110,887	351,518	872,813
Of which stage 3	65,428	19,342	29,969	114,739

Notes (continued)
4. Financial risk management(continued)
a. Credit risk (continued)
Credit quality (continued

Total Group	Stage 1 12-month ECL Ksh million	Stage 2 Lifetime ECL Ksh million	Stage 3 Lifetime ECL Ksh million	Total Ksh million
Loans and advances as at 1 January 2025	**745,403**	**174,782**	**158,505**	**1,078,690**
Interstage transfers				
– Transfer to stage 1	26,734	(27,783)	1,049	-
– Transfer to stage 2	(25,150)	26,781	(1,631)	-
– Transfer to stage 3	(13,010)	4,766	8,244	-
Other remeasurements of gross balances*	(32,971)	(13,331)	3,738	(42,564)
New financial assets originated or purchased	537,242	99,533	104,180	740,955
Financial assets that have been derecognised	(388,182)	(61,212)	(63,938)	(513,332)
Financial assets written off	-	-	(15,381)	(15,381)
Loans and advances as at 31 December 2025	**886,461**	**203,536**	**158,371**	**1,248,368**
Loans and advances as at 1 January 2024	**833,221**	**161,372**	**208,298**	**1,202,891**
Interstage transfers				
– Transfer to stage 1	27,046	(26,266)	(780)	-
– Transfer to stage 2	(47,141)	43,912	3,229	-
– Transfer to stage 3	(10,585)	(16,724)	27,309	-
Other remeasurements of gross balances*	(12,894)	(18,811)	(19,020)	(50,725)
New financial assets originated or purchased	163,398	27,422	(902)	189,918
Financial assets that have been derecognised	(199,042)	(41,119)	(23,234)	(263,395)
Loans and advances as at 31 December 2024	**745,403**	**174,782**	**158,505**	**1,078,690**

*Other remeasurements of gross balances include: forex movements, modification gains and losses, accrued interest and staff loan fair valuation.

Notes (continued)
4. Financial risk management(continued)
a. Credit risk (continued)
Credit quality (continued)

The tables below analyses the movement of the gross loans during the year per class of assets in the year ended 31 December 2025:

CORPORATE - MORTGAGE	Stage 1 12-month ECL Ksh million	Stage 2 Lifetime ECL Ksh million	Stage 3 Lifetime ECL Ksh million	Total Ksh million
Loans and advances as at 1 January 2025	**38,278**	**1,358**	**14,287**	**53,923**
Interstage transfers				
– Transfer to stage 1	1,241	(1,185)	(56)	-
– Transfer to stage 2	(5,333)	5,800	(467)	-
– Transfer to stage 3	(3,529)	2,572	957	-
Other remeasurements of gross balances	(917)	(876)	221	(1,572)
New financial assets originated or purchased	12,946	5,363	2,400	20,709
Financial assets that have been derecognized	(8,075)	(4,751)	(10,686)	(23,512)
Financial assets written off	-	-	(242)	(242)
Loans and advances as at 31 December 2025	**34,611**	**8,281**	**6,414**	**49,306**

CORPORATE - OVERDRAFTS				
Loans and advances as at 1 January 2025	**36,428**	**27,141**	**2,470**	**66,039**
Interstage transfers				
– Transfer to stage 1	478	(478)	-	-
– Transfer to stage 2	(42)	42	-	-
– Transfer to stage 3	(1,471)	(612)	2,083	-
Other remeasurements of gross balances	912	(137)	(28)	747
New financial assets originated or purchased	36,056	420	3,704	40,180
Financial assets that have been derecognised	(11,706)	(1,126)	(1,839)	(14,671)
Loans and advances as at 31 December 2025	**60,655**	**25,250**	**6,390**	**92,295**

CORPORATE - TERM LOANS	Stage 1 12-month ECL Ksh million	Stage 2 Lifetime ECL Ksh million	Stage 3 Lifetime ECL Ksh million	Total Ksh million
Loans and advances as at 1 January 2025	**264,095**	**119,858**	**86,427**	**470,380**
Interstage transfers				
– Transfer to stage 1	16,433	(17,611)	1,178	-
– Transfer to stage 2	(2,931)	2,931	-	-
– Transfer to stage 3	(1,706)	7,635	(5,929)	-
Other remeasurements of gross balances	(1,269)	(9,335)	1,409	(9,195)
New financial assets originated or purchased	252,427	54,202	88,239	394,868
Financial assets that have been derecognised	(210,360)	(48,401)	(29,852)	(288,613)
Financial assets written off	-	-	(5,847)	(5,847)
Loans and advances as at 31 December 2025	**316,689**	**109,279**	**135,625**	**561,593**

Notes (continued)
4. Financial risk management(continued)
a. Credit risk (continued)
Credit quality (continued)

RETAIL - MORTGAGE	Stage 1 12-month ECL Ksh million	Stage 2 Lifetime ECL Ksh million	Stage 3 Lifetime ECL Ksh million	Total Ksh million
Loans and advances as at 1 January 2025	**63,927**	**8,919**	**7,478**	**80,324**
Interstage transfers				
– Transfer to stage 1	2,668	(2,576)	(92)	-
– Transfer to stage 2	(3,368)	3,547	(179)	-
– Transfer to stage 3	(613)	(820)	1,433	-
Other remeasurements of gross balances	(4,438)	(329)	211	(4,556)
New financial assets originated or purchased	17,610	883	904	19,397
Financial assets that have been derecognised	(12,866)	(1,311)	(3,263)	(17,440)
Financial assets written off	-	-	(213)	(213)
Loans and advances as at 31 December 2025	**62,920**	**8,313**	**6,279**	**77,512**

RETAIL - OVERDRAFTS	Stage 1 12-month ECL Ksh million	Stage 2 Lifetime ECL Ksh million	Stage 3 Lifetime ECL Ksh million	Total Ksh million
Loans and advances as at 1 January 2025	**27,475**	**2,580**	**8,686**	**38,741**
Interstage transfers				
– Transfer to stage 1	670	(611)	(59)	-
– Transfer to stage 2	(2,316)	2,364	(48)	-
– Transfer to stage 3	(420)	(243)	663	-
Other remeasurements of gross balances	343	(24)	160	479
New financial assets originated or purchased	44,566	1,606	1,810	47,982
Financial assets that have been derecognised	(41,459)	(1,571)	(3,561)	(46,591)
Financial assets written off	-	-	(86)	(86)
Loans and advances as at 31 December 2025	**28,859**	**4,101**	**7,565**	**40,525**

RETAIL - TERM LOANS				
Loans and advances as at 1 January 2025	**315,200**	**14,926**	**39,157**	**369,283**
Interstage transfers				
– Transfer to stage 1	5,244	(5,322)	78	-
– Transfer to stage 2	(11,160)	12,097	(937)	-
– Transfer to stage 3	(5,271)	(3,766)	9,037	-
Other remeasurements of gross balances	(27,602)	(2,630)	1,765	(28,467)
New financial assets originated or purchased	173,637	37,059	7,123	217,819
Financial assets that have been derecognised	(103,716)	(4,052)	(14,737)	(122,505)
Financial assets written off	-	-	(8,993)	(8,993)
Loans and advances as at 31 December 2025	**346,332**	**48,312**	**32,493**	**427,137**

Notes (continued)
4. Financial risk management(continued)
a. Credit risk (continued)
Credit quality (continued)

CORPORATE - MORTGAGE	Stage 1 12-month ECL Ksh million	Stage 2 Lifetime ECL Ksh million	Stage 3 Lifetime ECL Ksh million	Total Ksh million
Loans and advances as at 1 January 2024	**59,719**	**4,121**	**13,361**	**77,201**
Interstage transfers				
– Transfer to stage 1	3,971	(3,986)	15	-
– Transfer to stage 2	(1,774)	1,836	(62)	-
– Transfer to stage 3	(54)	(642)	696	-
Other remeasurements of gross balances	981	506	(84)	1,403
New financial assets originated or purchased	3,993	581	597	5,171
Financial assets that have been derecognised	(28,558)	(1,058)	(236)	(29,852)
Loans and advances as at 31 December 2024	**38,278**	**1,358**	**14,287**	**53,923**

CORPORATE – OVERDRAFTS				
Loans and advances as at 1 January 2024	**50,951**	**29,723**	**2,258**	**82,932**
Interstage transfers				
– Transfer to stage 1	927	(927)		-
– Transfer to stage 2	1,096	(1,392)	296	-
– Transfer to stage 3	(107)	(252)	359	-
Other remeasurements of gross balances	2,394	463	(218)	2,639
New financial assets originated or purchased	633	395	(88)	940
Financial assets that have been derecognised	(19,466)	(869)	(137)	(20,472)
Loans and advances as at 31 December 2024	**36,428**	**27,141**	**2,470**	**66,039**

CORPORATE - TERM LOANS	Stage 1 12-month ECL Ksh million	Stage 2 Lifetime ECL Ksh million	Stage 3 Lifetime ECL Ksh million	Total Ksh million
Loans and advances as at 1 January 2024	**295,511**	**101,479**	**149,860**	**546,850**
Interstage transfers				
– Transfer to stage 1	14,115	(14,091)	(24)	-
– Transfer to stage 2	(28,390)	24,601	3,789	-
– Transfer to stage 3	3,633	(11,313)	7,680	-
Other remeasurements of gross balances	(2,674)	(12,361)	(12,487)	(27,522)
New financial assets originated or purchased	29,530	18,505	(11,072)	36,963
Financial assets that have been derecognised	(39,030)	(31,958)	(14,923)	(85,911)
Loans and advances as at 31 December 2024	**272,695**	**74,862**	**122,823**	**470,380**

Notes (continued)
4. Financial risk management(continued)
a. Credit risk (continued)
Credit quality (continued)

RETAIL – MORTGAGE				
Loans and advances as at 1 January 2024	**76,157**	**8,839**	**7,414**	**92,410**
Interstage transfers				
– Transfer to stage 1	2,093	(2,013)	(80)	-
– Transfer to stage 2	(3,556)	3,968	(412)	-
– Transfer to stage 3	(405)	(637)	1,042	-
Other remeasurements of gross balances	(2,167)	(581)	66	(2,682)
New financial assets originated or purchased	12,914	999	(112)	13,801
Financial assets that have been derecognised	(21,109)	(1,656)	(441)	(23,206)
Loans and advances as at 31 December 2024	**63,927**	**8,919**	**7,477**	**80,323**

RETAIL – OVERDRAFTS	Stage 1 12-month ECL Ksh million	Stage 2 Lifetime ECL Ksh million	Stage 3 Lifetime ECL Ksh million	Total Ksh million
Loans and advances as at 1 January 2024	**10,568**	**2,601**	**5,480**	**18,649**
Interstage transfers				
– Transfer to stage 1	120	(129)	9	-
– Transfer to stage 2	(746)	768	(22)	-
– Transfer to stage 3	(3,061)	(356)	3,417	-
Other remeasurements of gross balances	64	67	(26)	105
New financial assets originated or purchased	25,376	322	155	25,853
Financial assets that have been derecognised	(4,846)	(693)	(327)	(5,866)
Loans and advances as at 31 December 2024	**27,475**	**2,580**	**8,686**	**38,741**

RETAIL - TERM LOANS				
Loans and advances as at 1 January 2024	**340,315**	**14,609**	**29,925**	**384,849**
Interstage transfers				-
– Transfer to stage 1	5,820	(5,120)	(700)	-
– Transfer to stage 2	(13,771)	14,131	(360)	-
– Transfer to stage 3	(10,591)	(3,524)	14,115	-
Other remeasurements of gross balances	(11,492)	(6,905)	(6,271)	(24,668)
New financial assets originated or purchased	90,952	6,620	9,618	107,190
Financial assets that have been derecognised	(86,033)	(4,885)	(7,170)	(98,088)
Loans and advances as at 31 December 2024	**315,200**	**14,926**	**39,157**	**369,283**

Notes (continued)
4. Financial risk management(continued)
a. Credit risk (continued)
Credit quality (continued)

The tables below analyses the movement of the loss allowance during the year.

TOTAL GROUP	Stage 1 1 2-month ECL Ksh million	Stage 2 Lifetime ECL Ksh million	Stage 3 Lifetime ECL Ksh million	Total Ksh million
Loans and advances as at 1 January 2025	**9,020**	**1,956**	**80,161**	**91,137**
Changes in the loss allowance				-
– Transfer to stage 1	2,528	(594)	(1,934)	-
– Transfer to stage 2	(393)	1,255	(862)	-
– Transfer to stage 3	(224)	(1,058)	1,282	-
Net remeasurement of loss allowance	(1,680)	(35)	16,151	14,436
New financial assets originated or purchased	12,208	23,058	32,693	67,959
Financial assets that have been derecognised	(8,731)	(19,500)	(31,126)	(59,357)
Financial assets written off	(7)	-	(13,976)	(13,983)
Loans and advances as at 31 December 2025	**12,721**	**5,082**	**82,389**	**100,192**
Loss allowance as at 1 January 2024	**11,240**	**6,760**	**90,602**	**108,602**
Changes in the loss allowance				-
– Transfer to stage 1	3,599	(2,841)	(758)	-
– Transfer to stage 2	(982)	1,449	(467)	-
– Transfer to stage 3	(371)	(4,869)	5,240	-
Net remeasurement of loss allowance	(1,053)	(764)	20,406	18,589
New financial assets originated or purchased	949	2,955	11,271	15,175
Financial assets that have been derecognised	(4,362)	(734)	(46,133)	(51,229)
Loss allowance as at 31 December 2024	**9,020**	**1,956**	**80,161**	**91,137**

The tables below analyses the movement of the loss allowance during the year per class of assets.

CORPORATE - MORTGAGE	Stage 1 12-month ECL Ksh million	Stage 2 Lifetime ECL Ksh million	Stage 3 Lifetime ECL Ksh million	Total Ksh million
Loans and advances as at 1 January 2025	**251**	**828**	**1,051**	**2,130**
Changes in the loss allowance				
– Transfer to stage 1	22	(22)	-	-
– Transfer to stage 2	(27)	91	(64)	-
– Transfer to stage 3	(5)	(47)	52	-
Net remeasurement of loss allowance	(59)	(66)	641	516
New financial assets originated or purchased	106	63	4,012	4,181
Financial assets that have been derecognised	(105)	(777)	(3,942)	(4,824)
Financial assets written off	-	-	(115)	(115)
Loans and advances as at 31 December 2025	183	70	1,635	1,888

Notes (continued)
4. Financial risk management(continued)
a. Credit risk (continued)
Credit quality (continued)

CORPORATE - OVERDRAFTS	Stage 1 12-month ECL Ksh million	Stage 2 Lifetime ECL Ksh million	Stage 3 Lifetime ECL Ksh million	Total Ksh million
Loss allowance as at 1 January 2025	**(512)**	**452**	**3,425**	**3,365**
Changes in the loss allowance				
– Transfer to stage 1	6	(6)	-	-
– Transfer to stage 2	(7)	7	-	-
– Transfer to stage 3	-	(543)	543	-
Net remeasurement of loss allowance	(6)	(47)	418	365
New financial assets originated or purchased	827	364	53	1,244
Financial assets that have been derecognised	(84)	(111)	(640)	(835)
Loss allowance as at 31 December 2025	**224**	**116**	**3,799**	**4,139**

CORPORATE -TERM LOANS	Stage 1 12-month ECL Ksh million	Stage 2 Lifetime ECL Ksh million	Stage 3 Lifetime ECL Ksh million	Total Ksh million
Loans and advances as at 1 January 2025	**1,443**	**(665)**	**56,440**	**57,218**
Changes in the loss allowance				-
– Transfer to stage 1	197	(197)	-	-
– Transfer to stage 2	(8)	260	(252)	-
– Transfer to stage 3	(27)	(130)	157	-
Net remeasurement of loss allowance	(73)	221	6,290	6,438
New financial assets originated or purchased	4,153	21,842	14,431	40,426
Financial assets that have been derecognised	(2,457)	(18,029)	(23,356)	(43,842)
Financial assets written off	-	-	(4,701)	(4,701)
Loans and advances as at 31 December 2025	**3,228**	**3,302**	**49,009**	**55,539**

RETAIL - MORTGAGE				
Loss allowance as at 1 January 2025	**286**	**230**	**1,371**	**1,887**
Changes in the loss allowance				-
– Transfer to stage 1	41	(40)	(1)	-
– Transfer to stage 2	(32)	41	(9)	-
– Transfer to stage 3	(6)	(62)	68	-
Net remeasurement of loss allowance	(80)	58	551	529
New financial assets originated or purchased	418	58	209	685
Financial assets that have been derecognised	(451)	(23)	(883)	(1,357)
Financial assets written off	(7)	-	(213)	(220)
Loss allowance as at 31 December 2025	**169**	**262**	**1,093**	**1,524**

Notes (continued)
4. Financial risk management(continued)
a. Credit risk (continued)
Credit quality (continued)

RETAIL-OVERDRAFTS	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	Ksh million	Ksh million	Ksh million	Ksh million
Loans and advances as at 1 January 2025	**841**	**531**	**1,318**	**2,690**
Changes in the loss allowance				
– Transfer to stage 1	653	(25)	(628)	-
– Transfer to stage 2	(23)	42	(19)	-
– Transfer to stage 3	(18)	(36)	54	-
Net remeasurement of loss allowance	(27)	15	331	319
New financial assets originated or purchased	178	49	462	689
Financial assets that have been derecognised	(855)	(101)	(585)	(1,541)
Loans and advances as at 31 December 2025	**749**	**475**	**933**	**2,157**

RETAIL-TERM LOANS				
Loss allowance as at 1 January 2025	**6,711**	**580**	**16,556**	**23,847**
Changes in the loss allowance				
– Transfer to stage 1	1,609	(304)	(1,305)	-
– Transfer to stage 2	(296)	814	(518)	-
– Transfer to stage 3	(168)	(240)	408	-
Net remeasurement of loss allowance	(1,435)	(216)	7,920	6,269
New financial assets originated or purchased	6,526	682	13,526	20,734
Financial assets that have been derecognised	(4,779)	(459)	(1,720)	(6,958)
Financial assets written off	-	-	(8,947)	(8,947)
Loss allowance as at 31 December 2025	**8,168**	**857**	**25,920**	**34,945**

CORPORATE - MORTGAGE	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	Ksh million	Ksh million	Ksh million	Ksh million
Loans and advances as at 1 January 2024	**3,147**	**709**	**1,937**	**5,793**
Changes in the loss allowance				
– Transfer to stage 1	230	(129)	(101)	-
– Transfer to stage 2	(5)	64	(59)	-
– Transfer to stage 3	-	(4)	4	-
Net remeasurement of loss allowance	13	69	194	276
New financial assets originated or purchased	11	175	221	407
Financial assets that have been derecognised	(3,145)	(56)	(1,145)	(4,346)
Loans and advances as at 31 December 2024	**251**	**828**	**1,051**	**2,130**

Financial Statements
For the year ended 31 December 2025

Notes (continued)
4. Financial risk management(continued)
a. Credit risk (continued)
Credit quality (continued)

CORPORATE - OVERDRAFTS	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	Ksh million	Ksh million	Ksh million	Ksh million
Loss allowance as at 1 January 2024	(655)	172	4,947	4,464
Changes in the loss allowance				
– Transfer to stage 1	79	(79)	-	-
– Transfer to stage 2	(12)	274	(262)	-
– Transfer to stage 3	-	(128)	128	-
Net remeasurement of loss allowance	89	218	305	612
New financial assets originated or purchased	56	12	402	470
Financial assets that have been derecognised	(69)	(17)	(2,095)	(2,181)
Loss allowance as at 31 December 2024	**(512)**	**452**	**3,425**	**3,365**

CORPORATE - TERM LOANS	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	Ksh million	Ksh million	Ksh million	Ksh million
Loans and advances as at 1 January 2024	602	(836)	68,624	68,390
Changes in the loss allowance				
– Transfer to stage 1	83	(83)	-	-
– Transfer to stage 2	(344)	344	-	-
– Transfer to stage 3	(2)	(1,608)	1,610	-
Net remeasurement of loss allowance	690	510	15,979	17,179
New financial assets originated or purchased	569	1,067	4,653	6,289
Financial assets that have been derecognised	(155)	(59)	(34,426)	(34,640)
Loans and advances as at 31 December 2024	**1,443**	**(665)**	**56,440**	**57,218**

RETAIL - MORTGAGE				
Loss allowance as at 1 January 2024	220	93	1,159	1,472
Changes in the loss allowance				
– Transfer to stage 1	24	(13)	(11)	-
– Transfer to stage 2	(24)	63	(39)	-
– Transfer to stage 3	(3)	3	-	-
Net remeasurement of loss allowance	2	24	570	596
New financial assets originated or purchased	105	77	52	234
Financial assets that have been derecognised	(38)	(17)	(360)	(415)
Loss allowance as at 31 December 2024	**286**	**230**	**1,371**	**1,887**

Notes (continued)
4. Financial risk management(continued)
a. Credit risk (continued)
Credit quality (continued)

RETAIL - OVERDRAFTS	Stage 1 12-month ECL Ksh million	Stage 2 Lifetime ECL Ksh million	Stage 3 Lifetime ECL Ksh million	Total Ksh million
Loans and advances as at 1 January 2024	**739**	**645**	**453**	**1,837**
Changes in the loss allowance				
– Transfer to stage 1	227	(206)	(21)	-
– Transfer to stage 2	(78)	89	(11)	-
– Transfer to stage 3	(10)	(1,239)	1,249	-
Net remeasurement of loss allowance	(111)	(4)	1,536	1,421
New financial assets originated or purchased	129	1,376	94	1,599
Financial assets that have been derecognised	(55)	(130)	(1,982)	(2,167)
Loans and advances as at 31 December 2024	**841**	**531**	**1,318**	**2,690**

RETAIL - TERM LOANS				
Loss allowance as at 1 January 2024	**7,187**	**5,977**	**13,482**	**26,646**
Changes in the loss allowance				-
– Transfer to stage 1	2,956	(2,331)	(625)	-
– Transfer to stage 2	(519)	615	(96)	-
– Transfer to stage 3	(356)	(1,893)	2,249	-
Net remeasurement of loss allowance	(1,736)	(1,581)	1,822	(1,495)
New financial assets originated or purchased	79	248	5,849	6,176
Financial assets that have been derecognised	(900)	(455)	(6,125)	(7,480)
Loss allowance as at 31 December 2024	**6,711**	**580**	**16,556**	**23,847**

Other Financial Assets and cash

Other Financial Assets	Cash & Central Bank Balances Ksh million	Loans to Banks Ksh million	Financial assets at FVTOCI Ksh million	Financial assets at FVTPL Ksh million	Financial assets at armotised cost Ksh million	Total Ksh million
Gross carrying amount as at 1 January 2025	114,420	168,352	165,310	19,438	224,147	691,667
Interstage transfers						
– Transfer to stage 1	-	-	-	-	-	-
– Transfer to stage 2	-	-	-	-	-	-
– Transfer to stage 3	-	-	-	-	-	-
– Write-offs	-	-	-	-	-	-
New financial assets originated or purchased	340,710	210,056	61,484	73,842	63,082	749,174
Financial assets that have been derecognised	(266,283)	(220,088)	(54,657)	(46,964)	(4,384)	(592,376)
Other changes	-	-	35	8	-	43
Gross carrying amount as at 31 December 2025	**188,847**	**158,320**	**172,172**	**46,324**	**235,227**	**612,043**

As at 31 December 2025, the loss allowance for Loans to banks, investment in government securities and cash were assessed using the 12 months expected credit loss model which is based on external ratings for the financial institutions. The resultant allowance has been recognized in the income statements. However, the amounts were immaterial as the counterparties with which these are held are considered to have minimal credit risk hence qualifying for investment grade. As such the movements in the ECL allowances for these balances have not been disclosed.

Notes (continued)
4. Financial risk management(continued)
a. Credit risk (continued)
Credit quality (continued)

Other Financial Assets (continued)	Cash & Central Bank Balances Ksh million	Loans to Banks Ksh million	Financial assets FVTOCI Ksh million	Financial assets FVTPL Ksh million	Financial assets at amortised cost Ksh million	Total Ksh million
Gross carrying amount as at 1 January 2024	**105,120**	**401,390**	**200,275**	**68**	**196,858**	**903,711**
Changes in the loss allowance						-
– Transfer to stage 1	-	-	-	-	-	-
– Transfer to stage 2	-	-	-	-	-	-
– Transfer to stage 3	-	-	-	-	-	-
– Write-offs	-	-	-	-	-	-
New financial assets originated or purchased	17,381	47,520	86,624	31,829	45,885	229,239
Financial assets that have been derecognised	(40,382)	(280,558)	(121,589)	(12,459)	(18,596)	(473,584)
Gross carrying amount as at 31 December 2024	**82,119**	**168,352**	**165,310**	**19,438**	**224,147**	**659,366**

No loss allowance is recognised in the statement of financial position for debt instruments measured at FVTOCI as the carrying amount is at fair value (see note 1 Presentation of allowance for ECL).
The Group does not hold any lease receivables.

The contractual amount outstanding on financial assets that were written off during the reporting period and are still subject to enforcement activity is Ksh 15,381 million at 31 December 2025 (2024: Ksh 22,586 million). As discussed above in the significant increase in credit risk section, under the Group's monitoring procedures a significant increase in credit risk is identified before the exposure has defaulted, and at the latest when the exposure becomes 30 days past due. This is the case mainly for loans and advances to customers and more specifically for retail lending exposures because for corporate lending and other exposures there is more borrower-specific information available which is used to identify significant increase in credit risk. The table below provides an analysis of the gross carrying amount of loans and advances to customers by past due status.

	Year ended 2025		Year ended 2024	
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
Loans and advances to customers	**Ksh million**	**Ksh million**	**Ksh million**	**Ksh million**
0-59 days	998,747	15,534	753,807	15,198
60-89 days	54,855	2,269	81,242	1,669
90-180 days	23,585	9,875	48,740	5,054
More than 181 days	171,181	72,514	194,900	69,216
Total	**1,248,368**	**100,192**	**1,078,689**	**91,137**

Modified financial assets

As a result of the Group's forbearance activities financial assets might be modified. The following tables refer to modified financial assets where modification does not result in derecognition.

Financial assets (with loss allowance based on lifetime ECL) modified during the period	Year ended 2025 Ksh million	Year ended 2024 Ksh million
Gross carrying amount before modification	57,295	17,937
Loss allowance before modification	(9,904)	-
Net amortised cost before modification	**47,391**	**17,937**
Net modification gain	-	177
Net amortised cost after modification	**47,391**	**18,114**

Notes (continued)
4. Financial risk management(continued)
Credit quality (continued)

Financial assets modified since initial recognition at a time when loss allowance was based on lifetime ECL	**Year ended 2025**	**Year ended 2024**
	Ksh million	**Ksh million**
Gross carrying amount of financial assets for which loss allowance has changed in the period from lifetime to 12-month ECL basis after modification	-	-

Collateral held as security and other credit enhancements
The Group holds collateral or other credit enhancements to mitigate credit risk associated with financial assets. The collateral presented relates to instruments that are measured at FVTOCI, amortised cost and at FVTPL.

The Group also holds other types of collateral and credit enhancements, such as second-charges and floating charges for which specific values are not generally available.

There was no change in the Group's collateral policy during the year.

Mortgage lending
The Group holds residential properties as collateral for the mortgage loans it grants to its customers. The Group monitors its exposure to retail mortgage lending using the LTV ratio, which is calculated as the ratio of the gross amount of the loan – or the amount committed for loan commitments – to the value of the collateral. The valuation of the collateral excludes any adjustments for obtaining and selling the collateral. The value of the collateral for residential mortgage loans is typically based on the collateral value at origination is updated based on changes in house price indices. For credit-impaired loans the value of collateral is based on the most recent appraisals. The tables below show the exposures from mortgage loans by ranges of LTV.

Mortgage lending LTV ratio	Year ended 2025		Year ended 2024	
	Gross carrying amount	Loss allowance	Gross carrying	Loss allowance
	Ksh million	Ksh million	Ksh million	Ksh million
Less than 50%	31,539	49	27,658	98
51-70%	26,157	86	21,601	235
71-90%	24,102	225	18,407	159
91-100%	8,218	311	6,606	267
More than 100%	36,802	2,741	59,974	3,258
Total	**126,818**	**3,412**	**134,246**	**4,017**

Credit impaired – mortgage lending LTV ratio	Year ended 2025		Year ended 2024	
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
	Ksh million	Ksh million	Ksh million	Ksh million
Less than 50%	1,735	7	2,032	89
51-70%	1,311	62	2,288	131
71-90%	2,868	58	2,397	38
91-100%	1,008	113	820	141
More than 100%	5,771	2,488	4,943	2,201
Total	**12,693**	**2,728**	**12,480**	**2,600**

Notes (continued)
4. Financial risk management(continued)
Credit quality (continued)

Personal lending
The Group's personal lending portfolio consists of unsecured loans and credit cards.

Corporate lending
The Group requests collateral and guarantees for corporate lending. The most relevant indicator of corporate customers' creditworthiness is an analysis of their financial performance and their liquidity, leverage, management effectiveness and growth ratios. For this reason the valuation of collateral held against corporate lending is not routinely updated. The valuation of such collateral is updated if the loan is put on "watch-list" and is therefore monitored more closely.

For credit-impaired loans the Group obtains appraisals of collateral to inform its credit risk management actions. At 31 December 2025 the net carrying amount of loans and advances to corporate customers was Ksh 594 million (2024: Ksh 476 million) and the value of the respective collateral was Ksh 2,345 million (2024: Ksh 1,924 million).

Investment securities
The Group holds investment securities measured at amortised cost with a carrying amount of Ksh 235 million (2024: 224 million) and at FVTOCI with a carrying amount of Ksh 172 million (2024: 165 million). The investment securities held by the Group are sovereign bonds and corporate bonds, which are not collateralized, as well as asset backed securities, which are secured by financial assets.

Assets obtained by taking possession of collateral
The Group obtained financial assets during the year by taking possession of collateral held as security against loans and advances. The Group's policy is to realise collateral on a timely basis. The Group does not use non-cash collateral for its operations.

i. Past due but not impaired loans and advances
Past due but not impaired loans and advances are those for which contractual interest or principal payments are past due, but the Group believes that impairment is not appropriate on the basis of stage of collection of amounts owed to the Group. As at 31 December, the ageing analysis of past due but not impaired loans and advances was as follows:

	GROUP		COMPANY	
	2025	2024	2025	2024
	Ksh million	Ksh million	Ksh million	Ksh million
Less than 30 days	224,473	115,538	-	-
Between 31 and 60 days	28,263	60,185	-	-
Between 61 and 90 days	116,548	126,384	-	-
Total	**369,284**	**302,107**	**-**	**-**

Credit related commitment risk
The Group makes available to its customers guarantees which may require the Group to make payments on their behalf and enters into commitments to extend lines to secure their liquidity needs. Letters of credit and guarantees (including standby letters of credit) commit the Group to make payments on behalf of customers in the event of a specific act, generally related to the import or export of goods. Such commitments expose the Group to similar risks to loans and are mitigated by the same control processes and policies.

ii. Write-off policy
The Group writes off a loan balance as and when the subsidiary Credit Committee determines that the loans are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower's financial position such that the borrower can no longer pay the obligation or that proceeds from collateral will not be sufficient to pay back the entire exposure.

iii. Collateral on loans and advances
The Group holds collateral against loans and advances to customers in the form of mortgage interests over property and other registered securities over assets and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing and generally are not updated except when a loan is individually assessed as impaired.

iv. Concentration of credit risk
The Group focuses on the diversification of its lending portfolio by setting industry sector limits based on forecasts spanning a one-year horizon to ensure that its performance is not negatively impacted by a large sectoral exposure default. Additionally, regular stress tests are performed on the portfolio to ensure that the Group holds sufficient capital to withstand any loss arising from significant exposure to a sector, single customer and group of closely related customers.

Overall, it is the policy of the Group to limit credit risk exposures and concentrations within the constraints of its capital base. An analysis of concentrations of credit risk based on gross loan amount at the reporting date is shown below:

Notes (continued)
4. Financial risk management(continued)
Credit quality (continued)
iv. Concentration of credit risk (continued)

	GROUP		COMPANY	
	2025	2024	2025	2024
	Ksh million	Ksh million	Ksh million	Ksh million
Personal/household	369,142	302,717	-	-
Real Estate	176,351	158,873	-	-
Manufacturing	184,806	188,446	-	-
Building and construction	119,404	72,816	-	-
Trade	110,578	107,100	-	-
Financial services	19,907	27,729	5,162	-
Transport and communication	80,634	80,652	-	-
Tourism, restaurants and hotels	33,698	28,194	-	-
Energy and water	47,358	31,871	-	-
Agriculture	75,489	50,661	-	-
Mining and quarrying	31,001	29,630	-	-
Total	**1,248,368**	**1,078,689**	**5,162**	**-**

The Company loans primarily comprise a Ksh 3.9 billion loan issued to National Bank of Kenya in 2022, which had been previously reported under balances due from Group Companies until the disposal was completed in May 2025. Additional facilities include loans advanced to Pesapal Limited of Ksh 1.2 billion, both of which are classified at amortized cost as at the end of December 2025.

v. Fair value of collateral held
The Group holds collateral against loans and advances to customers in the form of cash, residential, commercial and industrial property; fixed assets such as property and machinery; marketable securities; bank guarantees and letters of credit.

The Group also enters into collateralised reverse purchase agreements. Risk mitigation policies control the approval of collateral types. Collateral is valued in accordance with the Group's risk mitigation policy, which prescribes the frequency of valuation for different collateral types. The valuation frequency is driven by the level of price volatility of each type of collateral. Collateral held against impaired loans is maintained at fair value. The valuation of collateral is monitored regularly and is back tested at least annually.

Collateral generally is not held over loans and advances to banks, except when securities are held as part of reverse purchase and securities borrowing activity. Collateral usually is not held against investment securities, and no such collateral was held as at 31 December 2025 and 31 December 2024. An estimate of fair values of collaterals held against loans and advances to customers at the end of the year was as follows:

	GROUP		COMPANY	
	2025	2024	2025	2024
	Ksh million	Ksh million	Ksh million	Ksh million
Impaired loans	109,178	134,360	-	-
Performing loans	2,934,631	2,379,451	-	-
Total	**3,043,809**	**2,513,811**	**-**	**-**

Notes (continued)
4. Financial risk management(continued)

b. Liquidity risk
Liquidity risk is the risk that the Group, though solvent, may either lack sufficient financial resources to meet its obligations and commitments as they fall due, or be able to secure them only at excessive costs.

The Group's liquidity management objective is to ensure, to the great extent possible, that it always has sufficient liquidity to meet its liabilities as they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

The Group's maintains a portfolio of short-term liquid assets, primarily comprising liquid investment securities, loans and advances to banks and other inter-bank facilities, to ensure adequate liquidity across the organization. Daily monitoring of the liquidity position is complimented by regular stress testing under both normal and adverse market conditions.

The key measure used by the Group for managing liquidity risk is the ratio of net liquid assets to deposits from customers (Liquidity Ratio), Liquidity Coverage Ratio (LCR) and Net-Stable Funding Ratio (NSFR).

To manage negative liquidity gaps, the Group's Assets and Liabilities Committee (GALCO) oversee key funding and growth strategies. This includes mobilizing deposits, offering competitive pricing for large-ticket funding, and either halting or significantly curtailing asset growth when necessary. For short-term gaps, the Group typically relies on interbank borrowing or the disposal of government securities.

Details of the reported Group's ratio of net liquid assets to deposits from customers at the reporting date and during the reporting year were as follows:

	2025	2024
At close of the year	50.8%	47.6%
Average for the year	48.4%	47.7%
Maximum for the year	50.8%	48.8%
Minimum for the year	46.7%	47.0%

The liquidity position across the group subsidiaries as at the reporting date were as follows:

	KCBK	KCBU	KCBB	KCBSS	BPR*	KCBT	TMB*
Liquidity Ratio	44.5%	49.7%	51.8%	54.5%	169.2%	25.1%	135.7%
Statutory Minimum	20.0%	20.0%	20.0%	15.0%	100.0%	20.0%	100.0%
Excess	**24.5%**	**29.7%**	**31.8%**	**39.5%**	**69.2%**	**5.1%**	**35.7%**

* BPR and TMB reported ratios are liquidity coverage ratio.

Notes (continued)
4. Financial risk management(continued)
b. Liquidity risk (continued)

The tables below summarize the Group' and Company's liquidity risk as at 31 December 2025 and 31 December 2024, categorized into relevant maturity groupings based on the remaining contractual maturities.

Group At 31 December 2025	Up to 1 month Ksh million	1 - 3 months Ksh million	3 - 12 months Ksh million	1 - 5 years Ksh million	Over 5 years Ksh million	Total Ksh million
Cash and balances with Central Banks	199,344	24,123	4,858	3,390	5,228	236,943
Loans and advances to Banks	121,426	46,581	-	-	-	168,007
Financial assets at FVTPL	269	9,113	29,550	8,321	5,484	52,737
Financial Assets at amortised cost	23,386	22,241	37,199	126,601	154,022	363,449
Financial Assets at fair value through OCI	1,857	9,797	51,693	77,394	127,150	267,891
Loans and advances to customers	156,064	105,096	206,305	716,471	656,567	1,840,503
Loans and advances at FVTPL	-	-	-	3,400	-	3,400
Derivative asset	87	-	85	-	-	172
Other assets excluding prepayments	14,325	21,691	6,355	3,561	2,525	48,457
Total financial assets	**516,758**	**238,642**	**336,045**	**939,138**	**950,976**	**2,981,559**
Deposits from banks	59,736	4,820	3,258	3,955	1,060	72,829
Deposits from customers	1,103,181	283,855	199,379	4,402	4,145	1,594,962
Derivative liabilities	708	-	-	-	-	708
Borrowings	533	2,821	13,338	54,937	20,323	91,952
Lease liabilities	-	103	496	2,618	1,323	4,540
Other liabilities excluding deferred revenue	6,472	25,893	4,466	6,001	2,419	45,251
Total financial liabilities	**1,170,630**	**317,492**	**220,937**	**71,913**	**29,270**	**1,810,242**
Net statement of financial exposure	**(653,872)**	**(78,850)**	**115,108**	**867,225**	**921,706**	**1,171,317**

Company At 31 December 2025	Up to 1 month Ksh million	1 - 3 months Ksh million	3 - 12 months Ksh million	1 - 5 years Ksh million	Over 5 years Ksh million	Total Ksh million
Cash and balances with Central Banks	483	7,840	-	-	-	8,323
Loans and advances to Banks	-	-	-	-	-	-
Balances due from related companies	-		2,045			2,045
Loans and advances at FVTPL	-	-	-			-
Financial Assets at amortised cost	-	-	-	-	-	-
Financial Assets at fair value through OCI	-	-	-	-	-	-
Loans and advances to customers	-	-	1,217	4,750	-	5,967
Investment in equity	-	-	-	-	-	-
Other assets excluding prepayments	-		3,073	-	-	3,073
Total financial assets	**483**	**7,840**	**6,335**	**4,750**	**-**	**19,408**
Deposits from banks	-	-	-	-	-	-
Deposits from customers	-	-	-	-	-	-
Due to related companies	-	-	3,097	4,750	-	7,847
Borrowings	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-
Other liabilities excluding deferred revenue	-		4,567			4,567
Total financial liabilities	**-**	**-**	**7,664**	**4,750**	**-**	**12,414**
Net statement of financial exposure	**483**	**7,840**	**(1,329)**	**-**	**-**	**6,993**

Financial Statements
For the year ended 31 December 2025

Notes (continued)
4. Financial risk management(continued)
b. Liquidity risk (continued)

Group At 31 December 2024	Up to 1 month Ksh million	1 - 3 months Ksh million	3 - 12 months Ksh million	1 - 5 years Ksh million	Over 5 years Ksh million	Total Ksh million
Cash and balances with Central Banks	69,223	14,047	7,309	11,941	11,900	114,420
Loans and advances to Banks	121,003	51,550	-	-	-	172,553
Financial assets at FVTPL	226	855	13,748	7,260	910	22,999
Financial Assets at amortised cost	13,829	47,090	15,583	46,518	211,072	334,092
Financial Assets at fair value through OCI	5,462	8,162	37,415	111,430	70,058	232,527
Loans and advances to customers	136,810	95,776	207,534	763,795	58,241	1,262,156
Loans and advances at FVTPL	-	-	629	2,518	-	3,147
Other assets excluding prepayments	3,401	14,065	5,161	4,751	4,020	31,398
Total financial assets	**349,954**	**231,545**	**287,379**	**948,213**	**356,201**	**2,173,292**
Deposits from banks	39,271	3,572	-	-	-	42,843
Deposits from customers	1,013,199	168,175	137,546	77,871	-	1,396,791
Borrowings	54,575	6	174	8,860	16,457	80,072
Lease liabilities	31	67	250	2,050	1,888	4,286
Other liabilities excluding deferred revenue	6,897	14,429	10,950	4,200	-	36,476
Total financial liabilities	**1,113,973**	**186,249**	**148,920**	**92,981**	**18,345**	**1,560,468**
Net statement of financial exposure	**(764,019)**	**45,296**	**138,459**	**855,232**	**337,856**	**612,824**

Company At 31 December 2024	Up to 1 month Ksh million	1 - 3 months Ksh million	3 - 12 months Ksh million	1 - 5 years Ksh million	Over 5 years Ksh million	Total Ksh million
Cash and balances with Central Banks	835	554	-	-	-	1,389
Balances due from related companies	896	-	-	3,879	-	4,775
Loans and advances at FVTPL	-	1,062	-	-	-	1,062
Other assets excluding prepayments	379	-	-	-	-	379
Total financial assets	**2,110**	**1,616**	**-**	**3,879**	**-**	**7,605**
Due to related companies	-	6,393	-	3,879	-	10,272
Other liabilities excluding deferred revenue	900	-	-	-	-	900
Total financial liabilities	**900**	**6,393**	**-**	**3,879**	**-**	**11,172**
Net statement of financial exposure	**1,210**	**(4,777)**	**-**	**-**	**-**	**(3,567)**

Notes (continued)
4. Financial risk management(continued)

c. Market risk

i. Currency risk

Foreign exchange risk arises from our non-trading asset and liability positions, denominated in currencies other than the functional currency of the respective entity.

The Group takes on exposure to effects of fluctuations in the prevailing foreign exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in total, net-open position (NOP) for both overnight and intra-day positions, which are monitored daily, and hedging strategies used to ensure that positions are maintained within the established limits.

Transactions in foreign currency are recorded at the rate in effect at the date of the transaction. The Group translates monetary assets and liabilities denominated in foreign currencies at the rate of exchange in effect at the reporting date. The Group records all gains or losses on changes in currency exchange rates in profit or loss.

The table below summarizes the foreign currency exposure as at 31 December 2025 and 31 December 2024:

	GROUP		COMPANY	
	2025 Ksh million	2024 Ksh million	2025 Ksh million	2024 Ksh million
Assets in foreign currencies	612,708	623,264	-	-
Liabilities in foreign currencies	(750,076)	(632,696)	-	-
Net foreign currency exposure at the end of the year	**(137,368)**	**(9,432)**	**-**	**-**

31 December 2025:	USD Ksh million	GBP Ksh million	EURO Ksh million	Other Ksh million	Total Ksh million
ASSETS					
Cash and bank balances	92,265	2,595	3,295	48,553	146,708
Loans and advances to customers	296,733	54	3,657	9,091	309,535
Placements with Banks	76,243	366	1,290	53,972	131,871
Other assets excluding prepayments	21,672	36	323	2,563	24,594
At 31 December 2025	**486,913**	**3,051**	**8,565**	**114,179**	**612,708**
LIABILITIES					
Deposits from banks	20,458	64	91	865	21,478
Deposits from customers	526,591	1,314	9,188	26,310	563,403
Borrowings	90,151	-	-	-	90,151
Other liabilities	73,983	11	8	1,042	75,044
At 31 December 2025	**711,183**	**1,389**	**9,287**	**28,217**	**750,076**
Net statement of financial position exposure	**(224,270)**	**1,662**	**(722)**	**85,962**	**(137,368)**

31 December 2024:	USD Ksh million	GBP Ksh million	EURO Ksh million	Other Ksh million	Total Ksh million
ASSETS					
Cash and bank balances	73,072	743	3,501	1,143	78,459
Loans and advances to customers	380,293	47	5,453	647	386,440
Placements with Banks	123,761	75	4,952	332	129,120
Other assets excluding prepayments	28,656	20	166	403	29,245
At 31 December 2024	**605,782**	**885**	**14,072**	**2,525**	**623,264**
LIABILITIES					
Deposits from banks	8,563	155	176	3	8,897
Deposits from customers	524,072	888	11,206	890	537,056
Borrowings	65,836	-	306	494	66,636
Other liabilities	19,858	18	40	191	20,107
At 31 December 2024	**618,329**	**1,061**	**11,728**	**1,578**	**632,696**
Net statement of financial position exposure	**(12,547)**	**(176)**	**2,344**	**947**	**(9,432)**

Notes (continued)
4. Financial risk management (continued)
(c) Market risk (continued)
(i) Currency risk (continued)

The following table demonstrates the sensitivity to a reasonably possible change in the below mentioned exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

The group manages the currency risk through cross-currency swaps, deposit mobilization and long-term borrowings and onward lending to customers to mitigate any gaps. The Group also uses the interbank borrowings or lending to manage the currency gap position.

	At 31 December 2025			At 31 December 2024		
	Currency Carrying Amount	10% Depreciation	10% Appreciation	Currency Carrying Amount	10% Depreciation	10% Appreciation
Ksh 'Million'						
Assets						
USD	486,913	(48,691)	48,691	605,782	(60,578)	60,578
GBP	3,051	(305)	305	885	(89)	89
Euro	8,565	(857)	857	14,072	(1,407)	1,407
Other	114,179	(11,418)	11,418	2,525	(253)	253
		(61,271)	**61,271**		**(62,327)**	**62,327**
Liabilities						
USD	711,183	71,118	(71,118)	618,329	61,833	(61,833)
GBP	1,389	139	(139)	1,061	106	(106)
Euro	9,287	929	(929)	11,728	1,173	(1,173)
Others	28,217	2,822	(2,822)	1,578	158	(158)
		75,008	**(75,008)**		**63,270**	**(63,270)**
Increase/(decrease)		13,737	(13,737)		944	(944)
Tax charge at 30%		4,121	(4,121)		283	(283)
Effect on net profit		9,616	(9,616)		660	(660)
As a percentage of net profit		13.97%	(13.97%)		1.07%	(1.07%)

At 31 December 2025 if the shilling had weakened/strengthened by 10% against the major trading currencies, with all other variables held constant, net profit would have been Ksh 9,616 million (2024: 660 million) lower/higher.

(ii) Interest rate risk

Interest rate is the risk that future cash flows of financial instruments will fluctuate because of changes in the market interest rates. Interest margin may decrease because of such changes but may increase losses if unexpected movement arises.

The Group closely monitors interest rate movements and seeks to limit its exposure by managing the interest rate and maturity structure of assets and liabilities carried on the statement of financial position. Assets and Liabilities Committee monitor compliance with the set interest rate gaps.

To manage interest rate risk the group has a robust Assets and Liabilities Committee which reviews daily cash management, monitors daily liquidity limits of loan to deposit ratio and interbank borrowing. The Group also performs stress testing of liquid assets and has a contingency funding plan to ensure severe liquidity gaps are adequately managed. The table below shows interest rate sensitivity position of the Group at 31 December based on the earlier of maturity or re-pricing dates. Items not recognized on the statement of financial position do not pose any significant interest rate risk to the Group.

Notes (continued)
4. Financial risk management (continued)
(c) Market risk (continued)
(ii) Interest rate risk (continued)

Group As at 31 December 2025:	Weighted interest rates	Up to 1 month Ksh million	1 - 3 months Ksh million	3 - 12 months Ksh million	1 - 5 years Ksh million	Over 5 years Ksh million	Non-interest bearing Ksh million	Total Ksh million
Cash and balances with Central Banks	-	75,026	7,809	-	-	-	145,440	228,275
Loans and advances to banks	6.52%	92,017	38,255	682	-	-	27,366	158,320
Financial assets at FVOCI	17.10%	619	7,410	40,890	30,364	92,889	-	172,172
Financial assets at FVTPL	11.30%	79	8,747	28,151	4,937	4,410	-	46,324
Financial assets at armotised cost	12.94%	14,276	12,982	18,020	60,600	129,349	-	235,227
Other assets excluding prepayments	-	-	61	2,728	7	35	41,557	44,388
Loans and advances to customers	11.68%	135,738	88,046	201,797	367,414	353,964	1,217	1,148,176
Loans and advances at FVTPL	-	-	-	-	3,400	-	-	3,400
Derivative asset	-	-	-	172	-	-	-	172
Total assets		**317,755**	**163,310**	**292,440**	**466,722**	**580,647**	**215,580**	**2,036,454**
Deposits from banks	8.81%	57,931	2,642	11	-	-	2,579	63,163
Deposits from customers	3.67%	1,025,519	313,873	171,059	4,008	212	77,941	1,592,612
Lease liability	-	-	19	159	2,661	1,289	164	4,292
Derivative liability	-	-	-	708	-	-	-	708
Payables and accrued expenses	-	-	-	150	-	-	37,190	37,340
Borrowings	8.32%	22	599	680	71,657	17,193	-	90,151
Total liabilities and equity		**1,083,472**	**317,133**	**172,767**	**78,326**	**18,694**	**117,874**	**1,788,266**
Interest rate sensitivity gap		**(765,717)**	**(153,823)**	**119,673**	**388,396**	**561,953**	**97,706**	**248,188**

Notes (continued)
4. Financial risk management (continued)
(c) Market risk (continued)
(ii) Interest rate risk (continued)

Group As at 31 December 2024:	Weighted interest rates	Up to 1 month Ksh million	1 - 3 months Ksh million	3 - 12 months Ksh million	1 - 5 years Ksh million	Over 5 years Ksh million	Non-interest bearing Ksh million	Total Ksh million
Cash and balances with Central Banks	-	-	-	-	-	-	114,420	114,420
Loans and advances to banks	3.60%	168,352	-	-	-	-	-	168,352
Financial assets at FVOCI	12.50%	997	2,923	15,192	34,609	111,589	-	165,310
Financial assets at FVTPL	12.50%	-	1,595	11,311	4,929	1,603	-	19,438
Financial assets at armotised cost	12.50%	-	4,893	-	111,516	107,738	-	224,147
Investment in equity	-	-	-	-	-	-	837	837
Other assets excluding prepayments	-	-	-	-	-	-	31,311	31,311
Loans and advances to customers	12.50%	104,906	44,637	94,483	340,180	403,345	-	987,551
Loans and advances at FVTPL	20.00%	-	-	2,861	-	-	-	2,861
Total assets		**274,255**	**54,048**	**123,847**	**491,234**	**624,275**	**146,568**	**1,714,227**
Deposits from banks	4.00%	43,017	-	-	-	-	-	43,017
Deposits from customers	3.60%	942,156	231,835	205,899	2,085	-	-	1,381,975
Lease liability	-	-	5	21	1,353	2,517	-	3,896
Payables and accrued expenses	-	-	-	-	-	-	36,476	36,476
Borrowings	5.90%	1,360	58	58,999	8,286	570	-	69,273
Total liabilities and equity		**986,533**	**231,898**	**264,919**	**11,724**	**3,087**	**36,476**	**1,534,637**
Interest rate sensitivity gap		**(712,278)**	**(177,850)**	**(141,072)**	**479,510**	**621,188**	**110,092**	**179,590**

Notes (continued)
4. Financial risk management (continued)
(c) Market risk (continued)
(ii) Interest rate risk (continued)

Company As at 31 December 2025:	Weighted interest rates	Up to 1 month Ksh million	1 - 3 months Ksh million	3 - 12 months Ksh million	1 - 5 years Ksh million	Over 5 years Ksh million	Non-interest bearing Ksh million	Total Ksh million
Cash and balances with Central Banks	6.25%	7,809				-	483	8,292
Loans and advances to customers	6.50%	-	-	-	3,945	-	1,217	5,162
Amounts due from related companies	-	-				-	2,045	2,045
Other assets excluding prepayments	-	-	-	-	-	-	3,431	3,431
Total assets		7,809	-	-	3,945	-	7,176	18,930
Payables to related parties	6.50%	-	-		3,933	-	3,097	7,030
Payables and accrued expenses	-	-	-	-	-	-	4,567	4,567
Total liabilities and equity			**-**	**-**	**3,933**	**-**	**7,664**	**11,597**
Interest rate sensitivity gap		**7,809**	**-**	**-**	**12**	**-**	**(488)**	**7,333**
As at 31 December 2024:								
Cash and bank balances	-	-	554	-	-	-	835	1,389
Loans and advances to banks	-	-	-	-	-	-	-	-
Financial assets at FVTPL	20.0%	-	-	1,062	-	-	-	1,062
Amounts due from related companies	6.5%	-	64	-	-	3,879	832	4,775
Total assets		**-**	**618**	**1,062**	**-**	**3,879**	**1,667**	**7,226**
Payables to related parties	6.5%	-	64			3,879	6,329	10,272
Payables and accrued expenses	-	-	-	-	-	-	900	900
Borrowings	-	-	-	-	-	-	-	-
Total liabilities and equity		**-**	**64**	**-**	**-**	**3,879**	**7,229**	**11,172**
Interest rate sensitivity gap		**-**	**554**	**1,062**	**-**	**-**	**(5,562)**	**(3,946)**

Notes (continued)
4. Financial risk management (continued)
(c) Market risk (continued)
(ii) Interest rate risk (continued)

An analysis of the Group's sensitivity to an increase or decrease in market interest rates assuming no asymmetrical movement in yield curves and a constant financial position is as follows on profit or loss (balances in Ksh million):

	2025			2024		
	Ksh million Carrying amount	1% Increase	1% Decrease	Ksh million Carrying amount	1% Increase	1% Decrease
Cash and balances with Central Banks	228,275	2,283	(2,283)	114,420	1,144	(1,144)
Loans and advances to banks	158,320	1,583	(1,583)	168,352	1,684	(1,684)
Financial assets at FVTPL	172,126	1,721	(1,721)	165,310	1,653	(1,653)
Financial assets at FVOCI	46,366	463	(463)	19,438	194	(194)
Financial assets at armotised cost	235,227	2,352	(2,352)	224,147	2,241	(2,241)
Investment in equity	-	-	-	837	8	(8)
Other assets excluding prepayments	44,388	444	(444)	31,311	313	(313)
Loans and advances to customers (Net)	1,148,176	11,482	(11,482)	987,551	9,876	(9,876)
Loans and advances at FVTPL	3,400	34	(34)	2,861	29	(29)
Derivative Asset	172	2	(2)	-	-	-
	2,036,454	**20,365**	**(20,365)**	**1,714,227**	**17,142**	**(17,142)**
LIABILITIES & EQUITY						
Deposits from banks	63,163	(632)	632	43,017	(430)	430
Deposits from customers	1,592,612	(15,926)	15,926	1,381,975	(13,820)	13,820
Lease liability	4,292	(43)	43	3,896	(39)	39
Derivative Liability	708	(7)	7	267	(3)	3
Other liabilities and accrued expenses	37,340	(373)	373	36,476	(365)	365
Borrowings	90,151	(902)	902	69,273	(693)	693
	1,788,299	**(17,883)**	**17,883**	**1,534,904**	**(15,350)**	**15,350**
Net interest income Increase/(decrease)		2,482	(2,482)		1,792	(1,792)
Tax Charge @ 30%		745	(745)		538	(538)
Impact on profit after tax		**1,737**	**(1,737)**		**1,255**	**(1,255)**

Market risk measurement techniques
The objective of market risk measurement is to manage and control market risk exposures within acceptable limits while optimising the return on risk. The Bank Treasury is responsible for the development of detailed risk management policies and for day-to-day implementation of those policies.

(iii) Price risk
The Group is exposed to equity securities price risk because of investments in Kenya Mortgage Refinance Company shares. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity and debt securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with limits set by the Directors.

Value at risk
The Group applies a 'value at risk' (VAR) methodology to its trading and non-trading portfolios to estimate the market risk of positions held and the maximum losses expected, based upon several assumptions for various changes in market conditions. Interest rate risk in the non-trading book is also measured using interest rate repricing gap analysis.

VAR is a statistically based estimate of the potential loss on the current portfolio from adverse market movements. It expresses the 'maximum' amount the Group might lose, but only to a certain level of confidence (95%). There is therefore a specified statistical probability (5%) that actual loss could be greater than the VAR estimate.

Notes (continued)
4. Financial risk management (continued)

(iii) Price risk

The VAR model assumes a certain 'holding period' until positions can be closed (10 days). It also assumes that market moves occurring over this holding period will follow a similar pattern to those that have occurred over 10-day periods in the past. The Group's assessment of past movements is based on data for the past five years. The Group applies these historical changes in rates, prices, indices, etc. directly to its current positions – a method known as historical simulation. Actual outcomes are monitored regularly to test the validity of the assumptions and parameters/factors used in the VAR calculation.

The use of this approach does not prevent losses outside of these limits in the event of more significant market movements. The VaR is calculated as per the below standard parameters:

- Confidence level - 95%
- Holding Period – 1 Day
- Historical Data – 1 year

The VaR is reported to the Board as part of the ICAAP process. The VAR limits will be established for all trading portfolio operations and allocated to Business Units. Average daily VAR for the KCB Group was Ksh 1,763 million (2024: Ksh 1,519 million). The quality of the VAR model is continuously monitored by back testing the VAR results.

12 months to 31 Dec 2025

Stress VaR Ksh million	Average	High	Low
Interest rate risk	1,753	1,671	1,538
Foreign exchange risk	**74**	**75**	**63**
Total VaR	**1,763**	**1,683**	**1,550**

12 months to 31 Dec 2024

Ksh million	Average	High	Low
Interest rate risk	1,515	1,612	1,447
Foreign exchange risk	**61**	**280**	**9**
Total VaR	**1,519**	**1,614**	**1,441**

Stress tests

Stress tests provide an indication of the potential size of losses that could arise in extreme conditions. The stress tests carried out by Treasury and Risk Functions include risk factor stress testing, where stress movements are applied to each risk category; emerging market stress testing, where emerging market portfolios are subject to stress movements; and ad hoc stress testing, which includes applying possible stress events to specific positions or regions.

The results of the stress tests are reviewed by senior management in each business unit and by the Board of Directors. Stress testing is tailored to the business and typically uses scenario analysis.

d. Off balance sheet items
i. Loan commitments

The dates of the contractual amounts of the Group's off-balance sheet financial instruments that it commits to extend credit to customers and other facilities (Note 45) are summarised in the table below.

ii. Off balance sheet financial instruments

Off balance sheet letters of credit and guarantees (Note 46) are also included in the table below, based on the earliest contractual maturity date.

iii. Operating lease commitments

Where the Group is the lessee, the future minimum lease payments under non-cancellable operating leases.

iv. Capital commitments

Capital commitments for the acquisition of buildings and equipment (Note 45) are summarised in the table below:

At 31 December 2025	No later than 1 year Ksh million	1-5 years Ksh million	Over 5 years Ksh million	Total Ksh million
Loan commitments	93,552	-	-	93,552
Off balance sheet financial instruments	336,566	4,731	-	341,297
Operating lease commitments	133	1,753	1,730	3,616
Capital commitments	3,810	-	-	3,810
Total	**434,061**	**6,484**	**1,730**	**442,275**
At 31 December 2024				
Loan commitments	90,316	1,406	-	91,722
Off balance sheet financial instruments	333,170	-	-	333,170
Operating lease commitments	578	2,023	289	2,890
Capital commitments	2,118	-	-	2,118
Total	**426,182**	**3,429**	**289**	**429,900**

Notes (continued)
5. Fair value of financial instruments

a. Accounting classification and fair values

The tables below show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount				Fair value			
2025 Group	FVOCI Ksh million	FVTPL Ksh million	At amortised cost Ksh million	Total carrying amount Ksh million	Level 1 Ksh million	Level 2 Ksh million	Level 3 Ksh million	Total Ksh million
Assets								
Financial assets								
Cash and bank balances	-	-	228,275	228,275	168,170	-	-	168,170
Loans and advances to banks	-	-	158,320	158,320	-	87,168	-	87,168
Financial assets at amortized cost	-	-	235,227	235,227	150,906	-	-	150,906
Financial assets at FVTPL	-	46,324	-	46,324	46,324	-	-	46,324
Financial assets at FVOCI	-	-	172,172	172,172	172,172	-	-	172,172
Loans and advances to customers at amortised cost	-	-	1,148,176	1,148,176	-	1,148,176	-	1,148,176
Loans and advances at FVTPL	-	3,400	-	3,400	-	3,400	-	3,400
Other assets excluding prepayments	-	-	44,388	44,388	-	44,388	-	44,388
Derivative asset	-	-	172	172	172	-	-	172
Total financial assets	**-**	**49,724**	**1,986,730**	**2,036,454**	**537,744**	**1,283,132**	**-**	**1,820,876**
Due to other banks	-	-	63,163	63,163	-	63,163	-	63,163
Deposits from customers	-	-	1,592,612	1,592,612	-	1,592,612	-	1,592,612
Lease liabilities	-	-	4,292	4,292	-	4,292	-	4,292
Derivative liabilities	-	-	708	708	-	708	-	708
Payables and accrued expenses	-	-	37,340	37,340	-	37,340	-	37,340
Borrowings	-	-	90,151	90,151	-	90,151	-	90,151
Total financial liabilities	**-**	**-**	**1,788,266**	**1,788,266**	**-**	**1,788,266**	**-**	**1,788,266**

Notes (continued)
5. Fair value of financial instruments
a. Accounting classification and fair values (continued)

2024 Group	Carrying amount				Fair value			
	FVOCI	FVTPL	At amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
	Ksh million	Ksh million	Ksh million	Ksh million	Ksh million	Ksh million	Ksh million	Ksh million
Assets								
Financial assets								
Cash and bank balances	-	-	114,420	114,420	114,420	-	-	114,420
Loans and advances to banks	-	-	168,352	168,352	-	168,352	-	168,352
Financial assets at amortized cost	-	-	224,147	224,147	224,147	-	-	224,147
Financial assets at FVTPL	-	19,438	-	19,438	19,438	-	-	19,438
Financial assets at FVOCI	165,310	-	-	165,310	165,310	-	-	165,310
Loans and advances to customers at amortised cost	-	-	987,552	987,552	-	987,552	-	987,552
Loans and advances at FVTPL	-	2,861	-	2,861	-	2,861	-	2,861
Derivative asset	-	-	172	172	-	172	-	172
Other assets excluding prepayments	-	-	31,398	31,398	2,726	28,672	-	31,398
Investment in equity	-	-	837	837	-	837	-	837
Total financial assets	**165,310**	**22,299**	**1,526,878**	**1,714,487**	**526,041**	**1,188,446**	**-**	**1,714,487**
Due to other banks	-	-	43,017	43,017	-	43,017	-	43,017
Deposits from customers	-	-	1,381,975	1,381,975	-	1,381,975	-	1,381,975
Derivative Liability	-	-	708	708	-	708	-	708
Lease liabilities	-	-	4,292	4,292	4,292	-	-	4,292
Payables and accrued expenses	-	-	36,476	36,476	-	36,476	-	36,476
Borrowed funds	-	-	69,273	69,273	-	69,273	-	69,273
Total financial liabilities	**-**	**-**	**1,535,741**	**1,535,741**	**4,292**	**1,531,449**	**-**	**1,535,741**

Notes (continued)
5. Fair value of financial instruments(continued)
a. Accounting classification and fair values (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When applicable, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
When there is no quoted price in an active market, the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

Investment securities with observable market prices including equity securities are fair valued using that information. Investment securities that do not have observable market data are fair valued either using discounted cash flow method or quoted market prices for securities with similar yield characteristics.

The table above includes Ksh 232 billion (2024: Ksh 224 billion) of securities in both carrying amount and fair value columns that were measured at cost and for which disclosure at fair value was not provided because their fair value was not considered to be reliably measurable.

Loans and advances to customers are net of allowance for impairment. The estimated fair value of loans and advances represents the discounted amount of future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value. A substantial proportion of loans and advances are on floating rates and re-price within 12 months, hence their fair value approximates their carrying amounts.

The estimated fair value of deposits with no stated maturity is the amount repayable on demand. Estimated fair value of fixed interest-bearing deposits without quoted market prices is based on discounting cash flows using the prevailing market rates for debts with a similar maturities and interest rates. A substantial proportion of deposits mature within 12 months and hence the fair value approximates their carrying amounts.

Cash and bank balances are measured at amortized cost and their fair value approximates their carrying amount.

b. Valuation hierarchy

The table below presents the Group's assets that are measured at fair value the end of the year.

Financial Assets	Fair value as at		Fair value	Valuation technique (s)	Significant unobservable
	31 December 2025	31 December 2024			
Financial assets	Ksh million	Ksh million	hierarchy	and key inputs	inputs
At FVTPL	46,324	19,438	Level 1	Quoted bid prices in an active market	N/A
AT FVOCI	172,172	165,310	Level 1	Quoted bid prices in an active market	N/A
Loans and advances at FVPL	3,400	2,861	Level 2	Valuation based on future operations of an entity	Discounted cashflows
Derivative assets	172	-	Level 2	Forward rates	
Total assets	**222,068**	**187,609**			

The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.
Fair value of financial instruments (continued)

Level 2 – fair value is determined through valuation techniques based on observable inputs, either directly, such as quoted prices, or indirectly, such as derived from quoted prices. This category includes instruments valued using quoted prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Notes (continued)

6. Management of capital

Regulatory capital – Kenya

The Central Bank of Kenya sets and monitors capital requirements for all banks.

The objective of the Central Bank of Kenya is to ensure that a bank maintains a level of capital which:

- is adequate to protect its depositors and creditors;
- is commensurate with the risks associated with its activities and profile;
- promotes public confidence in the Group.

In implementing current capital requirements, the Central Bank of Kenya requires banks to maintain a prescribed ratio of total capital to total risk-weighted assets. Banks are expected to assess the Credit risk, Market risk and the Operational risk of the risk weighted assets to derive the ratios. The Capital adequacy and use of regulatory capital are monitored regularly by management employing techniques based on the guidelines developed by the Basel Committee, as implemented by the Central Bank of Kenya for supervisory purposes.

The Central Bank of Kenya requires a bank to always maintain:

- Minimum level of regulatory capital of Ksh . 3 billion, (2024: Ksh . 1 billion).
- Total risk weighted assets, plus risk weighted off- balance sheet assets at above the required minimum of 10.5%.
- Maintain a ratio of total regulatory capital; to
- a core capital of not less than 8% of its total deposit liabilities
- a total capital of not less than 14.5% of its total risk weighted assets, plus risk weighted off-balance sheet items.

The Group's regulatory capital is analysed into two tiers:

- Tier 1 capital. This includes ordinary share capital, share premium, retained earnings and after deduction of investment in subsidiaries, goodwill, other intangible assets and other regulatory adjustments relating to items that are included in equity which are treated differently for capital adequacy purposes.
- Tier 2 capital. This includes 25% of revaluation reserves of property, subordinated debt not exceeding 50% of core capital, collective impairment allowances and any other approved reserves.

Notes (continued)
6. Management of capital (continued)

The regulatory position for the Group's banking subsidiaries was as follows:

Regulatory capital - KCB Bank Kenya Limited

	2025 Ksh million	2024 Ksh million
Core Capital (Tier 1):		
Ordinary share capital	53,986	53,986
Retained earnings	143,656	106,910
Deferred tax	(14,592)	(16,126)
Total Core Capital	**183,050**	**144,770**
Supplementary Capital (Tier 2):	56,773	32,072
Total regulatory capital	**239,823**	**176,842**
Risk weighted assets	**1,073,733**	**962,570**
Capital ratios:		
Total regulatory capital expressed as a percentage of total risk-weighted assets	22.3%	18.4%
Total tier 1 capital expressed as a percentage of total risk-weighted assets	17.0%	15.0%
The minimum capital ratios, as per the Central Bank of Kenya regulations, are as follows:		
Total core capital expressed as a percentage of total risk-weighted assets	14.5%	14.5%
Total tier 1 capital expressed as a percentage of total risk-weighted assets	10.5%	10.5%
Regulatory capital – Tanzania		
KCB Bank Tanzania had the following capital adequacy ratios:-		
Core capital (Tier 1)		
Tier I (Minimum required 12.5%)	18.1%	17.3%
Tier I + Tier II (Minimum required 14.5%)	18.4%	17.4%
Regulatory capital –Trust Merchant Bank		
TMB DR Congo had the following capital adequacy ratios:-		
Core capital (Tier 1)		
Tier I (Minimum required 7.5%)	14.2%	17.5%
Tier I + Tier II (Minimum required 10%)	16.6%	19.9%
Regulatory capital – South Sudan		
KCB Bank South Sudan had the following capital adequacy ratios:-		
Core capital (Tier 1)		
Tier I (Minimum required 8%)	16.0%	10.0%
Tier I + Tier II (Minimum required 12%)	21.0%	13.0%
Regulatory capital – Burundi		
KCB Bank Burundi had the following capital adequacy ratios:-		
Core capital (Tier 1)		
Tier I (Minimum required 12.5%)	26.6%	23.7%
Tier I + Tier II (Minimum required 14.5%)	33.1%	33.7%
Regulatory capital – Uganda		
KCB Bank Uganda had the following capital adequacy ratios:-		
Core capital (Tier 1)		
Tier I (Minimum required 12.5%)	15.4%	16.8%
Tier I + Tier II (Minimum required 14.5%)	19.8%	17.6%
Regulatory capital –BPR Bank Rwanda PLC		
BPR Bank Rwanda had the following capital adequacy ratios:-		
Core capital (Tier 1)		
Tier I (Minimum required 10%)	20.6%	21.6%
Tier I + Tier II (Minimum required 12%)	20.6%	21.6%

Notes (continued)
6. Management of capital (continued)

	2025 Ksh million	2024 Ksh million
Core Capital (Tier1):		
Regulatory capital – National Bank of Kenya Limited		
National Bank of Kenya had the following capital adequacy ratios:-		
Core capital (Tier 1)		
Tier I (Minimum required 12.5%)	-	9.0%
Tier I + Tier II (Minimum required 14.5%)	-	13.6%

KCB Group Plc will ensure that the capital adequacy of its subsidiaries meet the requirements of home and host regulators as required by cap 488 of the Banking Act.

The Group was in compliance with all statutory capital requirements as at end of the year. In addition, the Group has an Internal Capital Adequacy Assessment Process (ICAAP) policy to guide in determining its capital planning and formulating its risk appetite process. Overall, the purpose of the ICAAP document is to provide an informative description of the methodology and procedures that the Group uses to assess and mitigate its risks and to make sure that adequate capital is kept to support its risks beyond the core minimum requirements.

It delineates the process through which the Group assesses the extent to which it holds sufficient capital in order to duly support its business activities. Specifically, through the ICAAP, the Group assesses its forecast capital supply and demand relative to its regulatory and internal capital targets, under various scenarios. The Group's capital plan is defined every year during the budgeting and strategic planning exercise while financial year risk appetite limits are set by the Board. Exposures are monitored on a quarterly basis against those limits and reported to the Board Credit and Risk Committees. Stress testing is a risk management exercise that forms an integral part of the ICAAP. As part of the Group's ICAAP, forecasts are made over a five-year horizon, taking into account the Basel Pillar I and II stresses.

The ICAAP provides for an assessment of the Pillar I risk types (i.e., credit, operational, market risks) and Pillar II risk types (i.e. concentration of risk, liquidity risk, interest rate risk, strategic risks). These assessments are conducted with a view to understanding the sensitivity of the key assumptions of the capital plan to the realisation of possible stress scenarios and in order to evaluate how the Group can continue to maintain adequate capital under such scenarios. The overriding aim of the stress testing framework for the Group is to ensure that risk management exercises are firmly embedded in the organisation's overall governance culture. This helps to bolster the observance of regulatory requirements with regard to risk management, while contributing to the competitive positioning of the Group.

7. Operating segments

An operating segment is a section of the Group that focuses on distinct business activities and is regularly reviewed by the management in terms of performance and resource allocation. The Group's management identify the specific segments based on internal reporting periodically to the Executive Committee, which is the Chief Operating Decision Maker (CODM). The segmentation is determined by customer turnover, and the current segments include Corporate, Retail, Treasury, and Mortgages.
The focus of these segments is as detailed below: -

- **Retail banking –** incorporating banking services such as customer current accounts, savings, and fixed deposits to individuals. Retail lending is mainly consumer loans and mortgage-based lending.
- **Corporate banking –** incorporating banking services such as current accounts, fixed deposits, overdrafts, loans, and other credit facilities both in local and foreign currencies for corporate customers.
- **Treasury –** operates the Group's funds management activities. Other Group operations comprise of trade finance and forex business. The Group also participates in investments in Treasury Bills and Bonds from the Central Banks.

The Group does not have one major customer contributing to more than 10% in revenue, loans, or deposits. There have been no changes in the reportable segments in the year, nor any intersegment transfers.

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Notes (continued)
7. Operating segments (continued)

The table below analyses the breakdown of segmental assets, liabilities, income, and expenses.

Profit or Loss For the year ended 31 December 2025	Corporate banking Ksh million	Retail banking Ksh million	Treasury Ksh million	Mortgages Ksh million	Other Ksh million	Total Ksh million
Interest income	57,106	79,031	55,976	8,826	16,201	217,140
Interest expense	(33,097)	(12,365)	(6,115)	(1,715)	(6,205)	(59,497)
Net interest income	24,009	66,666	49,861	7,111	9,996	157,643
Net fees and commission income	5,964	11,374	7,780	11	3,175	28,304
Other income*	(375)	170	7,809	193	9,646	17,443
Depreciation and amortisation	(23)	(847)	-	(1)	(7,500)	(8,371)
Credit impairment and fair value changes	(10,061)	(9,183)	(51)	(797)	(9,712)	(29,804)
Operating expenses	(4,818)	(27,202)	(1,450)	(134)	(43,630)	(77,234)
Profit before monetary items	**14,696**	**40,978**	**63,949**	**6,383**	**(38,025)**	**87,981**
Loss on monetary items	-	-	-	-	(877)	(877)
Profit before tax	**14,696**	**40,978**	**63,949**	**6,383**	**(38,902)**	**87,104**
Tax expense	(3,199)	(11,164)	(16,333)	(1,915)	10,607	(22,004)
Profit after tax from continuing operations	**11,497**	**29,814**	**47,616**	**4,468**	**(28,295)**	**65,100**

*Other income includes FX income, other operating income and share of profit from associate.

Financial position For the year ended	Corporate banking Ksh million	Retail banking Ksh million	Treasury Ksh million	Mortgages Ksh million	Other Ksh million	Total Ksh million
31 December 2025						
Short term funds		228,275	613,096	-	-	841,371
Loans and advances	594,210	409,827	-	123,406	24,134	1,151,577
Other assets and prepayments	-	-	-	-	154,258	154,258
Total assets	**594,210**	**638,102**	**613,096**	**123,406**	**178,392**	**2,147,206**
Customer deposits	792,530	710,695	42,829	40,375	69,346	1,655,775
Borrowed funds	-	-	90,151	-	-	90,151
Payables and accrued expenses	-	-	-	-	60,725	60,725
Shareholders' funds	-	-	-	-	340,555	340,555
Total liabilities and shareholders' funds	**792,530**	**710,695**	**132,980**	**40,375**	**470,626**	**2,147,206**

Notes (continued)
7. Operating segments (continued)

Profit or Loss For the year ended 31 December 2024	Corporate banking Ksh million	Retail banking Ksh million	Treasury Ksh million	Mortgages Ksh million	Other Ksh million	Total Ksh million
Interest income	60,271	70,521	55,585	10,359	29,071	225,807
Interest expense	(35,977)	(13,559)	(10,215)	(1,541)	(14,764)	(76,056)
Net interest income	24,294	56,962	45,370	8,818	14,307	149,751
Net fees and commission income	8,609	22,071	-	92	-	30,772
Other income*	97	227	20,938	247	1,123	22,632
Depreciation and amortisation	(8)	(872)	(1)	(1)	(8,865)	(9,747)
Credit impairment and fair value changes	(24,539)	(2,738)	-	(1,410)	449	(28,238)
Operating expenses	(2,615)	(24,978)	(854)	(37)	(52,380)	(80,864)
Profit before monetary items	5,838	50,672	65,453	7,709	(45,366)	84,306
Loss on monetary items	-	-	-	-	2,333	(2,333)
Profit before tax	5,838	50,672	65,453	7,709	(47,699)	81,973
Tax expense	(1,438)	(12,485)	(16,128)	(1,899)	11,753	(20,198)
Profit after tax	**4,400**	**38,187**	**49,325**	**5,810**	**(35,947)**	**61,775**

*Other income includes FX income, other operating income and share of profit from associate.

Financial position For the year ended	Corporate banking Ksh million	Retail banking Ksh million	Treasury Ksh million	Mortgages Ksh million	Other Ksh million	Total Ksh million
31 December 2024						
Short term funds	-	114,420	577,247	-	-	691,667
Loans and advances	469,254	392,929	-	77,028	51,202	990,413
Other assets and prepayments	-	-	-	-	280,240	280,240
Total assets	**469,254**	**507,349**	**577,247**	**77,028**	**331,442**	**1,962,320**
Customer deposits	624,543	668,140	44,036	38,309	6,947	1,381,975
Borrowed funds	-	-	69,273	-	-	69,273
Payables and accrued expenses	-	-	68,463	-	159,630	228,093
Shareholders' funds	-	-	-	-	282,979	282,979
Total liabilities and shareholders' funds	**624,543**	**668,140**	**181,772**	**38,309**	**449,556**	**1,962,320**

Major Customers
The Group does not have major customers contributing 10% or more of the Group's income.

Geographical information
Six of the Group companies, KCB Bank Tanzania Limited, KCB South Sudan Limited, KCB Bank Uganda Limited, Trust Merchant Bank SA, KCB Bank Burundi Limited and Banque Populaire du Rwanda operate outside the domestic financial market. On 30 May 2025, assets of Ksh 142bn relating to the National Bank of Kenya Limited business were moved from KCB Group through divestiture, with net operating income of Ksh 5.2bn and profit before tax of Ksh 539m related the subsidiary recognised within the period before subsequently being discontinued. The transaction was comparatively reported as Held for sale in 2024.The following table analyses the regional segments in which the group operates.

Notes (continued)
7. Operating segments (continued)

Geographical information

Income Statement For the year ended 31 December 2025	Kenya Ksh million	Tanzania Ksh million	South Sudan Ksh million	Uganda Ksh million	Rwanda Ksh million	Burundi Ksh million	DRC Ksh million	Total Ksh million
Interest income	162,525	9,367	1,368	8,753	12,419	1,957	20,751	217,140
Interest expense	(44,764)	(3,684)	(343)	(3,750)	(3,840)	(155)	(2,961)	(59,497)
Net interest income	117,761	5,683	1,025	5,004	8,579	1,802	17,790	157,643
Net fees and commission income	15,208	832	936	397	1,252	638	9,041	28,304
Other income	11,514	1,275	1,453	938	367	65	1,831	17,443
Depreciation and amortisation	(5,895)	(325)	(54)	(368)	(673)	(103)	(953)	(8,371)
Credit impairment and fair value changes	(27,841)	121	(57)	(514)	(333)	(22)	(1,158)	(29,804)
Operating expenses	(49,782)	(2,709)	(1,652)	(3,047)	(3,921)	(983)	(15,140)	(77,234)
Profit before tax and monetary loss	60,965	4,877	1,651	2,409	5,271	1,397	11,411	87,981
Loss on monetary position	-	-	(323)	-	-	(554)	-	(877)
Profit before income tax	60,965	4,877	1,328	2,409	5,271	843	11,411	87,104
Tax	(14,652)	(1,614)	(492)	(632)	(1,570)	(389)	(2,655)	(22,004)
Profit for the year from continuing operations	**46,313**	**3,263**	**836**	**1,777**	**3,701**	**454**	**8,756**	**65,100**
Profit from discontinued operations	3,251	-	-	-	-	-	-	3,251
For the year ended 31 December 2024								
Interest income	175,105	8,250	1,260	7,261	11,660	1,400	20,871	225,807
Interest expense	(63,284)	(3,154)	(203)	(2,659)	(3,483)	(106)	(3,167)	(76,056)
Net interest income	111,821	5,096	1,057	4,602	8,177	1,294	17,704	149,751
Net fees and commission income	17,240	402	825	213	1,124	572	10,396	30,772
Other income	13,802	782	2,219	672	809	53	3,068	21,405
Depreciation and amortisation	(7,106)	(292)	(57)	(373)	(795)	(98)	(1,026)	(9,747)
Impairment and fair value changes	(25,346)	452	(55)	(1,427)	(788)	(3)	(1,071)	(28,238)
Operating expenses	(54,311)	(2,540)	(1,404)	(2,232)	(4,137)	(730)	(15,510)	(80,864)
Profit before tax and monetary loss	56,100	3,900	2,585	1,455	4,390	1,088	13,561	83,079
Loss on monetary position	-	-	(2,333)	-	-	-	-	(2,333)
Profit before income tax	56,100	3,900	252	1,455	4,390	1,088	13,561	80,746
Tax	(13,089)	(1,292)	(703)	(327)	(1,366)	(297)	(3,124)	(20,198)
Profit for the year from continuing operations	**43,011**	**2,608**	**(451)**	**1,128**	**3,024**	**791**	**10,437**	**60,548**
Profit from discontinued operation	1,227	-	-	-	-	-	-	1,227

Notes (continued)
7. Operating segments (continued)
Geographical information (continued)

Statement of financial position For the year ended 31 December 2025	Kenya Ksh million	Tanzania Ksh million	South Sudan Ksh million	Uganda Ksh million	Rwanda Ksh million	Burundi Ksh million	DRC Ksh million	Total Ksh million
Cash and short-term funds	522,988	30,396	17,124	32,322	42,683	11,979	183,879	841,371
Loans and advances	854,895	62,527	8,548	41,776	74,259	10,916	98,657	1,151,577
Other assets	118,669	3,906	2,080	4,208	7,799	1,207	16,388	154,258
Total assets	**1,496,553**	**96,829**	**27,752**	**78,306**	**124,741**	**24,102**	**298,924**	**2,147,206**
Customer deposits	1,140,837	74,222	24,183	63,576	90,011	18,512	244,434	1,655,775
Borrowed funds	70,858	5,579	-	2,977	10,736	-	-	90,151
Other liabilities	52,238	1,987	1,346	1,588	5,145	731	8,673	71,708
Shareholders' funds	232,619	15,040	2,223	10,164	18,849	4,859	45,817	329,572
Total liabilities and shareholders' funds	**1,496,553**	**96,829**	**27,752**	**78,306**	**124,741**	**24,102**	**298,924**	**2,147,206**
31 December 2024								
Cash and short-term funds	427,892	27,170	13,728	23,432	27,387	8,949	163,109	691,667
Loans and advances	737,689	52,897	9,016	31,828	58,358	7,774	92,851	990,413
Assets classified as held for sale	148,805	-	-	-	-	-	-	148,805
Other assets	102,633	2,739	62	5,755	5,828	697	13,721	131,435
Total assets	**1,417,019**	**82,806**	**22,806**	**61,015**	**91,573**	**17,420**	**269,681**	**1,962,320**
Customer deposits	971,811	51,305	15,106	44,148	61,479	12,776	225,350	1,381,975
Borrowed funds	54,883	5,926	-	-	8,464	-	-	69,273
Other liabilities	184,843	14,050	6,276	8,607	5,220	936	8,161	228,093
Liabilities relating to assets held for sale	135,588	-	-	-	-	-	-	135,588
Shareholders' funds	69,894	11,525	1,424	8,260	16,410	3,708	36,170	147,391
Total liabilities and shareholders' funds	**1,417,019**	**82,806**	**22,806**	**61,015**	**91,573**	**17,420**	**269,681**	**1,962,320**

Notes (continued)

8. Interest income and interest expense

		GROUP		COMPANY	
		2025 Ksh million	2024 Ksh million	2025 Ksh million	2024 Ksh million
(a)	**Interest income**				
	Interest on loans and advances	158,845	153,173	616	113
	Financial instruments at FVTPL	-	-	-	-
	Financial instruments at FVOCI	49,632	44,145	-	-
	Other investments at armotised cost	8	75	-	-
	Interest on placements and bank balances	8,665	9,464	216	266
		217,140	**206,857**	**832**	**379**
(b)	**Interest expense**				
	Interest on deposits	46,961	51,663	-	-
	Interest on borrowed funds	12,102	17,327	308	310
	Interest on lease liabilities	434	632	-	-
		59,497	**69,622**	**308**	**310**
	Net Interest Income	**157,643**	**137,235**	**524**	**69**

9. Fees and commission income/expense

	GROUP		COMPANY	
	2025 Ksh million	2024 Ksh million	2025 Ksh million	2024 Ksh million
(a) Fees and commission income				
Retail and corporate fee income	3,921	3,505	-	-
Commission income	30,288	30,968	-	-
	34,209	34,473	-	-
(b) Fees and commission expense	**(5,905)**	**(5,610)**	**-**	**-**
Net fees and commission income	**28,304**	**28,863**	**-**	**-**

The elements of retail and corporate fee income are recognised over time while the commission income is mostly recognised at a point in time.

10. Net foreign exchange gain

	GROUP		COMPANY	
	2025 Ksh million	2024 Ksh million	2025 Ksh million	2024 Ksh million
Net foreign exchange gain				
Foreign currency dealings	9,037	10,023	(52)	(80)
Translation gains	2,074	6,625	-	-
	11,111	16,648	(52)	(80)

Notes (continued)

11. (a) Dividend income

	GROUP		COMPANY	
	2025	2024	2025	2024
	Ksh million	Ksh million	Ksh million	Ksh million
Dividend income	**-**	**-**	**13,780**	**7,115**

11. (b) Other operating income

	2025	2024	2025	2024
	Ksh million	Ksh million	Ksh million	Ksh million
Rental income	217	259	6	5
Profit on disposal of property and equipment	102	65	-	-
Gain on disposal of financial assets FVOCI	4,612	2,097	-	
Miscellaneous income	1,210	2,357	1,929	1,162
Gain from disposal of subsidiary	-	-	3,182	-
	6,141	**4,778**	**5,117**	**1,167**

The group leases out its investment properties to tenants under operating leases with rentals payable monthly or quarterly. The lease income is recognised on a straight line over the lease term. In the consolidated financials, the gain on disposal of NBK is presented within results from discontinued operations. In the Company financial statements, the gain is recognized under other income.

12. Allowances for expected credit losses

	GROUP	COMPANY		
	2025	2024	2025	2024
	Ksh million	Ksh million	Ksh million	Ksh million
Losses on financial assets				
Non-performing loans and advances (Stage 3)	28,045	23,568	-	-
Performing loans and advances (Stage 1 and 2)	2,059	2,087	-	-
Sub-total (Note 26)	**30,104**	**25,655**	**-**	**-**
Loans written off to profit or loss	1,433	2,434	-	-
Recoveries from previously written off loans	(1,669)	(3,893)	-	-
Modification gain	(203)	(177)	-	-
	29,665	**24,019**	**-**	**-**

13. Net (loss) / gains on financial assets at fair value through profit or loss

	GROUP		COMPANY	
	2025	2024	2025	2024
	Ksh million	Ksh million	Ksh million	Ksh million
Net (loss)/ gain on loan notes (Note 26b)	(139)	643	-	-
	(139)	643	-	-

Notes (continued)

14. Employee benefits

	GROUP		COMPANY	
	2025	2024	2025	2024
	Ksh million	Ksh million	Ksh million	Ksh million
Salaries and wages	31,985	29,087	1,214	976
Medical expenses	2,378	1,943	12	7
Pension costs – defined benefit scheme	1,514	700	3	1
Pension costs – defined contributions scheme	1,283	1,147	15	10
Other employee expenses	81	2,613	12	79
	37,241	**35,490**	**1,256**	**1,073**

*Other employee expenses relate to staff insurance, health and safety programs, recognition schemes, restructuring costs, recruitment, and other incidental costs.

The average number of employees of the Group during the year ended 31 December 2025 was 11,252 (2024: 10,078). The average number of employees of the Company during the year ended 31 December 2025 was 15 (2024: 15).

15. Depreciation and amortisation

	GROUP		COMPANY	
	2025	2024	2025	2024
	Ksh million	Ksh million	Ksh million	Ksh million
Depreciation of property and equipment (Note 29)	3,578	3,356	20	20
Amortisation of right of use assets-Leased (Note 31)	1,005	1,132	-	-
Amortisation of intangible assets (Note 32)	3,788	4,542	4	1
	8,371	**9,030**	**24**	**21**

16. Other operating expenses

	GROUP		COMPANY	
	2025	2024	2025	2024
	Ksh million	Ksh Million	Ksh Million	Ksh million
Depositor's protection fund premiums	2,060	1,888	-	-
Marketing, events and sponsorship	4,228	3,403	79	79
Project expenses, repairs & maintenance, rent and utilities	3,063	3,014	10	16
Equipment costs, maintenance, repairs and leases	5,263	4,710	37	20
Communication costs-data line, telephone	2,115	2,110	2	1
Professional and outsourced service costs	6,562	7,667	184	193
Software related costs	6,369	6,973	413	439
Other costs	10,333	7,052	1,344	340
	39,993	**36,817**	**2,069**	**1,088**

The Group also leases computer equipment and points of sale machines for between one to three years. These leases are short-term or low valued and the Group has elected not to recognize the right-of-use assets and liabilities as exempted by the standard.

Other costs related to utilities payments, card services and corporate social responsibility.

Notes (continued)

17. Profit before income tax

	GROUP		COMPANY	
	2025	2024	2025	2024
	Ksh million	Ksh million	Ksh million	Ksh million
Profit before tax is arrived at after charging/(crediting):				
Depreciation of property and equipment (Note 29)	3,579	3,803	20	22
Amortisation of intangible assets (Note 32)	3,788	4,541	4	1
Amortisation of right of use asset (Note 31)	1,004	1,403	-	-
Directors' emoluments –salary emoluments	1,809	1,677	530	461
Auditors' remuneration	172	223	18	19
Profit on disposal of property and equipment	102	79	-	-

18. Gain / (loss) on monetary position

Gain / loss in monetary position is as a result of the South Sudan and Burundi economies being declared a hyperinflationary. South Sudan was first declared in 2016 and has historically prepared hyperinflationary accounts except in 2023. Burundi was considered hyperinflationary for 30 June 2025 period end onwards.

	GROUP		COMPANY	
	2025	2024	2025	2024
	Ksh million	Ksh million	Ksh million	Ksh million
KCB South Sudan	323	2,333	-	-
Burundi	554	-	-	-
	877	**2,333**	**-**	**-**

Burundi

2025	1-Jan-25	Net change in monetary items	31-Dec-25
	Ksh million	Ksh million	Ksh million
Monetary Items			
Cash and balances with Central Banks	1,861	2,564	4,425
Placements and balances with other banking institutions	186	(130)	56
Government securities	6,581	734	7,315
Amounts due from related companies	235	81	316
Loans and advances to customers	7,698	3,341	11,039
Other assets	232	81	313
Customer deposits	(12,651)	(4,739)	(17,390)
Current income tax	(38)	(40)	(78)
Balances due to other banks	(34)	(842)	(876)
Other liabilities	(284)	(30)	(314)
Lease liabilities	(105)	(7)	(112)
Amounts due to related companies	(627)	(412)	(1,039)
Net monetary assets	**3,054**	**601**	**3,655**
Expressed in purchasing power at 31 Dec 2025	3,516	693	4,209
Loss on net monetary position	**(462)**	**(92)**	**(554)**

Notes (continued)

18. Gain / (loss) on monetary position (continued)

South Sudan

2025	1-Jan-25	Net change in monetary items	31-Dec-25
	Ksh million	Ksh million	Ksh million
Monetary Items			
Cash and balances with Central Banks	13,694	7,291	20,985
Placements and balances with other banking institutions	13	199	212
Amounts due from related companies	153	500	653
Loans and advances to customers	9,023	1,634	10,657
Other assets	1,248	15	1,263
Customer deposits	(15,089)	(4,813)	(19,902)
Current income tax	(5)	5	-
Balances due to other banks	-	-	-
Lease Liabilities	(151)	(32)	(183)
Other liabilities	(547)	79	(468)
Dividends Payable	-	-	-
Amounts due to related companies	(6,897)	(4152)	(11,049)
Net monetary assets	**1,442**	**726**	**2,168**
Expressed in purchasing power at 31 Dec 2025	(3,775)	1,284	(2,491)
Loss on net monetary position	**(2,333)**	**2,010**	**(323)**

2024	1-Jan-24	Net change in monetary items	31-Dec-24
Monetary Items			
Cash and balances with Bank of South Sudan	12,986	708	13,694
Placements and balances with other banking institutions	627	(614)	13
Amounts due from related companies	89	64	153
Loans and advances to customers	9,695	(672)	9,023
Other assets	1,570	(322)	1,248
Current Income Tax	44	(44)	-
Customer deposits	(15,605)	516	(15,089)
Balances due to other banks	(198)	193	(5)
Lease Liabilities	(103)	(48)	(151)
Other liabilities	(461)	(86)	(547)
Dividends Payable	(737)	737	-
Amounts due to related companies	(5,480)	(1,417)	(6,897)
Net monetary assets	**2,427**	**(985)**	**1,442**
Expressed in purchasing power at 31 Dec 2024	(9,646)	5,871	(3,775)
Loss on net monetary position	**(7,219)**	**4,886**	**(2,333)**

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Notes (continued)

19. Current income tax

GROUP	2025 Ksh million	2024 Ksh million
(a) Income tax expense:		
Current income tax charge/ (credit):		
Charge to profit or loss	27,017	26,660
Prior year tax over provision	(1,674)	(1,707)
	25,343	**24,953**
Deferred income tax (credit) / charge:		
Deferred income tax (credit)/charge	(4,487)	(6,546)
Deferred income tax charge - Prior year overprovision	1,148	1,769
	(3,339)	**(4,777)**
	22,004	**20,176**
Reconciliation of effective tax:		
Accounting profit before tax	87,104	80,724
Tax calculated using applicable tax rates based on respective income tax laws	28,279	24,570
Effects of non-taxable income	(6,765)	(5,207)
Effects of non-allowable expenses	924	751
Effect of Hyperinflation adjustment	92	-
Prior year under provision in current income tax	(1,674)	(1,707)
Prior year over provision in deferred income tax	1,148	1,769
	22,004	**20,176**
(b)Statement of financial position-Group		
At start of year	(6,455)	(3,668)
Current income tax expense	(27,017)	(26,660)
Prior year (over)/ under provision	1,674	1,707
Current income tax paid	32,749	22,055
Effects of hyperinflation adjustment	(590)	(144)
Transfer to assets held for sale	-	255
At end of year	**361**	**(6,455)**
Comprising:		
Current tax receivable	2,135	-
Current tax payable	(1,774)	(6,455)
	361	**(6,455)**

Financial Statements
For the year ended 31 December 2025

Notes (continued)
19. Current income tax (continued)

COMPANY	2025 Ksh million	2024 Ksh million
Income tax expense:		
Current income tax (credit) / charge:		
Charge to profit or loss	1,185	62
Prior year tax under provision	-	6
	1,185	68
Deferred income tax (credit) / charge:		
Deferred income tax (credit)/charge (Note 34)	(1,002)	(29)
Deferred income tax charge - Prior year overprovision	-	74
	(1,002)	45
	183	**113**
Reconciliation of effective tax:		
Accounting profit before income tax	16,020	6,089
Tax calculated using applicable tax rates based on respective income tax laws	4,806	1,827
Effects of non-taxable income	(5,137)	(1,793)
Capital gains tax on subsidiary disposal	514	-
Prior year under-provision in current income tax	-	79
	183	**113**
Statement of financial position-Company		
Company		
At start of year	52	114
Tax paid during the year	651	6
Tax charge for the year	(1,185)	(62)
Prior year adjustment	-	(6)
At end of year	**(482)**	**52**
Comprising:		
Current income tax recoverable	-	52
Current income tax payable	(482)	-
	(482)	52

Notes (continued)

20. Earnings per share

Basic and diluted earnings per share is calculated on the profit attributable to ordinary shareholders of Ksh 68,351 million (2024: 60,090 million) and on the weighted average number of ordinary shares during the year of 3,213 million (2024: 3,213 million shares).

	GROUP		COMPANY	
	2025 Ksh million	2024 Ksh million	2025 Ksh million	2024 Ksh million
Basic earnings per share	20.80	18.84	4.93	1.86
Diluted earnings per share	20.80	18.84	4.93	1.86

21. Cash and bank balances

	GROUP		COMPANY	
	2025 Ksh million	2024 Ksh million	2025 Ksh million	2024 Ksh million
Cash in tills and vaults	39,428	32,301	8,292	1,389
Balances with Central Banks:				
Cash reserve ratio	48,505	42,175	-	-
Other current accounts	140,342	39,944	-	-
	228,275	**114,420**	**8,292**	**1,389**

Cash held with Central Banks represents cash reserve ratio and other non-interest earning current accounts and is based on the value of deposits as adjusted for Central Banks' requirements.

The cash reserve ratio funds are available for use by the company in its day-to-day operations in a limited way provided that on any given day, this balance does not fall below the daily limit requirement and provided that the overall average in the month does not fall below monthly prescribed average. The Group has retrospectively reclassified Central Bank of Kenya linked cash reserve ratio to cash and cash equivalents to comply with IAS 7. The quantitative impact on comparative periods and operating cash flows is disclosed under Note 2.31.

22. Loans and advances to banks

	GROUP		COMPANY	
	2025 Ksh million	2024 Ksh million	2025 Ksh million	2024 Ksh million
Balances in nostro accounts	31,117	63,562	-	-
Placements with other banks	127,203	104,790	-	-
	158,320	**168,352**	**-**	**-**

The Group participates in the inter-bank market for the generation of revenue. Regularly, the counterparties are assessed for creditworthiness in line with the Group credit policies. The weighted average effective interest rate on balances due from other banks at 31 December 2025 was 6.52% (2024: 4.3%).

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Notes (continued)

23. Financial assets at fair value through other comprehensive income

	GROUP		COMPANY	
	2025 Ksh million	2024 Ksh million	2025 Ksh million	2024 Ksh million
Quoted investments	-	-	-	-
Corporate bonds	148	2,068	-	-
Treasury bills and bonds	172,024	163,242	-	-
	172,172	**165,310**	**-**	**-**
Maturity analysis as follows;				
Within 1 month	615	1,032	-	-
After 1 month but within 3 months	7,393	3,026	-	-
After 3 months, but within 1 year	40,820	15,726	-	-
After 1 year, but within 5 years	30,338	35,825	-	-
After 5 years	93,006	109,701	-	-
Total investment in Government securities at FVOCI	**172,172**	**165,310**	**-**	**-**

24. Investments accounted for using equity method

At start of year	837	591	-	-
Fair value gains/(loss)	26	-	-	-
Share of profit	191	246	-	-
Transfer to asset held for sale	-		-	-
At end of year	**1,054**	**837**	**-**	**-**

As at 31 December 2025, the Group held the following interests: Kenya Mortgage Refinance Company (KMRC): The Bank holds a 20% shareholding in KMRC. United Finance Company: The Holding Company holds a 45% shareholding in United Finance Company.

25.Other assets and prepayments

	GROUP		COMPANY	
	2025 Ksh million	2024 Ksh million	2025 Ksh million	2024 Ksh million
Other receivables	38,204	30,369	3,072	(10)
Transfer from investment property (Note 30)	6,996	-	-	-
Prepayments	12,949	11,508	359	389
Items in the course of collection	3,463	1,029	-	-
	61,612	**42,906**	**3,431**	**379**
Financial derivatives (Note 46)	**172**	**-**	-	-

Other receivables are current and non-interest bearing and are generally between 30 to 90 days terms. They include receivables from mobile banking operators for mobile initiated transactions and other suspense accounts across the Group.

The items in the course of collection consist of items in transit to/from other banks through the Central Banks of various countries' clearing system. These items generally clear by end of the next business day.

The derivative asset refers to the unrealised net fair value gain on the currency swaps, spot and forwards as at 31 December 2025. The notional amounts have been disclosed under note 46.

Notes (continued)

26. Loans and advances to customers

The summary of loans and advances is as follows:

	GROUP		COMPANY	
	2025 Ksh million	2024 Ksh million	2025 Ksh million	2024 Ksh million
Loans and advances at amortised cost	1,148,176	987,552	5,162	-
Loans and advances at fair value	3,400	2,861	-	1,062
	1,151,576	**990,413**	**5,162**	**1,062**

(a) Loans and advances to customers at amortised cost

CORPORATE	2025			2024		
	Gross Ksh million	Credit loss allowance Ksh million	Carrying Amount Ksh million	Gross Ksh million	Credit loss allowance Ksh million	Carrying Amount Ksh million
Mortgage	49,306	(1,888)	47,418	53,923	(2,130)	51,793
Overdrafts	92,295	(4,139)	88,156	66,039	(3,365)	62,674
Term loans	561,593	(55,539)	506,054	470,380	(57,218)	413,162
Sub total	**703,194**	**(61,566)**	**641,628**	**590,342**	**(62,713)**	**527,629**
RETAIL						-
Mortgage	77,512	(1,524)	75,988	80,323	(1,887)	78,436
Overdrafts	40,525	(2,157)	38,368	38,741	(2,690)	36,051
Term loans	427,137	(34,945)	392,192	369,283	(23,847)	345,436
Sub total	**545,174**	**(38,626)**	**506,548**	**488,347**	**(28,424)**	**459,923**
Total	**1,248,368**	**(100,192)**	**1,148,176**	**1,078,689**	**(91,137)**	**987,552**

2025 Loans and advances to customers	Corporate Ksh million	Mortgages Ksh million	Retail Ksh million	Total Ksh million
Stage 3				
At start of year	56,686	2,891	15,597	75,174
Allowance made during the year (Note 12)	14,690	1,691	11,664	28,045
Allowance recovered/ not required during the Year (Note 12)	(886)	(1,086)	(303)	(1,669)
Write down/(write offs) during the year	(4,860)	(213)	(9,150)	(14,223)
Currency translation differences	(12,822)	(555)	8,439	(4,938)
At end of year	**52,808**	**2,728**	**26,853**	**82,389**
Stage 1 & 2				
At start of year	6,625	752	9,506	16,883
Allowance made during the year (Note 12)	1,471	(91)	679	2,059
Currency translation differences	(1,226)	23	64	(1,139)
At end of year	6,870	684	10,249	17,803
Total	**59,678**	**3,412**	**37,102**	**100,192**

Notes (continued)
26. Loans and advances to customers (continued)

2024 Loans and advances to customers	Corporate Ksh million	Mortgages Ksh million	Retail Ksh million	Total Ksh million
Stage 3				
At start of year	73,559	3,096	13,949	90,604
Allowance made during the year (Note 12)	15,818	896	6,854	23,568
Write down/(write offs) during the year	(24,626)	(455)	(439)	(25,520)
Currency translation differences	4,005	(68)	(499)	3,438
Transfers to held for sale	(12,989)	(578)	(4,268)	(17,835)
At end of year	**55,767**	**2,891**	**15,597**	**74,255**
Stage 1 & 2				
At start of year	9,091	738	8,169	17,998
Allowance made during the year (Note 12)	96	36	1,955	2,087
Currency translation differences	(163)	12	(79)	(230)
Transfers to held for sale	(2,399)	(12)	(562)	(2,973)
At end of year	**6,625**	**774**	**9,483**	**16,882**
Total	**62,392**	**3,665**	**25,080**	**91,137**

The weighted average effective interest rate on loans and advances as at 31 December 2025 was 11.68% (31 December 2024: 12.1%).

	GROUP		COMPANY	
Maturity analysis of gross loans and advances to customers:	2025 Ksh million	2024 Ksh million	2025 Ksh million	2024 Ksh million
Maturing as follows:				
Within 1 month	135,738	143,090	-	-
After 1 month but within 3 months	88,046	60,840	-	-
After 3 months, but within 1 year	201,797	143,280	-	-
After 1 year, but within 5 years	367,414	304,228	5,162	-
After 5 years	355,181	446,129	-	-
	1,148,176	**1,097,567**	**5,162**	**-**
Sectorial analysis of gross loans and advances to customers:				
Private sector and individuals	1,083,596	1,104,818	5,162	-
Government and parastatals	64,580	58,003	-	-
	1,148,176	**1,162,821**	**5,162**	**-**

Notes (continued)

(b) Loans and advances at fair value through profit or loss

	GROUP		COMPANY	
	2025 Ksh million	2024 Ksh million	2025 Ksh million	2024 Ksh million
Gross carrying value at start of the year	2,861	1,655	1,062	-
Transfers and remeasurements	(1,071)	437	(1,062)	-
Additions	-	1,062	-	1,062
Fair value (loss)/gain provision (Note 13)	(139)	643	-	-
Fair value (loss)/gain provision-discontinued operations	(31)	813	-	-
Reclass from/(to) held for sale	1,780	(1,749)	-	-
At end of year	**3,400**	**2,861**	**-**	**1,062**

Loans and advances at fair value to loan notes issued to a Special Purpose Entity (SPE) formed as part of a restructuring arrangement between lender banks and Kenya Airways Plc in 2016. Under the terms of the restructuring, the amounts owing to the banks were transferred to the SPE, which in exchange was allocated equity shares of Kenya Airways Plc.

Principally, the banks will recover the amounts due through the sale of Kenya Airways shares. The banks receive a fixed interest income on the amounts due at a rate that is largely below the market rates.

At the Company level, the loan relates to a convertible loan note that included an equity conversion feature. The conversion into equity has already taken place; however, issuance of the equity instruments is pending regulatory approval. As a result, the instrument is no longer measured at fair value but is accounted for at amortised cost until the equity is formally recognised. Prior to conversion, the Company earned fixed interest income on the loan at a rate of 20%.

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Notes (continued)

27. Financial assets at amortised cost

	GROUP		COMPANY	
	2025 Ksh million	2024 Ksh million	2025 Ksh million	2024 Ksh million
Maturing as follows:				
Within 1 month	17,124	13,694	-	-
After 1 month, but within 3 months	19,060	44,993	-	-
After 3 months, but within 6 months	20,686	8,566	-	-
After 6 months, but within 12 months	12,091	5,911	-	-
After 1 year, but within 5 years	61,008	33,853	-	-
After 5 years	105,258	117,129	-	-
	235,227	**224,147**	**-**	**-**

Treasury bonds are debt securities issued by the Government of the Republic of Kenya, Government of Uganda, Government of the Republic of Rwanda, United Republic of Tanzania, Government of the Republic of Burundi and Government of Democratic Republic of Congo. The bills and bonds are categorized as amounts held at amortized cost and carried at amortized cost. The weighted average effective interest rates on Government securities as at 31 December 2025 was 11.30% (31 December 2024: 12.5 %).

28. Financial assets at fair value through profit or loss (FVTPL)

	GROUP		COMPANY	
	2025 Ksh million	2024 Ksh million	2025 Ksh million	2024 Ksh million
Government treasury bills and bonds	46,324	19,438	-	-
At end of year	**46,324**	**19,438**	**-**	**-**

Maturity analysis as follows;

Within 1 month	79	-	-	-
After 1 month but within 3 months	8,747	1,686	-	-
After 3 months, but within 1 year	28,151	11,732	-	-
After 1 year, but within 5 years	4,937	6,020	-	-
After 5 years	4,410	-	-	-
Total investment in Government securities	**46,324**	**19,438**	**-**	**-**

Notes (continued)

29. Property and equipment

(a) Group

As at 31 December 2025: Cost	Freehold and Lease Premises Ksh million	Leasehold Improvements Ksh million	Motor Vehicle, Furniture and Equipment Ksh million	Total Ksh million
At 1 January 2025	**18,870**	**1,800**	**37,745**	**58,415**
Acquisition of a subsidiary (note 33c)	-	-	244	244
Reclassification from intangibles	(632)	5,107	632	5,107
Additions	19	281	3,748	4,048
Disposals	(21)	(181)	(473)	(675)
Currency translation differences	1,508	(3,346)	(4,409)	(6,247)
	-	-	-	-
At end of year	**19,744**	**3,661**	**37,487**	**60,892**
Depreciation				
At 1 January 2025	**4,231**	**1,607**	**30,542**	**36,380**
Acquisition of a subsidiary (note 33c)	-	-	51	51
Charge for the year	517	245	2,816	3,578
Disposals	(18)	(154)	(327)	(499)
Currency translation differences	955	(1,721)	(2,122)	(2,888)
Reclassification	1,154	1,859	(3,013)	
At end of year	**6,839**	**1,836**	**27,947**	**36,622**
Carrying Amount	**12,905**	**1,825**	**9,540**	**24,270**
As at 31 December 2024:				
Cost				
At 1 January 2024	**18,147**	**4,584**	**43,384**	**66,115**
Reclassification from investment property	4,444	-	-	4,444
Reclassification to intangible assets	-	-	(1,046)	(1,046)
Additions	377	107	5,768	6,252
Disposals	(22)	(3)	(142)	(167)
Currency translation differences	(3,776)	(116)	(5,932)	(9,824)
Transfer to assets held for sale	(300)	(2,772)	(4,287)	(7,359)
At end of year	**18,870**	**1,800**	**37,745**	**58,415**
Depreciation				
At 1 January 2024	**5,201**	**3,792**	**33,212**	**42,205**
Charge for the year	1,405	149	2,249	3,803
Disposals	-	-	(138)	(138)
Currency translation differences	(2,327)	(2)	(1,275)	(3,604)
Transfer to assets held for sale	(49)	(2,332)	(3,506)	(5,887)
At end of year	**4,230**	**1,607**	**30,542**	**36,379**
Carrying Amount	**14,640**	**193**	**7,203**	**22,036**

Included in property and equipment are fully depreciated assets amounting to Ksh 18,231 million (2024: Ksh 29,987 million) which would have a notional depreciation of Ksh 3,173 million (2024: Ksh 5,407 million).

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Notes (continued)
29. Property and equipment (continued)

(b) Company

As at 31 December 2025: Cost	Freehold and Lease Premises Ksh million	Motor Vehicle, Furniture and Equipment Ksh million	Total Ksh million
At 1 January 2025	585	385	970
Additions	-	20	20
At end of year	**585**	**405**	**990**
Depreciation			
At 1 January 2025	43	74	117
Charge for the year	3	17	20
At end of year	**46**	**91**	**137**
Carrying Amount	**539**	**314**	**853**
As at 31 December 2024:			
Cost			
At 1 January 2024	585	352	937
Additions	-	33	33
At end of year	**585**	**385**	**970**
Depreciation			
At 1 January 2024	40	56	96
Charge for the year	3	18	21
At end of year	**43**	**74**	**117**
Carrying Amount	**542**	**311**	**853**

Included in property and equipment are fully depreciated furniture and equipment amounting to Ksh 25.1 million (2024: Ksh 71.6 million) which would have a notional depreciation of Ksh 5.0 million (2023: Ksh 8.8 million).

30. Investment property

	GROUP		COMPANY	
	2025 Ksh million	2024 Ksh million	2025 Ksh million	2024 Ksh million
At start of year	14,436	19,191	-	-
Additions in year	-	216	-	-
Transfer (to)/ from property and equipment	-	(4,444)	-	-
Fair value gain	(569)	8	-	-
Reclassification to other assets	(6,996)	-	-	-
Currency translation differences	313	(535)	-	-
At end of year	**7,184**	**14,436**	**-**	**-**

During the year, a portion of the investment property held at a fair value cost of Ksh 6,996 million has been reclassified to other assets. The property is undergoing sale and disposal arrangements with potential buyers. The Group expects the disposal process to be completed within the normal operating cycle.,Investment properties are classified under level 2 fair value hierarchy.

Notes (continued)

31. Right-of-use assets

	2025			2024		
	Leased premises Ksh million	Leased motor vehicles & equipment Ksh million	Totals Ksh million	Leasehold premises Ksh million	Leased motor vehicles & equipment Ksh million	Totals Ksh million
Cost						
At start of year	**8,593**	**1,327**	**9,920**	**9,188**	**1,259**	**10,447**
Additions	2,327	-	2,327	829	-	829
Disposals	(969)	(171)	(1,140)	(400)	(33)	(433)
Remeasurements	-	-	-	239	103	342
Currency translation differences	(121)	6	(115)	255	(2)	253
Transfer of assets held for sale	-	-	-	(1,518)	-	(1,518)
At end of year	**9,830**	**1,162**	**10,992**	**8,593**	**1,327**	**9,920**
Amortisation						
At start of year	**(6,267)**	**(1,106)**	**(7,373)**	**(6,321)**	**(1,031)**	**(7,352)**
Charge for the year	(973)	(32)	(1,005)	(1,368)	(35)	(1,403)
Disposals	687	159	846	214	33	247
Remeasurements	328	(19)	309	(431)	(74)	(526)
Currency translation differences	56	(4)	52	654	1	655
Transfer of assets held for sale				985	-	985
At end of year	**(6,169)**	**(1,002)**	**(7,170)**	**(6,267)**	**(1,106)**	**(7,373)**
Carrying Amount						
At end of year	**3,661**	**160**	**3,822**	**2,326**	**221**	**2,547**

Right-of-use assets relate to leased premises and motor vehicles.

Notes (continued)

32. Intangible assets

At 31 December 2025	Computer Software Ksh million	Brand Ksh million	Customer Relationship Ksh million	Core Deposits Ksh million	Goodwill Ksh million	Intellectual property Ksh million	Total Ksh million
Cost							
At 1 January 2025	**25,805**	**1,110**	**1,846**	**7,379**	**2,461**	**-**	**38,601**
Acquisition of a subsidiary (note 33c)		-	-	-	160	1,214	1,374
Additions	6,108						6,108
Reclassification to Property, Plant and Equipment	(5,107)	-	-	-	-	-	(5,107)
Currency translation difference	1,086	191	405	1,393	-	-	3,075
At 31 December 2025	**27,892**	**1,301**	**2,251**	**8,772**	**2,621**	**1,214**	**44,051**
Amortisation							
At 1 January 2025	**19,266**	**631**	**692**	**3,068**	**-**		**23,657**
Charge for the year	1,461	265	430	1,624	-	8	3,788
Currency translation difference	(582)	(136)	(287)	(985)	-	-	(1,990)
At 31 December 2025	**20,145**	**760**	**835**	**3,707**	**-**	**8**	**25,455**
Carrying Amount	**7,747**	**541**	**1,416**	**5,065**	**2,621**	**1,206**	**18,596**
At 31 December 2024							
Cost							
At 1 January 2024	**28,878**	**1,322**	**2,150**	**8,120**	**3,070**	**-**	**43,540**
Additions	3,883	-	-	-	-	-	3,883
Reclassification from Property, Plant and Equipment	1,046	-	-	-	-	-	1,046
Currency translation differences	(2,015)	(212)	(304)	(741)	(609)	-	(3,881)
Transfer to assets held for sale	(5,987)	-	-	-	-		(5,987)
							-
At 31 December 2024	**25,805**	**1,110**	**1,846**	**7,379**	**2,461**		**38,601**
Amortisation							
At 1 January 2024	**21,245**	**366**	**493**	**2,112**	**-**	**-**	**24,216**
Charge for the Year	2,068	265	430	1,778	-	-	4,541
Currency translation differences	708	-	(231)	(822)	-	-	(345)
Transfer to assets held for sale	(4,755)	-	-	-	-	-	(4,755)
At 31 December 2024	**19,266**	**631**	**692**	**3,068**	**-**	**-**	**23,657**
Carrying Amount	**6,539**	**479**	**1,154**	**4,311**	**2,461**	**-**	**14,944**

Notes (continued)
32.Intangible assets (continued)

	COMPANY	
	2025 Ksh million	2024 Ksh million
Cost		
At start of year	19	10
Additions	1	9
Disposal	-	-
At end of year	**20**	**19**
Amortisation		
At start of year	10	9
Disposals	-	-
Charge for the year	4	1
At end of year	**14**	**10**
Carrying Amount	**6**	**9**

Significant judgements in the estimation of intangible assets
Intangible assets arising from business combinations include brands, customer relationships, and core deposits. The key considerations applied in the estimation of the fair value of these intangibles is as follows:

Brand
A brand refers to the way a company or organization is perceived by its customers. The fair value of the brand was determined using the relief-from-royalty (RFR) method. The RFR method values the intangible assets by reference to the amount the acquirer would pay in an arm's length transaction i.e., it estimates the value for an asset based on the cost savings realised through ownership compared to paying licensing fees. The royalty rate is applied to the estimated income stream attributable to the brand to determine the amount of royalty savings, which is then discounted at the applicable discount rate to arrive at the estimated fair value. The brand value will be amortised to the profit or loss account over a period of five years. The brand value disclosed is solely derived from Trust Merchant Bank SA (TMB).

Customer Relationships
The value of a customer relationship is mainly derived from the expectation of repeat business from the customer as well as the opportunity to cross sell various products and services to them. In the case of a bank, this value depends on the ability of the bank to provide banking products that meet customers' needs now and in the future.

When determining if a customer relationship asset exists, the following elements are considered:
- Availability of factual information about the customers that is important and useful to the bank; and
- Expectations by the bank of repeat patronage from its customers based on the customers' banking activity. This expectation translates into the future revenue and cash flow to the bank.

The customer contracts were acquired as part of the business acquisition of TMB and BPR. They are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line basis based on the timing of the projected cash flows of the contracts over their estimated useful lives. The fair value of customer relationships was valued using MEEM approach. The MEEM approach measures the excess after tax cashflows attributable to the intangible asset being valued after providing the appropriate returns on other identifiable assets. The customer relationship value will be amortised to the profit or loss over a period of five years.

Core Deposits
The premise underlying the core deposit intangible asset is that a rational buyer would be willing to pay a premium to obtain a group of core deposit accounts that are less expensive than the buyer's marginal cost of funds. It relates to a stable deposit base with no contractual maturity that provides a low-cost source of funding (versus the alternative interbank funding market).

A core deposit intangible asset arises on acquisition when the acquired bank has a stable deposit base composed of funds associated with long-term customer relationships. The stable deposit base provides a low-cost source of funding as banks can utilize the core deposit base as a low-cost source of finance. The alternative to replace these established, low-cost deposit accounts in a timely manner, would be to utilize higher cost funds at current market rates.

The fair value of the core deposit intangible was determined using the cost savings method. It's calculated as the after-tax present values of; (i) net cost of funding and (ii) net service fees earned on deposits. Net cost of funding is the difference between interest expense on acquired low cost saving and demand deposit and cost of alternative funding over the useful life of the deposit. Amortisation for this asset is for five years.

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Notes (continued)
32.Intangible assets (continued)

Intellectual Property (IP)
As part of the acquisition of Riverbank Solutions Limited, the Group obtained certain Intellectual Property (IP) assets, These assets were identified as separable and capable of generating future economic benefits independently from the acquired business. The fair value of the Ips was determined using the Cost Approach. This method reflects the cost to recreate or replace the asset and is typically used for internally developed software. The Intellectual Property value will be amortised to the profit or loss over a period of five years.

Goodwill
Goodwill represents the excess of purchase consideration over the fair value of identifiable assets arising from the acquisition of Trust Merchant Bank Limited (the Cash Generating Unit) and Riverbank Solutions in 2022 and 2025 respectively. The goodwill was tested for impairment at 31 December 2025 using the value in use approach. The key assumptions used in the determination of the recoverable amount are as follows:

a. Future cash flows
The forecast periods adopted reflect a set of cash flows, based on management judgement and expected market conditions, that could be sustainably generated over such a period. An eight-year forecast period was used as a basis for future USD cash flows, extrapolated in perpetuity to reflect the long-term plans for the entity, using a nominal growth rate of 5%. These values are sensitive to the cash flow projections for the periods for which detailed forecasts are not available and to the assumptions regarding the long-term sustainability of the cash flows beyond the forecast period.

b. Discount rate
The net cash flows were discounted using the country specific pre-tax weighted average cost of capital (WACC) of 30.1% (2024:27.9%). The weighted average cost of capital was calculated using the bond yield plus risk premium method.

Based on the above assumptions, the recoverable value of the goodwill exceeded the carrying value of the cash generating unit (CGU), inclusive of the goodwill on acquisition, at 31 December 2025. Therefore, the Group has not recognised an impairment charge on the goodwill.

Impact of possible changes in key assumptions

Assuming an increase/decrease in the discount rates by 1 % (2024: 1%) the recoverable amount of the CGU decreases/increases by Ksh 1.2 billion (2024: Ksh 1.9 billion) respectively. Assuming an increase/ decrease in the terminal growth rates by 1%, the recoverable value of the CGU would increase/decrease by Ksh . 1.9 billion (2024:Ksh 3.5 billion) respectively.

The recoverable value of the CGU would still exceed its carrying amount inclusive of goodwill in both scenarios and hence no goodwill impairment would be required to be recognised.

33. Investment in subsidiaries

(a) Investment in subsidiaries

Investments in subsidiaries: Incorporated in Kenya: Company	Activity	Beneficial ownership %	2025 Ksh million	2024 Ksh million
KCB Bank Kenya Limited	Commercial Banking	100	53,986	53,986
Kenya Commercial Finance Company Limited	Dormant	100	150	150
KCB Investment Bank Limited	Investment	100	400	400
Savings & Loan Kenya Limited	Dormant	100	500	500
KCB Foundation	Corporate Social Responsibility	100	-	-
National Bank of Kenya Limited*	Commercial Banking	-	-	14,646
Kenya Commercial Bank Nominees Limited	Nominee	100	-	
Kencom House Limited	Property Ownership & Management	100	749	749
KCB Asset Management Limited	Asset Management	100	10	10
KCB Bancassurance Intermediary Limited	Insurance Brokerage	100	-	-
Riverbank Solutions Limited	Financial services	75	1,444	-
Incorporated outside Kenya:				
KCB Bank Tanzania Limited	Commercial Banking	100	3,546	3,546
KCB Bank South Sudan Limited	Commercial Banking	100	2,355	2,355
Trust Merchant Bank, SA	Commercial Banking	85	25,111	25,111
KCB Bank Burundi Limited	Commercial Banking	100	936	936
KCB Bank Uganda Limited	Commercial banking	100	4,340	4,340
BPR Bank Rwanda Plc	Commercial banking	87	7,551	7,551
			101,078	**114,280**

*National Bank of Kenya was disposed on 30 May 2025 (2024:100% beneficial ownership).

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Notes (continued)
33. Investment in subsidiaries (continued)

b. Significant restrictions

The Group does not have any significant restrictions on its ability to access or use its assets to settle its liabilities other than those resulting from the regulatory frameworks in the respective operating jurisdictions of the subsidiaries.

The regulatory frameworks require banking subsidiaries to keep certain levels of regulatory capital and liquid assets, limit their exposure to other parts of the Group and comply with other certain ratios in the operations. The Group and its subsidiaries were compliant with all regulatory requirements at the year-end.

c. Acquisition of Riverbank Solutions Limited

On 19 December 2025, the Group acquired 112,500 of the issued shares, representing 75% shareholding and voting control, of Riverbank Solutions Limited, for total cash consideration of Ksh 1,444 million. The acquisition was undertaken to enhance the Group's digital MSME capabilities. The expected synergies include strengthened innovation in seamless payment and transaction services, increased capacity for instant digital lending, and access to integrated business management tools.

No revenues and Profits were consolidated into the Group as at 31 December 2025 since they were considered immaterial to the financial statements. If the acquisition had occurred on 1 January 2025, the revenue and loss before tax for the year ended 31 December 2025 would have been Ksh 248 million and Ksh 212 million respectively.

i. Fair value of net acquired assets

Assets	2025 Ksh million
Total Assets	481
Intangible assets-Intellectual Property	1,619
Total Liabilities	(388)
Net identifiable assets acquired	**1,712**
: Non-controlling interests (25%)	428
:KCB Group Share of net identifiable assets acquired (75%)	1,284
	1,712

ii. Goodwill

	2025 Ksh million
Consideration paid	1,444
Share of net identifiable assets acquired (75%)	(1,284)
Goodwill	**160**

The goodwill is attributable to the future prospects of scaling the subsidiary' capabilities to serve the Group efficiently and at less costs.

The Group incurred acquisition-related costs of Shs 19 million on legal fees and due diligence which have been charged to the profit and loss account for the year.

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For the year ended 31 December 2025

Notes (continued)

34. Deferred income tax

2025	Balance at 1 January Ksh million	Acquisition of subsidiary Ksh million	Recognised in profit or loss Ksh million	Recognised in Other comprehensive income Ksh million	Transfer to assets held for sale Ksh million	Translation difference Ksh million	Balance at 31 December Ksh million
Property and equipment	272	-	(282)	-	-	26	16
Provisions for expected credit losses	30,415	-	3,560	-	-	407	34,382
Tax losses	3,613	52	61	-	-	3	3,729
Financial assets at FVOCI	438	-	-	(2,439)	-	126	(1,875)
Post-employment benefits obligation	222	-	-	96	-	3	321
Impairment losses on financial instruments	(3,228)	-	-	-	-	935	(2,293)
	31,732	**52**	**3,339**	**(2,343)**	**-**	**1,500**	**34,280**
2024							
Property and equipment	1,300	-	(217)	-	(863)	52	272
Provisions for expected credit losses	26,416	-	4,856	-	(1,917)	1,060	30,415
Tax losses	3,044	-	447	-		122	3,613
Financial assets at FVOCI	3,412	-	-	(3,240)	129	137	438
Post-employment benefits obligation	215	-	-	(2)		9	222
Impairment losses on financial instruments	618	-	(309)	-	(3,562)	25	(3,228)
	35,005	**-**	**4,777**	**(3,242)**	**(6,213)**	**1,405**	**31,732**

COMPANY	Balance at 1 January Ksh million	Recognised in profit or loss Ksh million	Balance at 31 December Ksh million
2025			
Property and equipment	9	1	10
Unrealised exchange losses	24	1,001	1,025
	33	**1,002**	**1,035**
2024			
Property and equipment	7	2	9
Unrealised exchange losses	71	(47)	24
	78	**(45)**	**33**

	Group		Company	
	2025 Ksh million	2024 Ksh million	2025 Ksh million	2024 Ksh million
Deferred income tax asset	36,467	33,729	1,035	33
Deferred income tax liability	(2,187)	(1,997)	-	-
Total	**34,280**	**31,732**	**1,035**	**33**

Other deductible differences mainly relate to allowances for expected credit losses on loans and advances which are only deductible for tax purposes when the credit losses meet the income tax law guidelines for tax deductibility which include among others credit write-off, total inability to collect etc. The directors believe that, based on the historical performance, the Group will have future taxable profits against which these assets can be utilised and meet the income tax law conditions for deductibility.

Notes (continued)

35. Deposits from banks

	GROUP		COMPANY	
	2025 Ksh million	2024 Ksh million	2025 Ksh million	2024 Ksh million
Deposits from other banks	63,163	43,017	-	-
Payable within 1 month	59,860	39,202	-	-
Payable after 1 month, but within 3 months	3,292	2,447	-	-
Payable after 3 months, but within 1 year	11	1,368	-	-
	63,163	**43,017**	**-**	**-**

The weighted average effective interest rates on interest bearing deposits from banks as at 31 December 2025 was 8.81% (31 December 2024: 5.9%).

36. Deposits from customers

	GROUP		COMPANY	
	2025 Ksh million	2024 Ksh million	2025 Ksh million	2024 Ksh million
(a) From government and parastatals:				
Maturing as follows:				
Within 1 month	396,895	271,672	-	-
After 1 month, but within 3 months	17,930	12,460	-	-
After 3 months, but within 1 year	13,190	4,726	-	-
After 1 year, but within 5 years	3,128	3,646	-	-
	431,143	**292,504**	**-**	**-**
(b) From private sector and individuals				
Maturing as follows:				
Within 1 month	825,729	758,091	-	-
After 1 month, but within 3 months	197,434	155,895	-	-
After 3 months, but within 1 year	103,291	132,952	-	-
After 1 year, but within 5 years	35,015	42,533	-	-
	1,161,469	**1,089,471**	**-**	**-**
Total other customer deposits				
Maturing as follows:				
Within 1 month	1,205,366	1,029,763	-	-
After 1 month, but within 3 months	220,371	168,355	-	-
After 3 months, but within 1 year	123,341	137,678	-	-
After 1 year, but within 5 years	43,534	46,179	-	-
	1,592,612	**1,381,975**	**-**	**-**

The weighted average effective interest rates on interest bearing customer deposits at 31 December 2025 was 3.7% (2024: 3.6%).

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For the year ended 31 December 2025

Notes (continued)

37. Payables and accrued expenses

	GROUP		COMPANY	
	2025 Ksh million	2024 Ksh million	2025 Ksh million	2024 Ksh million
Accrued expenses	17,963	13,528	1,159	825
Other payables	29,914	17,550	3,408	75
Bills payable	3,186	5,131	-	-
	51,063	**36,209**	**4,567**	**900**
Financial derivatives (Note 46)	708	267	-	-

Bills payable consist of cheques issued by the Group to customers and suppliers that were not presented for payment at the end of the year. Other payables include items in suspense across the branch network.

The derivative liability refers to the unrealised net fair value loss on the currency swaps, spot and forwards as at 31 December 2025. The notional amounts have been disclosed under note 46.

38. Lease liabilities

	GROUP		COMPANY	
	2025 Ksh million	2024 Ksh million	2025 Ksh million	2024 Ksh million
At start of year	3,896	5,797	-	-
Additions	1,565	2,034	-	-
Remeasurements	(151)	(309)	-	-
Interest expense in the year	434	386	-	-
Payments in the year	(1,646)	(2,380)	-	-
Currency translation differences	194	(884)	-	-
Transfer to liabilities held for sale	-	(748)	-	-
At end of year	**4,292**	**3,896**	**-**	**-**

The balance sheet shows the following amounts relating to leases.

	GROUP		COMPANY	
	2025 Ksh million	2024 Ksh million	2025 Ksh million	2024 Ksh million
Current	178	557	-	-
Non-Current	4,114	3,339	-	-
	4,292	**3,896**	**-**	**-**

The statement of profit or loss shows the following amounts relating to leases:

Amortisation of right-of-use assets	1,121	1,403
Interest expense	434	386
Expense relating to short-term leases (included in administrative expenses)	1,043	553

Notes (continued)
38. Lease liabilities (continued)

The total cash outflow for leases in the year was Ksh 1,258 million (2024: Ksh 2,320 million) that related to principal portion of lease payments, expenses related to short term leases and interest expense on the leases.

Some leases of office premises contain extension options exercisable by the Group up to one term after the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

39. Related party transactions

The group entities transact with each other in the ordinary course of business under the group established commercial arrangements. The transactions include loans, deposits and foreign currency transactions, and expense settlements between entities. Related party transactions and balances have been eliminated in the consolidated financial statements. The KCB Group Plc, incorporated in Kenya is the non-operating Holding Company for all subsidiaries and is the ultimate parent and controlling party.

The outstanding balances between the Company and its subsidiaries at year end are set out below.
Receivables from and payables to subsidiaries are non-interest bearing and are generally settled within 90 days.

(a) Balances due from related entities	**2025 Ksh million**	**2024 Ksh million**
KCB Bank Tanzania Limited	188	225
KCB Bank Burundi Limited	117	100
KCB Bank Uganda Limited	40	41
KCB Bancassurance Intermediary Limited	204	21
BPR Bank Rwanda Plc	247	176
KCB Bank South Sudan Limited	51	53
National Bank of Kenya Limited	-	4,107
KCB Investment Bank Limited	3	4
Kencom House Limited	3	3
Trust Merchant Bank SA	318	45
KCB Asset Management Limited	92	-
Riverbank Solutions limited	777	-
KCB Foundation	5	-
	2,045	**4,775**
(b) Balances due to related entities		
Trust Merchant Bank SA	3,933	3,943
KCB Bank Kenya Limited	3,097	6,329
	7,030	10,272
Net balances due to group entities	**(4,985)**	**(5,497)**

The above amounts relate to receivables from and payable to the holding company.

Notes (continued)
39. Related party transactions (continued)

	Group	
	2025 Ksh million	**2024 Ksh million**
(i) Loans		
Government of Kenya	-	-
Directors -Executive	27	36
-Non- executive	-	-
Senior management	193	175
At end of year	**220**	**211**
Movement in loans to **Directors and senior management:**		
At start of year	211	176
Loans issued in the year	111	46
Repayments in the year	(102)	(11)
At end of year	**220**	**211**
Interest income earned	**15**	**19**
	-	
(ii) Deposits	**-**	
Government of Kenya	339	235
Directors	6	17
Senior management	52	61
At end of year	**397**	**313**
Movement in deposits **by Directors and senior management:**		
At start of year	79	15
Deposits received during the year	1,812	1,262
Withdrawals in the year	(1,833)	(1,198)
At end of year	**58**	**79**
Interest expense	**10**	**5**

Interest rates charged on balances outstanding from related parties are approximately half of the rates that would be charged in an arm's length transaction. The interest charged on balances outstanding from related parties amounted to Ksh 10 million (2024: Ksh 5 million). The interest paid on balances outstanding to related parties amounted to Ksh 15 million (2024: Ksh 19 million). The mortgages and secured loans granted are secured over property of the respective borrowers. Other balances are not secured, and no guarantees have been obtained.

No impairment losses have been recorded against balances outstanding during the period with key management personnel and no specific allowance has been made for impairment losses on balances with key management personnel at the reporting date.

Notes (continued)
39. Related party transactions (continued)

(c) Shareholders, Directors and key management personnel

Senior management personnel compensation (Included under personnel costs)	Group		Company	
	2025 Ksh million	2024 Ksh million	2025 Ksh million	2024 Ksh million
Short term employee benefits	2,227	1,863	908	695

(d) Directors' emoluments

	Group		Company	
	2025 Ksh million	2024 Ksh million	2025 Ksh million	2024 Ksh million
Salaries and other staff benefits to executive directors	1,359	1,221	433	378
Fees and other benefits to non-executive directors	450	456	97	83
	1,809	**1,677**	**530**	**461**

40. Borrowings

i. Outstanding balance

	GROUP	
Long-term borrowings	2025 Ksh million	2024 Ksh million
African Development Bank (AfDB)	13,127	1,337
International Finance Corporation (IFC)	35,553	41,871
Proparco	9,560	12,323
Kenya Mortgage Refinance Company (KMRC)	4,545	1,928
British International Investment (BII)	13,356	-
Eco business Fund	1,300	-
Sanad Fund for MSME	645	-
Global Access Fund LP	1,032	-
European Investment Bank (EIB)	3,278	3,910
Rwanda Development Bank (BRD)	4,231	4,219
National Bank of Rwanda (BNR)	545	640
Tanzania Mortgage Refinance Company (TMRC)	1,044	525
Water Equity	1,935	1,943
Sukuk Bond	-	577
	90,151	**69,273**

Maturity analysis

Maturing within one year	1,399	8,146
Maturing after one year, but within five years	62,047	44,133
Maturing after five years	26,705	16,994
	90,151	**69,273**

Notes (continued)
40. Borrowings (continued)

Included in borrowings for 2024 were amounts paid to third parties in exchange for non-performing loans under Standby Letters of Credit (SBLC) arrangements. These were settled in 2025 and no longer form part of borrowed funds as at 31 December 2025. The Company had outstanding intercompany borrowings of Ksh 3.9Bn from Trust Merchant Bank SA (TMB).

ii. Reconciliation of the movement in the Borrowings

	2025 Ksh million	2024 Ksh million
At January	**69,273**	**88,658**
Additions:		-
Funds received- Proparco (KCBK)	-	12,321
Funds received - International Finance Corporation (BPR)	2,618	3,675
Funds received – Water Equity (KCBT)	-	2,035
Funds received – KMRC (KCBK)	3,373	614
Funds received- African Development Bank (KCBK)	12,920	-
Funds received- British Investment Bank (KCBK)	12,920	-
Funds received - Global Access Fund (KCBU)	1,037	-
Funds received - Sanad Fund for MSME (KCBU)	650	-
Funds received - Eco-business Fund (KCBU)	1,299	-
Funds received – Development Bank of Rwanda (BPR)	272	-
Funds received – TMRC (KCBT)	504	-
Total Additions	**35,593**	**18,645**
Payments - Standby Letters of Credit	-	(12,400)
Payments on principal	(14,563)	(11,292)
Interest accrued in the year	6,460	5,434
Payments on interest	(5,547)	(5,004)
Foreign currency translation gains/(losses)	(1,065)	(14,768)
Net movement in borrowings	20,878	(19,385)
At 31 December	**90,151**	**69,273**

Notes (continued)
40. Borrowings (continued)

iii. Descriptions of the outstanding loans

The key borrowings include: -

a. 10-year loan obtained from International Finance Corporation in 2020 of USD 150 million by KCB Bank Kenya at an interest terms of SOFR + 5.15% p.a
b. A 8-year loan obtained from Kenya Mortgage Refinance Company (KMRC) in 2022 of Ksh 1.7 billion by KCB Bank Kenya at an interest terms of 5.0% p.a
c. A 7-year loan obtained from International Finance Corporation in 2022 of USD150 million by KCB Bank Kenya at an interest terms of SOFR + 1.8% p.a
d. A 5-year loan obtained from Proparco in 2024 of USD 95 million by KCB Bank Kenya at an interest terms of SOFR + 2.6% p.a
e. A 13-year loan obtained from Kenya Mortgage Refinance Company (KMRC) in 2024 of Ksh 614 million by KCB Bank Kenya at an interest terms of 5.6% p.a
f. A 1-year loan obtained from Kenya Mortgage Refinance Company (KMRC) in 2025 of Ksh 1 billion by KCB Bank Kenya at an interest terms of 5.6% p.a
g. A 14-year loan obtained from Kenya Mortgage Refinance Company (KMRC) in 2025 of Ksh 1,007 million by KCB Bank Kenya at an interest terms of 5.6% p.a
h. A 15-year loan obtained from Kenya Mortgage Refinance Company (KMRC) in 2025 of Ksh 719 million by KCB Bank Kenya at an interest terms of 5.6% p.a
i. A 14-year loan obtained from Kenya Mortgage Refinance Company (KMRC) in 2025 of Ksh 647 million by KCB Bank Kenya at an interest terms of 5.6% p.a
j. A 7-year loan obtained from British International Investment (BII) in 2025 of USD 100 million by KCB Bank Kenya at an interest terms of SOFR + 5.55% p.a
k. A 7-year loan obtained from African Development Bank (AfDB) in 2025 of USD100 million by KCB Bank Kenya at an interest terms of SOFR + 5.50% p.a
l. A 5-year loan obtained from International Finance Corporation in 2025 of USD 40 million by BPR Bank Rwanda at an interest rate of 11.75%.
m. A 15-year loan obtained from Development Bank of Rwanda in 2022 of RWF 20 billion by BPR Bank Rwanda at an interest rate of 3.5%.
n. A 4-year loan obtained from European Investment Bank in 2024 of RWF 3.6 billion by BPR Bank Rwanda at an interest rate of 12.22%.
o. A 5-year loan obtained from European Investment Bank in 2022 of RWF 4.0 billion by BPR Bank Rwanda at an interest rate of 8.67%.
p. A 5-year loan obtained from European Investment Bank in 2022 of RWF 3.1 billion by BPR Bank Rwanda at an interest rate of 8.0%.
q. A 4-year loan obtained from Tanzania Mortgage Refinance Company in 2022 of TZS 5 billion by KCB Bank Tanzania at an interest rate of 7.5%.
r. A 5-year loan obtained from Tanzania Mortgage Refinance Company in 2021 of TZS 5 billion by KCB Bank Tanzania at an interest rate of 7.5%.
s. A 7-year loan obtained from European Investment Bank (EIB) in 2023 of USD 21.876 million by KCB Bank Tanzania at an interest rate of 5.814%.
t. A 4-year loan obtained from Water Equity in 2024 of USD 10 million by KCB Bank Tanzania at an interest rate of 5.59%.
u. A 3-year loan obtained from Water Equity in 2024 of USD 5 million by KCB Bank Tanzania at an interest rate of 4.75%.
v. A 10-year loan obtained from Tanzania Mortgage Refinance Company in 2025 of TZS 9 billion by KCB Bank Tanzania at an interest rate of 12.43%.
w. A 10-year loan obtained from Tanzania Mortgage Refinance Company in 2025 of TZS 1 billion by KCB Bank Tanzania at an interest rate of 12.43%.
x. A 3-year loan obtained from the Global Access Fund LP in 2025 of USD 8 million by KCB Bank Uganda at a fixed interest rate of 5.5%.
y. A 7-year loan obtained from SANAD Fund for MSME as subordinated in 2025 of USD 5 million by KCB Bank Uganda at interest terms of SOFR 6 months + 4.95%.
z. A 7-year loan obtained from Eco-Business Fund S.A., SICAV-SIF in 2025 as subordinated of USD 10 million by KCB Bank Uganda at interest terms of SOFR 6 months + 4.95%.

iv. Other debts

This relates to debts raised through bond issuance. e.g. Sukuk bond in KCB Bank Tanzania. The instrument held in December 2024, matured on 19 December 2025.

Maturity analysis

	GROUP	
	2025 Ksh million	2024 Ksh million
Maturing within one year	-	-
Maturing after one year, but within five years	-	577
Maturing after five years	-	-
	-	**577**

Notes (continued)
40. Borrowings (continued)

The Group's long-term borrowing contracts are subjected to specific covenant clauses, whereby the Group is required to meet certain key financial ratios.

The Group was compliant with all principal and interest repayment obligations under the loan agreements and was also in full compliance with all covenants as at 31 December 2025.

There are no variations in terms of any borrowings as at the date of approval of the financial statements by the Board of Directors.
The Group's long-term borrowing contracts are subjected to specific covenant clauses, whereby the Group is required to meet certain key financial ratios.

41. Share capital

	GROUP AND COMPANY	
	2025 Ksh million	2024 Ksh million
Authorised:		
4,500,000,000 (2024: 4,500,000,000) at 1 January and 31 December ordinary shares of Ksh 1 each	4,500	4,500
Issued and fully paid:		
At start of year 3,213,462,815 and at end of year ordinary shares of Ksh 1 each	3,213	3,213

All ordinary shares rank equally with regards to the Company's residual assets, entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the company.

42. Other Reserves

Other reserves comprise of post-employment benefits reserve, foreign currency translation reserve and fair value reserves on financial assets at fair value through other comprehensive income.

The fair value reserve on financial assets carried at fair value through other comprehensive income (FVTOCI) arises from the fair valuation of the designated assets at the year end. The amount held in the reserve is not available for distribution to shareholders. The fair value gains and losses are recognised in the profit or loss on the derecognition of the underlying assets.

The foreign currency translation reserve arises from translation of the net investment in foreign subsidiaries to Kenya Shillings. This amount is not available for distribution.

Post-employment benefits reserve arises from changes in the group post-employment benefits obligation based on annual actuarial valuations. The reserves are not available for distribution.

Notes (continued)
42. Reserves (continued)

The movement in other reserves is as follows:

	GROUP		COMPANY	
	2025 Ksh million	2024 Ksh million	2025 Ksh million	2024 Ksh million
At 1 January	**(24,588)**	**(16,684)**	**-**	**-**
Exchange differences on translation of foreign operations	1,964	(15,470)	-	-
Re-measurement benefits obligation (net of tax)	(223)	6	-	-
Change of fair value of financial assets at FVOCI	5,692	7,560	-	-
At 31 December	**(17,155)**	**(24,588)**	**-**	**-**

GROUP	FVOCI Ksh million	Defined Benefit Ksh million	Translation reserves Ksh million	Other reserves* Ksh million	Total Ksh million
Balance 1 January 2025	(387)	(497)	(11,056)	(12,648)	(24,588)
Net gain through FVOCI	5,692	-	-	-	5,692
Remeasurement of post-employment benefit	-	(223)	-	-	(223)
Translation of foreign operations	-	-	1,964	-	1,964
At 31 December 2025	**5,305**	**(720)**	**(9,092)**	**(12,648)**	**(17,155)**
Balance 1 January 2024	(7,947)	(503)	4,684	(12,648)	(16,414)
Net gain through FVOCI	7,560	-	-	-	7,560
Remeasurement of post-employment benefit	-	6	-	-	6
Translation of foreign operations	-	-	(15,740)	-	(15,540)
At 31 December 2024	**(387)**	**(497)**	**(11,056)**	**(12,648)**	**(24,588)**

*Other reserves include funds awaiting allotment, legal and development reserves and hyperinflation impact balances
The share premium arises from issue of shares at a price higher than the par value of the shares. This amount is not available for distribution.
Statutory credit risk reserve relates to amounts set aside to cover additional provision for credit losses on loans and advances required to comply with the requirements of Central Banks Prudential guidelines. This amount is not available for distribution. The movement is the year is as follows:

	2025 Ksh million	2024 Ksh million
At start of year	20,687	17,152
Transfers from retained earnings	(2,784)	3,535
At end of year	**17,903**	**20,687**

43. Dividends

Dividends are recognized as a liability in the period in which they are declared.

An interim and special dividend of Ksh 4.0 per ordinary share amounting to Ksh 12,854 million (2024: Ksh 4,820) was paid during the year. The directors have proposed a final and special dividend in respect of the year ended 31 December 2025 of Ksh 3.0 per ordinary share (2024: 1.5) amounting to Ksh 9,640 million (2024: 4,820).

Payment of dividends is subject to withholding tax at the rate of 5% for residents and 10% for non-resident shareholders.

Notes (continued)

44. Notes to the statement of cash flows

(a) Cash flows from operating activities	GROUP		COMPANY	
	2025 Ksh million	2024 *Restated Ksh million	2025 Ksh million	2024 *Restated Ksh million
This has been derived as follows:				
Profit before tax from continuing operations	87,104	80,925	16,020	6,089
Profit before tax from discontinued operations	3,800	1,048	-	-
Adjustments for:				
Fair value gain on loan note (Note 13)	(139)	(643)	-	-
Depreciation of property and equipment (Note 29)	3,578	3,803	20	21
Depreciation of right of use assets (Note 31)	1,005	1,403	-	-
Amortisation of intangible assets (Note 32)	3,788	4,541	4	1
Post-employment benefit expense (Note 48)	-	59	-	-
Net interest income (Note 8)	(157,643)	(149,751)	(524)	(69)
Dividend income	-	-	(13,780)	(7,115)
Gain on disposal of property and equipment	(102)	(79)	-	-
Share of profit from associate (Note 24)	(191)	(246)	-	-
Gain on subsidiary disposal	(3,182)	-	(3,182)	-
Operating profit before movements in operating assets and liabilities	**(61,982)**	**(58,940)**	**(1,442)**	**(1,073)**
Changes in operating assets and liabilities				
Cash reserve ratio	(5,678)	6,197	-	-
Financial assets at amortised cost (Note 27)	(33,583)	24,490	-	-
Financial assets at FVOCI (Note 23)	(6,862)	34,965	-	-
Financial assets at FVTPL (Note 28)	(26,886)	(19,369)	1,062	
Loans and advances	(161,163)	105,531	(5,162)	(1,062)
Derivative assets	(172)	-	-	-
Balances due from related companies	-	-	2,730	1,194
Other assets	(18,706)	22,747	(77)	(290)
Investment using the equity method	(217)	743	-	
Deposits from banks	20,146	(44,792)	-	-
Deposit from customers	210,637	(308,904)	-	-
Derivative liabilities	492	-	-	-
Due to related parties	-	-	(1,221)	(898)
Other liabilities	14,803	(17,937)	2,223	275
Net assets and liabilities held for sale	42,715	(13,217)	-	-
	(26,456)	**(268,486)**	**(1,887)**	**(1,854)**
Interest received	223,448	225,807	832	379
Interest paid	(61,705)	(71,052)	(308)	(310)
Income taxes paid	(31,337)	(22,055)	(651)	(6)
Net cash flows from operating activities	**103,951**	**(135,786)**	**(2,014)**	**(1,791)**

Notes (continued)
44. Notes to the statement of cash flows (continued)

Changes in operating assets and liabilities (continued)
Changes in operating assets and liabilities for the Company exclude noncash movements relating to discontinued operations. These comprise Ksh 2.9 billion recognised under other assets in respect of the fair value of contingent consideration received, and Ksh 2.0 billion recorded under due to related parties associated with assets that were transfered. In addition, movements in other liabilities have been adjusted to exclude the payable arising from the acquisition of Riverbank Solutions Limited amounting to Ksh 1.4 billion.

(b) Analysis of cash and cash equivalents	GROUP		COMPANY	
	2025 Ksh million	2024 Ksh million	2025 Ksh million	2024 Ksh million
Cash on hand (note 21)	39,428	32,301	8,292	1,389
Balances with Central Banks	140,342	39,944	-	-
Cash with Central Bank-Restricted (Note 21)	30,625	29,973		
Advances to banks (note 22)	158,320	168,352	-	-
Financial assets at armotised cost	36,184	58,687	-	-
	404,899	**329,257**	**8,292**	**1,389**

For the purpose of the statement of cash flows, cash and cash equivalents comprise financial assets at amortised cost with less than three months to maturity from the date of acquisition.

Prior year cash and cash equivalents have been adjusted to include the Central Bank of Kenya cash reserve ratio (CRR) balances that were previously excluded. More details on the restatement have been disclosed in note 2.31.

The cash and cash equivalent components disclosed above are same amounts included in the statement of financial position except held at amortised cost investments, whose reconciliation is as follows:

	GROUP		COMPANY	
	2025 Ksh million	2024 Ksh million	2025 Ksh million	2024 Ksh million
Balance as per statement of cash flows (instruments with original tenure of less than 3 months)	36,184	58,687	8,292	1,389
Balances with more than three months maturity from the acquisition date	199,043	165,460	-	-
Balance as per statement of financial position	**235,227**	**224,147**	**8,292**	**1,389**

45. Commitments
To meet the financial needs of the customers, the Group enters into various irrevocable commitments. Even though these obligations may not be recognized on the statement of financial position, they do contain credit risk and are therefore part of the overall risk of the Group.

	GROUP		COMPANY	
	2025 Ksh million	2024 Ksh million	2025 Ksh million	2024 Ksh million
Capital commitments contracted for at year end	3,810	2,118	-	-
Loans committed but not disbursed at year end	90,120	91,722	-	-
Foreign currency commitments	41,018	11,094	-	-

Commitments to extend credit represent contractual commitments to make loans and other credit facilities to counterparties who, as per the Group credit risk rating model, are rated as either normal or watch. Commitments generally have fixed expiry dates, or other termination clauses. Since commitments may expire without being drawn upon, the total contract amounts do not necessarily represent future cash requirements.

Notes (continued)

46. Off balance sheet financial instruments

(a) Financial derivatives assets and liabilities
The table below shows the fair values of currency forwards and swaps recorded as assets or liabilities together with their notional amounts. The notional amount, recorded gross, is the amount of a currency forward or swap's underlying off balance sheet asset / liability and is the basis upon which changes in the fair values of currency forwards and swaps are measured. The notional amounts indicate the volume of transactions outstanding at the year-end and are indicative of neither the market risk nor the credit risk.

Group	Notional amount asset	Notional amount liability	Fair value of asset	Fair value of liability	Notional amount asset	Notional amount liability	Fair value of asset	Fair value of liability
	2025				2024			
	Ksh million	Ksh million	Ksh million	Ksh million	Ksh million	Ksh million	Ksh million	Ksh million
Forward currency contracts	12,338	(12,786)	12,612	(12,783)	1,937	(1,340)	1,981	(1,353)
Currency swap contracts	43,634	(44,694)	44,182	(44,550)	4,173	(15,525)	4,497	(15,613)
Spots	5,031	(5,029)	5,032	(5,029)	1,077	(258)	1,077	(258)
	61,003	**(62,509)**	**61,826**	**(62,362)**	**7,187**	**(17,123)**	**7,555**	**(17,224)**

Forward currency contracts and currency swap contracts are entered into in the normal course of business by the Group's banking operations. All the contracts mature within 12 months after the year end.

Forward currency contracts are commitments to either purchase or sell a designated financial instrument at a specified future date for a specified price and may be settled in cash or another financial asset. Forward currency contracts generally mature within 12 months.

Currency swap contracts are agreements between two parties to exchange one currency for another at a preset rate over a given period. These may be settled in cash or another financial asset. Currency swap contracts generally mature within 12 months.

The derivatives held by the Group as at 31 December 2025 and 31 December 2024 were unquoted. The fair value as at the respective reporting dates have been estimated based on the present value of the positive and/or negative cash flows which would have occurred if the rights and obligations arising from that instrument were closed out in an orderly market place transaction at the reporting date. The fair value of derivatives is within level 2 hierarchy of fair valuation.

The following amounts were recognised in profit or loss in relation to derivatives:

	2025 Ksh million	2024 Ksh million
Forward currency contracts	(178)	31
Currency swap contracts	(358)	236
Financial derivative liabilities	**(536)**	**267**

Notes (continued)

(b) Other off balance sheet financial instruments

	GROUP 2025 Ksh million	2024 Ksh million
Letters of credit:		
Issued and accepted	145,973	110,941
Issued but not yet accepted	60,544	75,296
	206,517	**186,237**
Guarantees	92,198	122,195
Lease commitment	2,782	2,890
Total	**301,497**	**311,322**

At 31 December 2025, the issued & accepted letters of credit included Ksh 110 billion (2024: Ksh 99 billion) relating to structured fuel importation financing arrangement which are secured by customers deposits. Issued but not yet accepted letters of credit included Ksh 33.4 billion (2024: Nill) relating to structured fuel importation financing arrangements. Guarantees are generally issued by banks to support performance by a customer to third parties. The Group will only be required to meet these obligations in the event of the customer's default.

Letters of credit commit the Group to make payment to third parties, on production of documents, which are subsequently reimbursed by customers. An acceptance is an undertaking to pay a bill of exchange drawn on a customer. The Group expects most acceptances to be presented and reimbursement by the customer is almost immediate

47. Contingent liabilities

Litigation is a common occurrence in the banking industry due to the nature of the business. The Group has established protocol for dealing with legal claims. The directors use the best available information, including independent external legal opinions, to determine any provisions for losses or disclosures to be made in the financial statements.

The Group entities had several unresolved legal and tax claims arising in the ordinary course of business at the year end. The unresolved tax claims and legal disputes are individually evaluated at the year end for potential losses to the group. Where necessary, the directors seek independent legal advice on the significant unresolved tax claims and legal matters. Based on the information available at the approval of these financial statements, the directors believe the ultimate resolution of the unresolved tax claims and legal proceedings will not have a material effect on the group's operations.

48. Post-employment benefit obligations

KCB Pension Fund and Staff Post-employment Benefit Scheme

The Group operates a funded defined benefit plan. The Fund closed to new entrants effective 1 June 2006. The Fund is non-contributory with the Group responsible for the cost of benefits accruing. The Fund is established under trust.

The Fund assets are invested in a variety of asset classes comprising Government securities, corporate bonds, call and term deposits, investment properties, shares and offshore investments. Old Mutual Asset Managers and Pine Bridge Investments (East Africa) limited are responsible for the investment of assets.

Characteristics and risks of the Fund

The Fund is registered under irrevocable trust with the Retirement Benefits Authority. The Retirement Benefits Act, 1997 ("the Act") and the Regulations under the Act require the Fund to maintain a funding level of 100%. Where the funding level is below, such deficits are required to be amortized over a period not exceeding 6 years.

- The Fund is managed by a Board of Trustees. The Board is responsible for the overall operation of the Fund including making sure benefits are paid to beneficiaries on time.
- 42.9% of the Fund assets are invested in property assets. The exposure is a concentration risk to the property market for the Fund and, by extension, the Company.

Following the closing of the Fund as of 1 June 2006, some active in-service members opted to transfer their accrued benefits under the Fund to the new Defined Contribution Plan established by the Company. The Fund therefore comprises mainly pensioners and deferred pensioners, although some in-service members remain in the Fund.

Some of the main risks relating to the benefits under the Fund are the rates of pension increases and the rates of return earned on the Fund assets. For the in-service members, rates of salary escalation will also have a direct bearing on the benefits paid under the Fund. In addition, the pension benefits are payable for the duration of the life of the pensioners. Therefore, the Fund's post-retirement mortality experience with respect to the pensioners will also have an impact on the liabilities under the Fund.

Notes (continued)

48. Post-employment benefit obligations(continued)

Characteristics and risks of the Fund(continued)

The information below summarizes the scheme assets and liabilities:
Composition of fund assets based on the Investment Manager's reports as of 31 December.

	2025 Ksh million	2025 %	2024 Ksh million	2024 %
Property	264	3.50%	1,829	27.75%
Government securities	5,268	70.30%	4,074	61.80%
Fixed and term deposits	392	5.20%	294	4.46%
Quoted equities	441	5.90%	343	5.20%
Corporate bonds	9	0.10%	46	0.70%
Cash and demand deposits	-	-	6	0.09%
Net current assets*	1,124	15.0%	-	-
Total	**7,499**	**100%**	**6,592**	**100%**

*The net current assets include Ksh 1.4 billion receivables from the principal employer for funding the actuarial deficit revealed in a prior actuarial valuation.

KCB Pension Fund and Staff Retirement Benefit Scheme (continued)

	2025 Ksh million	2024 Ksh million
At start of year	7,256	6,463
Transfers at 1 January 2016 from KCB Group PLC	78	59
Current service cost (net of employer contributions)	931	951
Interest cost	519	-
Actuarial gains/losses) due to changes in assumptions	388	693
Benefits paid	(972)	(910)
At end of year	**8,200**	**7,256**
Changes in the fair value of plan assets over the year:		
At start of year	(6,592)	(5,862)
Interest income on plan assets	(860)	(855)
Employer contributions	(430)	(84)
Actuarial gains/(loss)	(589)	(701)
Benefits paid	972	910
At end of year	**(7,499)**	**(6,592)**

Notes (continued)
48. Post-employment benefit obligations(continued)
Characteristics and risks of the Fund(continued)

The amounts recognised in the statement of financial position are determined as follows;

Reconciliation of liability in the statement of financial position:

	2025 Ksh million	2024 Ksh million
Present value of fund obligations	8,200	7,256
Fair value of plan assets	(7,499)	(6,592)
Asset recognised in the statement of financial position	**701**	**664**
The amount recognised in profit and loss for the year are as follows:		
At start of year	664	601
Net expense recognised in statement of profit and loss	149	155
Employer contribution	(431)	(84)
Amount recognised in other comprehensive income	319	(8)
At end of year	**701**	**664**

The amount recognized in profit and loss for the year are as follows:

	2025 Ksh million	2024 Ksh million
Service cost		
Current service cost (employer)	78	59
Total service cost	**78**	**59**
Interest cost		
Interest cost on defined benefit obligation	931	951
Interest income on plan assets	(860)	(855)
Interest on the effect of the asset ceiling		-
Net interest cost on balance sheet liability	**71**	**96**
Net included in profit and loss in respect of the scheme	**149**	**155**

Financial Statements
For the year ended 31 December 2025

Notes (continued)
48. Post-employment benefit obligations (continued)
KCB Pension Fund and Staff Retirement Benefit Scheme (continued)

Re-measurement (other comprehensive income)

	2025 Ksh million	2024 Ksh million
Actuarial loss – obligation	907	693
Return on plan assets (excluding amount in interest cost)	(589)	(701)
Amount recognised in other comprehensive income	**318**	**(8)**

The principal actuarial assumptions used are as follows:

Actuarial Assumptions	2025	2024
Discount Rate (% p.a.)	12.7%	13.6%
Future salary increases (% p.a.)	6.0%	6.0%
Mortality (pre-retirement)	A1949-1952	A1949-1952
Mortality (post-retirement)	a(55) Ultimate	a(55) Ultimate
Withdrawals (voluntary)	At rates consistent with similar arrangements	At rates consistent with similar arrangements
Retirement age	55 Years	55 Years

Sensitivity Analysis

The results of the actuarial valuation will be more sensitive to changes in the financial assumptions than changes in demographic assumptions. In preparing the sensitivity analysis of the results to the discount rate used, The Group has relied on our calculations of the duration of the liability. Based on this methodology, the results of our sensitivity analysis are summarized in the table below:

	Current discount rate (12.7% per annum) 2025 Ksh million	Discount rate -1% (13.6% per annum) 2024 Ksh million
Present value of obligation	8,295	7,256

Given a large portion of the liability is in respect of inactive members, the sensitivity of the liability to a change in the salary escalation assumption will not be as significant as a change to the discount rate as
it affects only in-service members.

Notes (continued)

49. Discontinued operations

In March 2024, the Group publicly announced and initiated the decision of its Board of Directors to dispose its stake in National Bank of Kenya (NBK), a wholly owned subsidiary. 30 May 2025 marked the conclusion of the transaction following the receipt of all regulatory approvals customary for a transaction of this nature.

As part of the transaction structure, certain specified assets and liabilities of NBK, amounting to Ksh 2 billion were transferred to KCB Group prior to completion, and ultimately transferred to KCB Bank Kenya, in line with the agreed terms of sale and relevant regulatory approvals.

With National Bank of Kenya being classified as discontinued operations, the NBK share of the segment is no longer presented in the segment note 7. Financial information relating to the discontinued operations for the period to the date of disposal is set out below.

Comparatively, the assets and liabilities of National Bank of Kenya Limited have been presented as held for sale in 2024.

(a) Financial performance and cash flow information

The financial performance and cash flow information presented below are for the five months, ended 30 May 2025 (2025 column) and the year ended 31 December 2024:

	Note	2025 Ksh million	2024 Ksh million
Interest income		6,308	18,950
Interest expense		(2,208)	(6,434)
Net interest income		**4,100**	**12,516**
Net fees and commission income		727	1,908
Other operating income*		440	961
Credit impairment and fair value changes		(964)	(4,862)
Net operating income		**4,303**	**10,523**
Employee benefits		(2,096)	(4,765)
Depreciation and amortisation		(359)	(717)
Operating expenses		(1,230)	(3,792)
Profit before tax		**618**	**1,249**
Income tax expense		(72)	(22)
Profit after income tax of discontinued operations		**546**	**1,227**
Gain on sale of the subsidiary, net of tax	49 (b)	2,705	-
Profit from discontinued operations		**3,251**	**1,227**
Gain/(loss) from fair value re-measurement of financial assets through other comprehensive income from discontinued operations		486	1,476
Total comprehensive income from discontinued operations		**3,737**	**2,703**

* Other income includes FX income and share of profit from associate.

Notes (continued)

49. Discontinued operations (continued)

(a) Financial performance and cash flow information (continued)

The net cash flows attributable to the operating, investing, and financing activities of discontinued operations have been presented on a combined basis with continuing operations on the face of the Statement of Cash Flows. The specific National Bank of Kenya (NBK) cashflow movements have been disclosed below:

	2025 Ksh million	2024 Ksh million
Net cash inflow from operating activities	1,330	(9,325)
Net cash outflow from investing activities (2025 includes an inflow of Ksh 12,832 million from the sale)	(16,666)	(516)
Net cash outflow from financing activities	-	(1,252)
Net increase in cash generated by the discontinued operations	**(15,336)**	**(11,093)**
Cash outflow, net of cash held		
Cash consideration	12,832	-
Less: balances acquired		
Cash and balances with Central Bank	(12,941)	-
Loans and advances to banks	(16,557)	-
Net outflow of cash – investing activities	**(16,666)**	**-**

(b) Details of the sale of the subsidiary

	2025 Ksh million	2024 Ksh million
Consideration received or receivable:		
- Cash	12,832	-
- Fair value of contingent consideration*	2,975	-
Total disposal consideration	**15,807**	**-**
Net investment disposed		
Net assets before transfer of specified assets & liabilities	14,646	
Specified assets and liabilities transferred	(2,021)	
Carrying amount of net assets sold	**(12,625)**	**-**
Gain on sale before income tax	**3,182**	**-**
Income tax expense on gain	(477)	-
Gain on sale after income tax	**2,705**	**-**

*The fair value of the contingent consideration includes cash proceeds held in escrow account. As part of the sale of NBK, the Group placed an amount of Ksh 3,207 million in an escrow in accordance with the terms of the Sale and Purchase Agreement. The escrow serves as a security to the buyer for any potential warranty claims, indemnities, or other post completion adjustments arising during the agreed claim period.

The carrying amount of the assets sold, excludes the assets and liabilities hived into KCB Bank Kenya Limited, of Ksh 2.1 billion, as disclosed on note 44.

Notes (continued)
49. Discontinued operations (continued)

(b) Details of the sale of the subsidiary(continued)
The carrying amounts of assets and liabilities as at the date of sale (30 May 2025) and 31 December 2024 were:

	30-May-25 Ksh million	31-Dec-2024 Ksh million
Cash and balances with Central Bank	12,941	5,775
Loans and advances to banks	16,557	2,283
Investments in Government Securities	53,010	48,742
Loans and advances	18,859	74,869
Other assets and prepayments	11,586	17,136
Total Assets	**112,953**	**148,805**
Deposits from Customers	76,857	98,512
Deposits from banks	17,530	23,129
Payables and accrued expenses	5,941	13,947
Total Liabilities	**100,328**	**135,588**
Net assets	**12,625**	**13,217**

50. Hyperinflation

South Sudan
South Sudan was assessed as hyperinflationary in 2025. Under IAS 29, an economy is considered hyperinflationary when the cumulative inflation rate over three years exceeds 100%. When an entity's functional currency is that of a hyperinflationary economy, its financial statements, including comparatives, must be restated to reflect the measuring unit current at the end of the reporting period.

South Sudan had previously been classified as hyperinflationary in 2016, exited hyperinflation in 2023, and re-entered hyperinflation in 2024. The Consumer Price Index (CPI) from August 2024 to December 2024 was derived using the revised base year (2011 to 2024) issued by the South Sudan Bureau of Statistics.
Accordingly, the financial statements and comparative figures have been restated to reflect changes in the general purchasing power of the South Sudanese Pound. As a result, they are presented in terms of the measuring unit current at the reporting date.

In 2024, South Sudan's three-year cumulative inflation again exceeded 100%, confirming continued hyperinflation. The restated financial statements have been consolidated into the Group results. The net monetary gain or loss arising from the restatement has been recognised in profit or loss (Note 18).

Burundi
Burundi was classified as hyperinflationary in 2025. Accordingly, as required by IAS 29, the financial statements and comparative information for entities with a Burundian functional currency have been restated to reflect the measuring unit current at the end of the reporting period.

Burundi met the IAS 29 criteria as at 30 June 2025, after forward-looking projections indicated that the three-year cumulative inflation rate would remain above 100% through to the end of 2027. This confirmed that the economy was experiencing sustained hyperinflationary conditions.

Financial statements and comparative figures have therefore been restated for changes in the general purchasing power of the Burundian Franc and are presented in measuring units current at the reporting date. The resulting net monetary gain or loss arising from restatement has been recognised in profit or loss in accordance with IAS 29 (Note 18).

Notes (continued)
50. Hyperinflation (continued)
Burundi (continued)

The table below sets out the Consumer Price Indexes (CPI) applied for 2025 and for prior-year restatements. CPI data used for restatement is sourced from the Burundi Institute of Statistics and Economic Studies (ISTEEBU).

	CPI South Sudan	Burundi
CPI as at 31 December 2022	5,718.97	
CPI as at 31 December 2023	6,048.06	206.00
CPI as at 31 December 2024	24,034.48	281.10
CPI as at 31 December 2025	191.41	327.70
Average CPI in 2022	6,577.44	
Average CPI in 2023	6,732.23	194.54
Average CPI in 2024	13,499.88	233.83
Average CPI in 2025	191.94	313.56

51. Subsequent Events
There have been no material events or transactions between 31 December 2025 and the date of the approval of these financial statements that would have a material effect and would require adjustment of, or disclosure in the financial statements for the year ended 31 December 2025 in accordance with IAS 10 Events after the reporting period.

Notes

KCB GROUP PLC.

(Incorporated in Kenya under the Companies Act, 2015, Laws of Kenya)
(Registration Number C 9/88)

NOTICE OF THE 55TH ANNUAL GENERAL MEETING

Notice is hereby given that the 55th Annual General Meeting of the shareholders of KCB Group Plc. **("Company")** will be held via electronic communication, on Thursday, 21 May 2026 at 10.00 a.m when the business set out below will be transacted:

AGENDA

1. Constitution of the Meeting
To read the notice convening the meeting and determine if a quorum is present.

2. Ordinary Business

a. **Report and Financial Statements for the Year ended 31 December 2025**
To receive, consider and, if thought fit, adopt the Audited Consolidated Financial Statements for the year ended 31 December 2025 together with the reports of the Directors, the Group Chairman, the Group Chief Executive Officer and the Auditor thereon.

b. **Dividend**
To confirm the interim and special dividend of Ksh 4.00 per ordinary share paid on 11 November 2025 and to declare a final and special dividend of Ksh 3.00 per ordinary share, payable, net of withholding tax, on or about 22 May 2026 to shareholders on the Register of Members at the close of business on 2 April 2026.

c. **Directors**
   a. To re-elect Mr. Lawrence Njiru, who, in accordance with Articles 94, 95 and 96 of the Company's Articles of Association, retires by rotation, and being eligible, offers himself for re-election.
   b. To re-elect Ms. Anuja Pandit, who, in accordance with Articles 94, 95 and 96 of the Company's Articles of Association, retires by rotation, and being eligible, offers herself for re-election.
   c. To re-elect Mr. William Asiko, who, in accordance with Articles 94, 95 and 96 of the Company's Articles of Association, retires by rotation, and being eligible, offers himself for re-election.
   d. To take note of the resignation of Mrs. Alice Kirenge as an Independent NonExecutive Director of the Company, upon completion of the maximum tenure prescribed under the Company's Charter and the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023.
   e. To approve the appointment of Ms. Lyn Mengich, who, in accordance with Article 101 of the Company's Articles of Association, having been appointed by the Board to fill in a casual vacancy, retires from the Board and being eligible offers herself for re-election.
   f. To re-elect Dr. Joseph Kinyua who, in accordance with guideline 2.5 of the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, having attained the age of 70, retires from the Board and being eligible and having expressed his willingness to continue serving as a director, offers himself for re-election.
   g. In accordance with the provisions of Section 769 of the Companies Act, 2015, the following directors, being members of the Board Audit Committee, and, subject to being re-elected to continue to serve as directors as may be applicable, be elected to continue to serve as members of the said Committee:
      i. Mrs. Agnes Lutukai
      ii. Mr. Ahmed Mohamud
      iii. Ms. Anuja Pandit

d. **Remuneration of Directors**
To receive, consider and, if thought fit, approve the Directors' Remuneration Report and to authorize the Board to fix the remuneration of Directors.

e. **Appointment of Auditors**
To appoint KPMG Kenya, Certified Public Accountants, as the new Auditors of the Company in place of PriceWaterhouseCoopers, Certified Public Accountants who have served as the Company's auditors for a period of six years (and whose term expires at the end of this meeting), until conclusion of the next Annual General Meeting.

f. **Remuneration of the Auditors**
To authorize Directors to fix the remuneration of the Auditors.

BY ORDER OF THE BOARD

BONNIE OKUMU
COMPANY SECRETARY
29 APRIL 2026

Notes:

1. KCB Group Plc. has convened and will conduct its 55th Annual General Meeting via virtual/electronic means in line with The Companies Act, 2015.
2. Shareholders wishing to participate in the meeting should register for the AGM by doing the following:
   a. dialling ***483*806#** for all Kenyan telephone networks and following the various registration prompts; or
   b. sending an email request to be registered to kcbshares@image.co.ke.

   Shareholders with email addresses will receive a registration link via email through which they can use to register.

   To complete the registration process, shareholders will need to have their ID/Passport Numbers which were used to purchase their shares and/or their CDSC Account Number at hand. For assistance shareholders should dial the following helpline number: (+254) 709 170 037/ 709 170 000 from 9:00 a.m. to 5:00 p.m. from Monday to Friday. Any shareholder outside Kenya should dial the helpline number to be assisted to register.
3. Registration for the AGM opens on Thursday, 30 April 2026 at 9.00 a.m. and will close on Tuesday, 19 May 2026 at 10.00 a.m. Shareholders will not be able to register after Tuesday 19 May 2026 at 10.00 a.m.
4. In accordance with Section 283 (3) of the Companies Act, the following documents may be viewed on the Company's website www.kcbgroup.com
   a. a copy of this Notice and the proxy form.
   b. the Company's Annual Report & Audited financial statements for the year ended 31 December 2025.

   The reports may also be accessed upon request by dialling the USSD code above and selecting the reports option. The reports and agenda can also be accessed on the livestream link.
5. Shareholders wishing to raise any questions or clarifications regarding the AGM may do so by:
   a. sending their written questions by email to kcbshares@image.co.ke; or
   b. shareholders who will have registered to participate in the meeting shall be able to ask questions via sms by dialling the USSD code above and selecting the option (Ask Question) on the prompts; or
   c. to the extent possible, physically delivering their written questions with a return physical, postal or email address to the registered office of the Company at Kencom House, P. O. Box 48400 – 00100, Nairobi, or to Image Registrars offices at 5th floor, Absa Towers (formerly Barclays Plaza), Loita Street.

   Shareholders must provide their full details (full names, National ID/ Passport Number/CDSC Account Number) when submitting their questions and clarifications.

   The Company's Directors will provide responses to questions received via the channel used by shareholders to send their questions i.e. SMS (for USSD option), Email, Letters or Telephone call. Questions will also be responded to during the meeting.

   A full list of all questions received, and the answers thereto will be published on the Company's website not later than 24 hours following the conclusion of the meeting.
6. In accordance with Section 298(1) of the Companies Act, shareholders entitled to attend and vote at the AGM are entitled to appoint a proxy to vote on their behalf. A proxy need not be a member of the Company. A proxy form is attached to this Notice and is available on the Company's website via this link: www.kcbgroup.com. Physical copies of the proxy form are also available at the following address: Image Registrars Limited offices, 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street P. O. Box 9287 – 00100. Shareholders who do not propose to be at the Annual General Meeting are requested to complete and return the proxy form to Image Registrars Limited, or alternatively to the Registered Office of the Company to arrive not later than 10.00 a.m. on Tuesday, 19 May 2026.

   Duly signed proxy forms may also be emailed to kcbshares@image.co.ke in PDF format. A proxy form must be signed by the appointor, or his attorney duly authorized in writing. If the appointer is a body corporate, the instrument appointing the proxy shall be given under the Company's common seal or under the hand of an officer or duly authorized attorney of such body corporate.
7. The AGM will be streamed live via a link which shall be provided to all shareholders who will have registered to participate in the AGM. Duly registered shareholders and proxies will receive a short message service (SMS/USSD) prompt on their registered mobile numbers, 24 hours prior to the AGM acting as a reminder of the AGM. A second SMS/USSD prompt shall be sent one hour before the AGM, reminding duly registered shareholders and proxies that the AGM will begin in an hour's time and providing a link to the live stream.
8. Duly registered shareholders and proxies may follow the proceedings of the AGM using the live stream platform and may access the agenda. Duly registered shareholders and proxies may vote (when prompted) via the USSD prompts.
9. A poll shall be conducted for all the resolutions put forward in the notice.
10. **Shareholder Contact Details and Dividend Payment Details:** To facilitate timely receipt of dividends, shareholders are encouraged to update their contact details and register to receive their dividend payments via mobile (MPESA/Airtel Money) or bank payments. To do so, shareholders are requested to update their dividend payment details via any one of the following channels:
    a. Complete an online opt-in form available at the Registrar's offices.
    b. Send an email to Image Registrars Limited through kcbshares@image.co.ke
    c. Opt-In via USSD by dialling ***483*806#** as you register for the Annual General Meeting (AGM).
    d. Shareholders who maintain CDS Accounts are also encouraged to notify any change of address or request for payment of dividends through bank accounts /MPESA via their stockbroker or investment bank.

    Shareholders with certificates are advised to contact Image Registrars Limited offices, 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street, Nairobi via Email address kcbshares@image.co.ke or Telephone no. 0709170000.
11. Results of the AGM shall be published on the Company's website within 24 hours following conclusion of the AGM.

Shareholders are encouraged to continuously monitor the Company's website www.kcbgroup.com for updates relating to the AGM.

KCB

KCB GROUP PLC.

Proxy Form

COMPANY SECRETARY,
KCB GROUP PLC.,
KENCOM HOUSE, MOI AVENUE,
P. O. BOX 48400 – 00100,
NAIROBI, KENYA

I/WE ______________________________

of ______________________________

Being a shareholder of **KCB Group Plc.** hereby appoint ______________ (see notes 2 and 3) (Name of proxy) of P. O. Box ______________ and whose mobile phone number for purposes of registration and voting is ______________ OR FAILING WHOM, the Chairman of the Meeting in respect of my ______________ (Number of shares). Please indicate here if you are appointing more than one proxy (including the mobile phone number of such proxy) ______________ (see note 3) as my/our proxy to attend, represent and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held electronically on Thursday 21 May 2026 at 10.00 a.m and at any adjournment thereof.

Signed this ______________ day of ______________ 2026.

Signature(s) ______________ ______________

I/WE direct my/our proxy to vote on the following resolutions as I/WE have indicated by marking the appropriate box with an 'X'. If no indication is given, my/our proxy will vote or withhold his or her vote at his or her discretion and I/WE authorize my/our proxy to vote (or withhold his or her vote) as he or she thinks fit in relation to any other matte which is properly put before the Meeting.

Please clearly mark the box below to instruct your proxy how to vote.

RESOLUTION	FOR	AGAINST	WITHHELD
To receive, consider and, if thought fit, adopt the Audited Consolidated Financial Statements for the year ending 31 December 2025 together with the reports of the Directors, the Group Chairman, the Group Chief Executive Officer and the Auditor thereon.			
Confirm the interim and special dividend of Ksh 4.00 per ordinary share paid on 11 November 2025 and to declare a final and special dividend of Ksh 3.00 per ordinary share, payable, net of withholding tax, on or about 22 May 2026 to shareholders on the Register of Members at the close of business on 2 April 2026.			
To re-elect **Mr. Lawrence Njiru**, who, in accordance with Articles 94, 95 and 96 of the Company's Articles of Association, retires by rotation, and being eligible, offers himself for re-election.			
To re-elect **Ms. Anuja Pandit**, who, in accordance with Articles 94, 95 and 96 of the Company's Articles of Association, retires by rotation, and being eligible, offers herself for re-election.			
To re-elect **Mr. William Asiko**, who, in accordance with Articles 94, 95 and 96 of the Company's Articles of Association, retires by rotation, and being eligible, offers himself for re-election.			
To take note of the resignation of **Mrs. Alice Kirenge** as an Independent NonExecutive Director of the Company, upon completion of the maximum tenure prescribed under the Company's Charter and the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023.			
To re-elect **Dr. Joseph Kinyua** who, in accordance with guideline 2.5 of the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, having attained the age of 70, retires from the Board and being eligible and having expressed his willingness to continue serving as a director, offers himself for re-election.			
Audit Committee: In accordance with the provisions of Section 769 of the Companies Act, 2015, the following directors, being members of the Board Audit Committee and, subject to being re-elected to continue to serve as directors as may be applicable, be elected to continue to serve as members of the said Committee:			
i. Mrs. Agnes Lutukai			
ii. Mr. Ahmed Mohamud			
iii. Ms. Anuja Pandit			
To receive, consider and, if thought fit, approve the Directors' Remuneration Report and to authorize the Board to fix the remuneration of Directors.			
To appoint KPMG Kenya, Certified Public Accountants, as the new Auditors of the Company in place of PriceWaterhouseCoopers, Certified Public Accountants who have served as the Company's auditors for a period of six years (and whose term expires at the end of this meeting), until conclusion of the next Annual General Meeting.			
To authorize the Directors to fix the remuneration of the Auditors.			

ELECTRONIC COMMUNICATIONS PREFERENCE FORM
Please complete in BLOCK CAPITALS

Full name of member(s): ____________________

Address: ____________________

CDSC No. (if known) ____________________
(This can be found on your CDSC Statement)

Mobile Number ____________________

Date: ____________________

Signature: ____________________

Please tick the boxes below to signify your approval/consent and return to Image Registrars at P.O. Box 9287 – 00100 Nairobi, 5th Floor, Absa Towers (formerly Barclays Plaza), Loita Street:

Approval of Registration
I/WE approve to register to participate in the virtual Annual General Meeting to be held on 21 May 2026. ☐

Consent for use of the Mobile Number provided
I/WE would give my/our consent for the use of the mobile number provided for purposes of voting at the AGM ☐

Notes:

1. If a member is unable to attend personally, this Proxy Form should be completed, duly signed and returned to reach the Company's share registrar, **Image Registrars Limited,** 5th Floor, Absa Towers (formerly Barclays Plaza), Loita Street, P. O. Box 9287 – 00100 Nairobi or can be scanned and emailed to kcbshares@image.co.ke in PDF format, to arrive not later than **10:00 a.m.** on Tuesday 19 May 2026 i.e. 48 hours before the meeting or any adjournment thereof.

2. In case of a member being a corporate body, the Proxy Form must be under given under its common seal or under the hand of an officer or duly authorized attorney of such corporate body.

3. As a shareholder you are entitled to appoint one or more proxies to exercise all or any of your shareholder rights to attend and to speak and vote on your behalf at the meeting. The appointment of the Chairman of the meeting as proxy has been included for convenience. To appoint any other person as a proxy, delete the words "the Chairman of the Meeting or" and insert the full name of your proxy in the space provided. A proxy need not to be a shareholder of the Company.

4. Completion and submission of the Proxy Form will not prevent you from attending the meeting and voting at the meeting in person, in which case any votes cast by your proxy will be excluded.

5. A "vote withheld" option has been included on the Proxy Form. The legal effect of choosing this option on any resolution is that you will be treated as not having voted on the relevant resolution. The number of votes in respect of which votes are withheld will, however, be counted and recorded, but disregarded in calculating the number of votes for or against each resolution.