KCB Group Plc
Kencom House
P. O. Box 48400 – 00100
Nairobi, Kenya
Tel: +254 20 3270000 / 2851000 / 2852000
Mobile: +254 711 012 000 / 734 108 200
SMS: 22522
Email: investorrelations@kcbgroup.com

Press Release **August 13, 2025**

KCB Group Plc to Pay KShs.13B in Dividends as Net Profit Grows 8% to KShs. 32.3B.

Total Assets Close the Period at KShs. 1.97 trillion, Board proposes KShs.4 interim and special dividend per share.

KCB Group PLC delivered strong financial results in the first half of 2025 driven by growth in earning assets, amid a difficult operating environment.

The Group sustained its focus on deepening and leveraging regional scale to catalyse ongoing economic transformation and deliver value to shareholders, customers and other stakeholders.

As a result, the Board of Directors has recommended an **interim dividend of KShs.2.00 per share for the 2025 period and a further special dividend of KShs 2.00 per share** (in relation to the sale of National Bank of Kenya). This means shareholders will get a **payout of KShs.13 billion**, the largest interim payment and first ever special dividend in the Bank's history.

Profit after tax grew 8% from KShs.29.9 billion to KShs.32.3 billion as all business franchises posted higher earnings, riding on customer-focused initiatives.

Commentary from Group Chief Executive Officer Paul Russo

"The business across markets remains resilient despite the tough operating environment in key markets like Kenya. Despite this, we have placed our customers at the fore, to ensure we meet their needs in a timely manner" said Paul Russo, the Group Chief Executive Officer during the release of the results on Wednesday.

Subsidiaries outside KCB Bank Kenya continued to turn in stronger performance, with their **profit before tax making up 33.4% of the overall Group earnings, and 31.4% of the balance sheet**. PBT contribution from non-banking entities—KCB Investment Bank, KCB Asset Management and KCB Bancassurance Intermediary Limited **was up to 2.1% from 1.8% a similar period last year.**

Total assets remained stable at KShs1.97 trillion, despite the sale of NBK in the second quarter of the year, demonstrating the Group's capacity and capability to support its customers across the seven countries where KCB operates in.

The **Group's loan portfolio stood at KShs.1.18 trillion**, representing a 2.8% growth (12% rise excluding the impact of NBK), supported by new business across subsidiaries. Customer deposits stood at KShs.1.48 trillion, as deposit mobilization during the period netted off the impact of the sale of NBK and the impact of Uganda transitioning to its own Government to Government oil importation programme. The stable deposit book highlighted the growing customer confidence in the brand.

Total revenue grew 4.3%, boosted by higher net interest income that rose to **KShs.69.1 billion, from 61.3 billion**. Interest income from customer loans increased on the back of improved yields and loan volumes in the period. **The cost of funds remained at par** with previous period and is expected to decline during the year as interest rates continued trending downwards across most markets.

The Group's digital channels continued to offer unmatched convenience to customers, with **99% of transactions by number conducted through non-branch channels**. This helped ringfence the **Group's non-funded income, which stood at KShs.29.5 billion**, despite a notable impact from reduced foreign exchange earnings. The share of **NFI stood at 29.9%** of the total revenue.

To further boost the Group's digital footprint, KCB has rolled out a **new unified mobile App available to all our customers in Kenya from August 11, 2025**. The new platform introduces breakthrough self-onboarding capabilities, allowing customers to register and begin banking instantly, anytime, anywhere. Powered by advanced artificial intelligence, data analytics and a mini-APP ecosystem, the platform is built for scale, agility, and inclusivity.

The Group **maintained its prudent cost management approach, with costs growing by 2.4% driven by variable costs and investments for future growth**. Total expenses closed the period at KShs.45.4 billion, with the cost-to-income ratio stable at 46.0%.

Considering the challenging economic conditions in different sectors across the markets, the **Group provisions for expected credit losses increased through judicious provisioning. Non-Performing Loans (NPL) closed at 18.7% from 19.2%** in December 2024, while the stock on NPL stood at KShs.221.1 billion.

In what gives the Group adequate headroom to better support customers, the capital and liquidity buffers remained stable within regulatory expectations and way above industry average**. All banking subsidiaries were compliant with their respective local regulatory capital requirements.** The Group's core capital as a proportion of total risk-weighted assets stood at 17.0% against the statutory minimum of 10.5% while the total capital to risk-weighted assets ratio was at 19.7% against a regulatory minimum of 14.5%. The Group's liquidity ratio was 47.2%, compared to 47.0% in H1 last year.

The strong financial fundamentals enabled the Group to deliver stronger value to shareholders. **Return on Equity (ROAE) stood at 22.2% while Return on Assets (ROA) of 3.3%.** Total equity attributable to shareholders was up by **27.3% from KShs.241.0 billion to KShs.306.8 billion.**

Looking Ahead

"Noting that we are operating in a regional environment that is prone to growing uncertainties and evolving dynamics, we continue to leverage our Group strengths and capabilities to deliver on our strategic goals. We have set ambitious growth goals under our strategy to transform communities and deliver returns for our shareholders by putting People and Planet first, while pursuing business growth." said KCB Group Chairman Dr. Joseph Kinyua. "The strong half year performance and the projected trajectory of the business has allowed us a great bandwidth to propose a historic special and interim dividend to shareholders"

Key Corporate Developments

- The sale of 100% of issued shares in NBK to Access Bank was concluded on May 30, 2025.
- Opened 6 new branches in high growth areas in Kenya (Kamakis, Ayany Kibera), Haile Selssie, Village Market), Tanzania (Zanzibar) and BPR (MTN Center Branch).
- Rolled out a new unified mobile app through a campaign dubbed" MODE – the new KCB App that switches with your Mode". The campaign takes cognizance of the different features of that app and how they enable a consumers' life – making payments, saving, investments and entertainment. With a simple click, consumers can open a KCB account to enjoy a bespoke experience based on innovative technologies and mini app programs.
- The Group continued to align its practices to address and tap on climate-related risks & opportunities. This saw the issuance of KShs. 26.9 billion green loans in H1 2025 in Kenya and Tanzania. Additionally, the Group screened loans worth KShs. 133.2B under Environmental and Social Due Diligence in Kenya, Rwanda, Tanzania and Uganda.
- The Group supported various initiatives through targeted sponsorships, most notably World Rally Championship (WRC), Athletics Kenya Trials & Championships, Golf and numerous contributions as part of corporate social responsibility to empower communities where we operate. We support over 165 people through our investment in sports teams of which we focus on Rugby, Football, Volleyball and Chess, providing opportunities for them to earn their livelihood through sports.
- The Group received several global accolades, cementing its position as a trailblazer in the continent's financial sector, driven by its commitment to inclusive banking, cross-border innovation, and purpose-led leadership. The Group was named as one of Africa's fastest growing companies by the Financial Times. It also won 5 major international awards—2025 Euromoney Africa's Best Bank for Corporate Responsibility, Kenya's Best Bank and Kenya's Best Bank for Environmental, Social and Governance (ESG).

The Group was named African Bank of the Year by the African Business Leadership Awards (ABLA), while the Group CEO, Paul Russo was honored with a Special U.S. Congressional Commendation from the State of Georgia, recognizing his outstanding contribution to the banking sector in East Africa. **Ends>**

For further information, please contact Peter Mwaura Kimani, Head of Corporate & Stakeholder Relations; email: pmkimani@kcbgroup.com;

About KCB Group PLC

KCB Group Plc is East Africa's largest commercial Bank and was established in 1896. The Group is headquartered in Kenya, with the country serving as the lead market with the banking subsidiary KCB Bank Kenya. Over the years, the Bank has grown and spread its wings into Tanzania, South Sudan, Uganda, Rwanda, Burundi, and the Democratic Republic of Congo. Our subsidiaries KCB Bank Kenya and Trust Merchant Bank (TMB) also have representative offices in Ethiopia and Brussels, respectively. Additionally, KCB Group owns KCB Bancassurance Intermediary Limited, KCB Investment Bank, KCB Asset Management, KCB Foundation and Kencom House Limited as non-banking businesses. Today KCB has the largest branch network in the region with 455 branches, 1,224 ATMs and over 1.3 million merchants and agents offering banking services on a 24/7 basis in East Africa. This is complemented by mobile banking and internet banking services with 24-hour contact center services for our customers to get in touch with the Bank. KCB has a vast network of correspondent relationships totaling over 200 banks across the globe, and our customers are assured of a seamless facilitation of their international trade requirements wherever they are.