KCB BANK

# PUBLICATION OF AUDITED FINANCIAL STATEMENTS

Issued pursuant to regulations 7 and 8 of the Banking and Financial Institutions (Disclosures) Regulations, 2014

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 (AMOUNTS IN MILLION TSHS.)

| | Current Year 31-Dec-2023 | Previous Year 31-Dec-2022 |
|---|---|---|
| **A ASSETS** | | |
| 1 Cash | 23,498 | 18,756 |
| 2 Balances with Bank of Tanzania | 104,012 | 87,524 |
| 3 Investments in Governments Securities | 184,283 | 196,147 |
| 4 Balances with other Banks Finacial Institutions | 61,442 | 15,044 |
| 5 Cheques and items for Clearing | - | - |
| 6 Interbranch Floats Items | - | - |
| 7 Bills Negotiated | - | - |
| 8 Customers' liabilities for acceptance | - | - |
| 9 Interbank Loans Receivables | 101,208 | 94,564 |
| 10 Investments in Other Securities | 2,030 | 1,028 |
| 11 Loans, Advances and Overdrafts (Net of Allowances for Probable Losses) | 892,758 | 660,868 |
| 12 Other Assets | 49,120 | 21,548 |
| 13 Equity Investments | - | - |
| 14 Underwriting Accounts | - | - |
| 15 Property, Plant and Equipment | 9,780 | 9,782 |
| 16 Right of Use of Assets | 8,442 | 7,768 |
| **17 TOTAL ASSETS** | **1,436,572** | **1,113,029** |
| **B LIABILITIES** | | |
| 18 Deposits from other Banks and Financial Institutions | 289,872 | 242,654 |
| 19 Customer Deposits | 844,984 | 680,819 |
| 20 Cash Letters of Credit | 323 | 584 |
| 21 Special Deposit | - | - |
| 22 Payment orders/transfer payable | - | - |
| 23 Bankers' Cheques and Drafts Issued | 40 | 33 |
| 24 Accrued Taxes and Expenses Payable | 11,603 | 5,919 |
| 25 Acceptances Outstanding | - | - |
| 26 Unearned Income and Other Deferred Charges | 4,906 | 4,132 |
| 27 Other Liabilities | 22,011 | 6,386 |
| 28 Lease Liabilities | 8,883 | 8,875 |
| 29 Borrowings | 65,551 | 10,075 |
| 30 Debt Instrument at Amortized cost | 11,080 | 11,074 |
| **31 TOTAL LIABILITIES** | **1,259,253** | **970,551** |
| **32 NET ASSETS/(LIABILITIES)** | **177,319** | **142,477** |
| **C CAPITAL AND RESERVES** | | |
| 33 Paid-up Share Capital | 62,670 | 62,670 |
| 34 Capital Reserves | - | - |
| 35 Retained Earnings | 69,408 | 47,976 |
| 36 Profit/(Loss) Account | 37,624 | 21,432 |
| 37 Other Capital Accounts | 7,617 | 10,399 |
| 38 Minority Interest | - | - |
| **39 TOTAL SHAREHOLDERS' FUNDS** | **177,319** | **142,477** |
| 40 Contingent Liabilities | 210,507 | 139,434 |
| 41 Non Performing Loans and Overdrafts | 15,268 | 15,268 |
| 42 Allowance for Probable Losses | 19,169 | 16,260 |
| 43 Other Non Performing Assets | 619 | 56 |
| **D PERFORMANCE INDICATORS:** | | |
| (i) Shareholders Funds to Total Assets | 12.34% | 12.80% |
| (ii) Non Performing Loans to Total Gross Loans | 1.67% | 2.25% |
| (iii) Gross Loans and Advances to Total Deposits | 80.33% | 73.28% |
| (iv) Loans and Advances to Total Assets | 62.15% | 59.38% |
| (v) Earning Assets to Total Assets | 82.16% | 85.59% |
| (vi) Deposits Growth | 22.85% | 18.29% |
| (vii) Assets Growth | 29.07% | 15.74% |

## STATEMENT OF CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023 (AMOUNTS IN MILLION OF TSHS.)

| | Current Year Cumulative 31-Dec-2023 | Comparative Year (Previous Year) Cumulative 31-Dec-2022 |
|---|---|---|
| **I: Cash Flow From Operating Activities** | | |
| Profit before tax | 52,584 | 30,937 |
| **Adjustment for non-cash items** | | |
| Depreciation | 2,366 | 2,395 |
| Amortisation | 574 | 741 |
| Net impairment charge on loans and advances | 4,699 | 9,568 |
| Net Interest Income | (80,322) | (59,261) |
| Profit on disposal of items of property and equipment | (0) | (94) |
| Foreign exchange rate revaluation on EIB | 2,250 | |
| Interest charge on long term borrowing | 2,389 | 897 |
| Modification loss on lease contracts | 196 | (21) |
| Foreign exchange on lease contracts | (950) | 98 |
| Depreciation on right of use assets | 2,552 | 2,274 |
| Interest charge on lease liability | 749 | 719 |
| **Cash flows from operating activities before changes in working capital items** | **(12,912)** | **(11,747)** |
| **Changes in working capital items** | | |
| Loans and advances to customers | (235,430) | (209,610) |
| Derivative financial instrument | 1,208 | (29) |
| Other assets* | (14,314) | (5,259) |
| Deposits from customers | 160,354 | 180,215 |
| Other liabilities | 9,051 | 1,817 |
| Items in the course of payment | 22 | (126.00) |
| Statutory Minimum Reserve account | (10,407) | (7,978) |
| Deposits from other banks | 46,297 | 54,727 |
| Government securities at FVOCI | (80) | 3,344 |
| Government securities at amortized cost | 6,885 | (15,826) |
| Other investments in other securities at amortized costs | (1,002) | (823) |
| Interest received | 124,186 | 90,723 |
| Interest paid | (40,440) | (33,647) |
| | **33,418** | 45,780 |
| Tax paid during the year | (13,274) | (11,238) |
| **Net cash generated from operating activities** | **20,144** | **34,542** |
| **II. Cash flow from investing activities:** | | |
| Purchase of property and equipment | (2,882) | (2,325) |
| Purchase of intangible assets | (56) | (127) |
| Proceeds from disposal of items of property and equipment | 0 | 94 |
| **Net cash used in investing activities** | **(2,938)** | **(2,358)** |
| **III. Cash flow from financing activities:** | | |
| Principal paid on borrowings | - | - |
| Interest paid on borrowings | (1,687) | (909) |
| Lease payment | (2,242) | (2,413) |
| Proceeds from debt instrument at amortized cost | 6 | 11,074 |
| Proceeds from borrowing | 52,524 | - |
| **Net cash (used in)/ generated from financing activities** | **48,601** | **7,752** |
| **IV. Cash and Cash equivalents:** | | |
| Net Increase(decrease) in Cash and Cash Equivalents. | 65,807 | 39,936 |
| Cash and Cash Equivalents at the Beginning of the Year | 178,868 | 138,932 |
| Cash and Cash Equivalents at the End of the Year | **244,675** | **178,868** |

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023(AMOUNTS IN MILLION OF TSHS.)

| | Current Year Cumulative 31-Dec-23 | Comparative Year Cumulative 31-Dec-22 |
|---|---|---|
| 1 Interest Income | 124,261 | 92,639 |
| 2 Interest Expense | 47,077 | 34,993 |
| **3 Net Interest Income** | **77,184** | **57,646** |
| 4 Bad Debts Written Off | | |
| 5 Impairment Losses on Loans and Advances | 4,699 | 9,568 |
| **6 Non-Interest Income** | **26,254** | **21,443** |
| 6.1 Foreign Currency Dealing and Translation gains/(Loss) | 11,321 | 9,234 |
| 6.2 Fees and Commissions | 14,933 | 11,570 |
| 6.3 Dividend Income | | |
| 6.4 Other Operating Income | - | 639 |
| **7 Non-Interest Expense** | **46,155** | **38,584** |
| 7.1 Salaries and Benefits | 23,597 | 19,201 |
| 7.2 Fees and Commission | | |
| 7.3 Other Operating Expenses | 22,558 | 19,383 |
| **8 Operating Income(Loss)** | 52,584 | 30,937 |
| 9 Income Tax Provision | 14,960 | 9,506 |
| **10 Net Income/(Loss) After Income Tax** | **37,624** | **21,431** |
| **11 Other Comprehensive Income (itemize)** | **(2,782)** | **6,797** |
| 11.1 Net gain on Available for Sale Financial Assets (Net of Tax) | **(2,782)** | **6,797** |
| **12 Total comprehensive income/(loss) for the year** | 34,842 | 28,228 |
| 13 Number of Employees | 304 | 283 |
| 14 Basic Earnings Per Share | 60 | 34 |
| 15 Number of Branches | 16 | 15 |
| **PERFORMANCE INDICATORS:** | | |
| (I) Return on Average Total Assets | 2.95% | 2.20% |
| (ii) Return on Average Shareholders' Funds | 23.53% | 16.70% |
| (iii) Non Interest Expenses to Gross Income | 44.62% | 48.79% |
| (iv) Net Interest Income to Average Earning Assets | 7.24% | 6.94% |

## STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2023 (AMOUNTS IN MILLION OF TSHS.)

| | Share Capital | Share Premium | Retained Earning | Regulatory Reserve | General Provision Reserve | Available for sale reserve | Total |
|---|---|---|---|---|---|---|---|
| **Current Year 2023** | | | | | | | |
| **Balance as at the beginning of the Yearr** | **62 670** | - | **69,409** | - | - | **10,398** | **142,477** |
| Profit for the year | | | 37,624 | | | | **37,624** |
| Change in fair value of government securities | | | | | | - | - |
| at FVOCI ( Net of Tax) | - | - | | | | - | - |
| Transactions with owners | | | | | | (3,974) | **(3,974)** |
| Dividends Paid | | | | | | 1,192 | **1,192** |
| Regulatory Reserve | | | - | - | | | - |
| General Provision Reserve | | | - | | | | - |
| Others | | | | | | | - |
| **Balance as at the end of the current Year 2023** | **62 670** | - | **107,033** | - | - | 7,616 | **177,319** |
| **Previous Year 2022** | | | | | | | |
| **Balance as at the beginning of the Year** | **62 670** | - | **46,491** | **1,487** | - | **3,601** | **114,249** |
| Profit for the year | | | 21,431 | | | | 21,431 |
| Change in fair value of government securities a | | | | | | (212) | (212) |
| t FVOCI ( Net of Tax) | - | | | | | 64 | 64 |
| Transactions with owners | | | | | | 9,922 | 9,922 |
| Dividends Paid | | | | | | (2,977) | (2,977) |
| Regulatory Reserve | | | 1,487 | **(1,487)** | | | - |
| General Provision Reserve | | | - | | | | - |
| Others | | | | | | | - |
| **Balance as at the end of the Previous Year 2022** | **62 670** | - | **69,409** | - | - | **10,398** | **142,477** |

## SELECTED EXPLANATORY NOTES FOR THE YEAR ENDED 31 DECEMBER 2023

In preparation of the quarterly financial statements, consistent accounting policies have been used as those applicable to the previous year audited financial statements (if there were changes during the quarter, the changes be explained as per IAS 34 & IAS 8)

| Name and Title | Signature | Date |
|---|---|---|
| **COSMAS T. KIMARIO**<br>**MANAGING DIRECTOR** | Signed | 23.02.2024 |
| **WILLIS MBATIA**<br>**HEAD OF FINANCE** | Signed | 23.02.2024 |
| **MAGRETH GEORGE**<br>**HEAD OF INTERNAL AUDIT** | Signed | 23.02.2024 |

We, the undersigned directors, attest to the faithful representation of the above statements. We declare that the statements have been examined by us and, to the best of our knowledge and belief, have been prepared in conformance with International Financial Reporting Standards and the requirements of the Banking and Financial Institutions Act, 2006 and they present a true and fair view.

| Name | Signature | Date |
|---|---|---|
| AMB. JOHN ULANGA - BOARD CHAIRMAN | Signed | 23-02-2024 |
| MR. ANAEL GAMALIEL SAMUEL MSHANA - BOARD MEMBER | Signed | 23-02-2024 |