

KCB GROUP PLC
UN AUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 31ST MARCH 2017

	BANK			COMPANY			GROUP		
	31-Mar-16 Kshs 000 Un-Audited	31-Dec-16 Kshs 000 Audited	31-Mar-17 Kshs 000 Un-Audited	31-Mar-16 Kshs 000 Un-Audited	31-Dec-16 Kshs 000 Audited	31-Mar-17 Kshs 000 Un-Audited	31-Mar-16 Kshs 000 Un-Audited	31-Dec-16 Kshs 000 Audited	31-Mar-17 Kshs 000 Un-Audited
I STATEMENT OF FINANCIAL POSITION									
A ASSETS									
1 Cash (both Local & Foreign)	7,548,231	8,085,113	6,182,156	-	951,009	933,609	11,690,736	11,374,751	9,246,661
2 Balances due from Central Bank of Kenya	29,413,682	18,055,378	22,621,216	-	-	-	29,413,682	18,055,378	22,621,216
3 Kenya Government and other securities held for dealing purposes	755,513	-	-	-	-	-	755,513	-	-
4 Financial Assets at fair value through profit and loss	-	-	-	-	-	-	-	-	-
5 Investment securities: a) Held to Maturity: a. Kenya Government securities	43,592,042	32,520,671	32,297,753	-	-	-	43,592,042	32,520,671	32,440,656
b. Other securities	-	-	142,903	-	-	-	15,937,605	7,981,800	8,704,021
b) Available for sale: a. Kenya Government securities	45,217,894	58,466,646	60,799,938	-	-	-	45,217,894	58,466,646	60,799,938
b. Other securities	68,033	-	-	56,636	56,719	47,971	68,033	3,501,732	4,029,334
6 Deposits and balances due from local banking institutions	-	1,627,573	-	-	-	-	-	1,627,573	-
7 Deposits and balances due from banking institutions abroad	1,041,836	4,466,863	6,155,161	-	-	-	36,080,572	41,879,570	38,858,626
8 Tax recoverable	-	-	-	-	-	-	203,486	216,993	226,861
9 Loans and advances to customers (net)	313,053,740	353,900,051	362,922,411	-	-	-	345,943,452	385,745,331	395,491,270
10 Balances due from group companies	2,786,443	436,130	2,259,685	6,388,960	807,828	9,900,292	-	-	-
11 Investments in associates	-	-	-	125	125	125	-	-	-
12 Investments in subsidiary companies	-	-	-	67,130,100	67,130,100	67,130,100	-	-	-
13 Investments in joint ventures	-	-	-	-	-	-	-	-	-
14 Investment properties	-	-	-	-	-	-	-	-	-
15 Property and equipment	6,245,323	6,036,806	6,062,972	580,751	564,597	563,900	8,383,551	9,372,955	9,453,613
16 Prepaid lease rentals	133,880	132,006	131,383	-	-	-	343,783	134,046	133,423
17 Intangible assets	1,907,044	3,046,237	2,945,452	-	-	-	2,028,543	3,166,913	3,057,898
18 Deferred tax asset	3,340,452	3,072,191	3,072,191	-	-	-	3,865,137	3,732,100	3,512,755
19 Retirement benefit asset	980,000	811,000	811,000	-	-	-	980,000	811,000	811,000
20 Other assets	10,956,179	14,121,009	14,131,441	-	-	-	12,296,745	16,652,184	16,367,514
21 TOTAL ASSETS	467,040,289	504,777,674	520,535,661	74,156,572	69,510,378	78,575,997	556,800,774	595,239,643	605,754,786
B LIABILITIES									
22 Balances due to Central Bank of Kenya	2,993,220	-	-	-	-	-	2,993,220	-	-
23 Customer deposits	356,567,591	386,611,187	397,872,748	-	-	-	423,433,144	448,173,797	456,815,151
24 Deposits and balances due to local banking institutions	3,200,784	5,500,000	4,693,827	-	-	-	3,386,409	5,500,000	4,693,827
25 Deposits and balances due to foreign banking institutions	5,084,104	122,729	131,615	-	-	-	9,908,279	7,622,786	3,665,380
26 Other money market deposits	-	-	-	-	-	-	-	-	-
27 Borrowed funds	17,116,330	20,563,556	19,883,118	-	-	-	19,604,344	22,982,348	23,595,619
28 Balances due to group companies	-	-	-	-	-	-	-	-	-
29 Tax payable	2,045,457	531,825	2,277,380	10,729	36,153	36,153	2,055,370	870,488	2,466,139
30 Dividends payable	-	-	9,178,000	-	-	-	-	-	-
31 Deferred tax liability	-	-	-	-	-	-	120,208	166,150	171,450
32 Retirement benefit liability	-	-	-	-	-	-	-	-	-
33 Other liabilities	14,795,118	10,458,489	10,000,180	813,683	739,845	739,845	11,340,194	13,358,299	13,131,484
34 TOTAL LIABILITIES	401,802,604	423,787,786	444,036,867	824,412	775,998	775,998	472,841,168	498,673,868	504,539,050
C SHAREHOLDERS' FUNDS									
35 Paid up /Assigned capital	53,986,000	53,986,000	53,986,000	3,025,213	3,066,057	3,066,057	3,025,213	3,066,057	3,066,057
36 Share premium/(discount)	-	-	-	20,135,561	21,646,776	21,646,776	20,135,561	21,646,776	21,646,776
37 Revaluation reserves	(1,579,892)	(1,134,529)	(936,194)	-	-	-	(1,579,992)	(1,148,761)	(1,040,394)
38 Retained earnings/ Accumulated losses	3,443,919	9,681,660	12,838,079	44,120,960	34,823,376	43,888,995	46,075,340	53,248,726	56,360,182
39 Statutory loan loss reserve	8,865,457	8,964,457	10,296,609	-	-	-	9,730,858	10,240,506	11,670,644
40 Other Reserves/Remeasurement of defined asset/liability	522,200	314,300	314,300	-	-	-	522,200	314,300	314,300
41 Proposed dividends	-	9,178,000	-	6,050,426	9,198,171	9,198,171	6,050,426	9,198,171	9,198,171
42 Capital grants	-	-	-	-	-	-	-	-	-
43 TOTAL SHAREHOLDERS' FUNDS	65,237,684	80,989,888	76,498,794	73,332,160	68,734,380	77,799,999	83,959,606	96,565,775	101,215,736
44 Minority Interest	-	-	-	-	-	-	-	-	-
45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	467,040,289	504,777,674	520,535,661	74,156,572	69,510,378	78,575,997	556,800,774	595,239,643	605,754,786

II STATEMENT OF COMPREHENSIVE INCOME	BANK			COMPANY			GROUP		
	31-Mar-16 Kshs 000 Un-Audited	31-Dec-16 Kshs 000 Audited	31-Mar-17 Kshs 000 Un-Audited	31-Mar-16 Kshs 000 Un-Audited	31-Dec-16 Kshs 000 Audited	31-Mar-17 Kshs 000 Un-Audited	31-Mar-16 Kshs 000 Un-Audited	31-Dec-16 Kshs 000 Audited	31-Mar-17 Kshs 000 Un-Audited
1 INTEREST INCOME									
1.1 Loans and advances	11,629,597	46,484,722	10,249,230	-	-	-	12,763,702	51,208,848	11,343,854
1.2 Government securities	2,631,915	9,134,775	2,176,968	-	-	-	3,087,368	10,866,512	2,568,537
1.3 Deposits and placements with banking institutions	128,421	559,038	142,725	-	-	-	189,238	696,275	201,285
1.4 Other interest income	-	649	-	-	-	-	-	34,439	-
1.5 Total interest income	14,389,933	56,179,184	12,568,922	-	-	-	16,040,308	62,806,074	14,113,676
2 INTEREST EXPENSE									
2.1 Customer deposits	4,317,495	12,391,402	2,695,372	-	-	-	4,784,991	14,481,365	3,198,170
2.2 Deposits and placement from banking institutions	229,485	862,815	248,019	-	-	-	396,140	1,298,065	570,695
2.3 Other interest expenses	-	-	-	-	-	-	-	-	-
2.4 Total interest expenses	4,546,980	13,254,217	2,943,391	-	-	-	5,181,131	15,779,430	3,768,865
3 NET INTEREST INCOME/(LOSS)	9,842,953	42,924,967	9,625,531	-	-	-	10,859,177	47,026,644	10,344,811
4 OTHER OPERATING INCOME									
4.1 Fees and commissions on loans and advances	949,645	4,621,797	1,133,666	-	-	-	1,114,941	6,560,093	1,429,651
4.2 Other fees and commissions	1,210,546	4,468,925	1,179,904	-	-	-	1,910,832	6,064,473	2,025,496
4.3 Foreign exchange trading income	446,624	2,204,062	588,564	-	-	-	746,686	5,493,696	1,285,092
4.4 Dividend Income	69	-	-	-	87,233	9,177,620	69	-	-
4.5 Other income	736,943	3,965,077	719,266	36,460	120,509	25,073	852,691	4,331,744	823,553
4.6 Total non-interest income	3,343,827	15,259,861	3,621,400	36,460	207,742	9,202,693	4,625,219	22,450,006	5,563,792
5 TOTAL OPERATING INCOME	13,186,780	58,184,828	13,246,930	36,460	207,742	9,202,693	15,484,396	69,476,650	15,908,603
6 OTHER OPERATING EXPENSES									
6.1 Loan loss provision	1,240,334	3,759,049	773,760	-	-	-	1,369,225	3,823,759	958,134
6.2 Staff costs	3,355,475	14,560,447	3,719,060	-	249,013	62,179	4,081,913	17,719,037	4,444,809
6.3 Directors' emoluments	29,696	113,978	4,280	-	44,617	33,674	67,012	283,722	67,151
6.4 Rental charges	176,598	721,563	181,292	-	-	-	294,644	1,247,256	312,520
6.5 Depreciation charge on property and equipment	358,788	1,240,066	326,388	698	2,795	698	448,836	1,598,776	413,352
6.6 Amortisation charges	103,381	760,744	231,182	-	-	-	119,880	829,460	248,003
6.7 Other operating expenses	1,930,967	8,546,656	1,776,843	-	-	31,776	2,488,598	14,883,515	2,872,616
6.8 Total other operating expenses	7,195,238	29,702,503	7,012,805	698	296,425	128,327	8,870,108	40,385,525	9,316,585
7 Profit/(loss) before tax and exceptional items	5,991,542	28,482,325	6,234,125	35,762	(88,683)	9,074,366	6,614,288	29,091,125	6,592,018
8 Exceptional items	-	-	-	-	-	-	-	-	-
9 Profit/(loss) after exceptional items	5,991,542	28,482,325	6,234,125	35,762	(88,683)	9,074,366	6,614,288	29,091,125	6,592,018
10 Current tax	(1,797,463)	(8,591,333)	(1,745,555)	(10,729)	-	(2,722,310)	(1,984,286)	(9,171,465)	(2,049,691)
11 Deferred tax	-	(111,678)	-	-	(36,153)	-	-	(197,213)	-
12 Profit/(loss) after tax and exceptional items	4,194,079	19,779,314	4,488,570	25,033	(124,836)	6,352,056	4,630,002	19,722,447	4,542,327
13 Minority interest	-	-	-	-	-	-	-	-	-
14 Profit/(loss) after tax and exceptional items and Minority Interest	4,194,079	19,779,314	4,488,570	25,033	(124,836)	6,352,056	4,630,002	19,722,447	4,542,327
15 Other Comprehensive Income:									
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-	-	-	(1,377,155)	317,968	(89,967)
15.2 Fair value changes in available-for-sale financial assets	1,463,324	(108,355)	283,334	-	-	-	(1,180,666)	(55,355)	283,334
15.3 Re-measurement of defined benefit pension fund	-	(297,000)	-	-	-	-	-	(297,000)	-
15.4 Share of other comprehensive income of associates	-	-	-	-	-	-	-	-	-
15.5 Income tax relating to components of other comprehensive income	-	121,606	(85,000)	-	-	-	-	121,606	(85,000)
16 Other comprehensive income for the year net of tax	1,463,324	(283,749)	198,334	-	-	-	(2,557,821)	87,219	108,367
17 Total comprehensive income for the year	5,657,403	19,495,565	4,686,904	25,033	(124,836)	6,352,056	2,072,181	19,809,666	4,650,694
18 EARNINGS PER SHARE- DILUTED & BASIC KSHS	0.31	0.37	0.33	0.03	(0.16)	8.29	6.12	6.46	5.93
19 DIVIDEND PER SHARE - DECLARED KSHS		0.17			3.00			3.00	

III OTHER DISCLOSURES	BANK			COMPANY			GROUP		
	31-Mar-16 Kshs 000 Un-Audited	31-Dec-16 Kshs 000 Audited	31-Mar-17 Kshs 000 Un-Audited	31-Mar-16 Kshs 000 Un-Audited	31-Dec-16 Kshs 000 Audited	31-Mar-17 Kshs 000 Un-Audited	31-Mar-16 Kshs 000 Un-Audited	31-Dec-16 Kshs 000 Audited	31-Mar-17 Kshs 000 Un-Audited
1 NON-PERFORMING LOANS AND ADVANCES									
a) Gross Non-performing loans and advances	26,135,275	28,333,247	29,830,144	-	-	-	30,436,873	31,812,856	32,151,386
b) Less Interest in Suspense	3,561,768	4,210,013	4,443,776	-	-	-	4,074,524	4,609,881	4,746,065
c) Total Non-Performing Loans and Advances (a-b)	22,573,507	24,123,234	25,386,367	-	-	-	26,362,349	27,202,975	27,405,321
d) Less Loan Loss Provision	10,842,355	14,921,244	18,220,729	-	-	-	12,603,423	16,460,084	19,250,483
e) Net Non-Performing Loans and Advances(c-d)	11,731,152	9,201,990	7,165,639	-	-	-	13,758,926	10,742,891	8,154,838
f) Discounted Value of Securities	7,613,893	9,362,800	5,155,858	-	-	-	10,654,600	9,455,231	6,169,886
g) Net NPLs Exposure (e-f)	4,117,259	(160,810)	2,009,781	-	-	-	3,104,326	1,287,660	1,984,952
2 INSIDER LOANS AND ADVANCES									
a) Directors, Shareholders and Associates	608,812	5,143,843	2,606,949	-	-	-	687,083	4,818,059	2,671,024
b) Employees	10,920,602	11,944,993	11,917,042	-	-	-	11,886,193	12,738,369	12,585,442
c) Total Insider Loans and Advances and other facilities	11,529,414	17,088,836	14,523,991	-	-	-	12,573,276	17,556,428	15,256,465
3 OFF-BALANCE SHEET ITEMS									
a) Letters of credit, guarantees, acceptances	58,567,508	52,197,440	60,455,126	-	-	-	60,998,007	54,949,849	62,937,121
b) Forwards, swaps and options	11,423,393	5,687,611	9,626,333	-	-	-	6,940,268	6,114,779	10,596,655
c) Other contingent liabilities	-	-	-	-	-	-	-	-	-
d) Total Contingent Liabilities	69,990,901	57,885,051	70,081,459	-	-	-	67,938,275	61,064,628	73,533,776
4 CAPITAL STRENGTH									
a) Core capital	60,569,495	63,353,946	63,528,955	-	-	-	75,655,525	94,615,031	90,663,612
b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	-	-	-	6,803,947	6,713,989	6,718,624
c) Excess (a-b)	59,569,495	62,353,946	62,528,955	-	-	-	68,851,578	87,901,042	83,944,988
d) Supplementary Capital	3,584,577	13,080,489	13,338,149	-	-	-	5,776,258	6,414,324	6,494,557
e) Total Capital (a+d)	64,154,072	76,434,435	76,867,104	-	-	-	81,431,783	101,029,355	97,158,169
f) Total risk weighted assets	354,334,716	430,839,082	451,451,942	-	-	-	462,100,644	513,145,930	519,564,599
g) Core Capital/total deposits Liabilities	17.0%	16.4%	16.0%	-	-	-	17.9%	21.1%	19.8%
h) Minimum statutory Ratio	8.0%	8.0%	8.0%	-	-	-	8.0%	8.0%	8.0%
i) Excess	9.0%	8.4%	8.0%	-	-	-	9.9%	13.1%	11.8%
j) Core Capital / total risk weighted assets	17.1%	14.7%	14.1%	-	-	-	16.4%	18.4%	17.4%
k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	-	-	-	10.5%	10.5%	10.5%
l) Excess (j-k)	6.6%	4.2%	3.6%	-	-	-	5.9%	7.9%	6.9%
m) Total Capital/total risk weighted assets	18.1%	17.7%	17.0%	-	-	-	17.6%	19.7%	18.7%
n) Minimum statutory Ratio	14.5%	14.5%	14.5%	-	-	-	14.5%	14.5%	14.5%
o) Excess (m-n)	3.6%	3.2%	2.5%	-	-	-	3.1%	5.2%	4.2%
5 LIQUIDITY									
a) Liquidity Ratio	31.4%	30.3%	30.6%	-	-	-	38.8%	37.5%	38.7%
b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	-	-	-	20.0%	20.0%	20.0%
c) Excess (a-b)	11.4%	10.3%	10.6%	-	-	-	18.8%	17.5%	18.7%

INTERIM DIVIDEND

The Directors do not recommend payment of interim dividend.

MESSAGE FROM THE DIRECTORS

These financial statements are extracts from the books of the institution. The complete set of quarterly financial statements, statutory and qualitative disclosures can be accessed on the institutions website

They may also be accessed at the institutions head office located at Kencom House, Moi avenue

Ngony Biwott- Group Chairman

Joshua Oigara- Group Chief Executive Officer and Managing Director