

**KENYA COMMERCIAL BANK GROUP**  
**AUDITED RESULTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31ST DECEMBER 2015**

	BANK		GROUP	
	31-Dec-14 Kshs 000 Audited	31-Dec-15 Kshs 000 Audited	31-Dec-14 Kshs 000 Audited	31-Dec-15 Kshs 000 Audited
<b>I STATEMENT OF FINANCIAL POSITION</b>				
<b>A ASSETS</b>				
1 Cash ( both Local & Foreign)	8,410,517	7,456,227	33,275,231	11,964,522
2 Balances due from Central Bank of Kenya	13,789,090	23,962,327	13,789,090	23,962,327
3 Kenya Government and other securities held for dealing purposes	1,115,943	805,790	1,115,943	805,790
4 Financial Assets at fair value through profit and loss	-	-	-	-
5 Investment securities: a) Held to Maturity: a. Kenya Government securities	36,601,868	43,256,718	36,601,868	43,256,718
b. Other securities	-	-	24,467,128	14,588,019
b) Available for sale: a. Kenya Government securities	34,147,777	33,827,214	34,147,777	33,827,214
b. Other securities	865,258	76,743	865,258	4,470,837
6 Deposits and balances due from local banking institutions	-	3,171,300	745,314	3,171,300
7 Deposits and balances due from banking institutions abroad	2,577,662	6,083,421	36,827,145	49,408,021
8 Tax recoverable	137,516	-	183,283	161,406
9 Loans and advances to customers (net)	248,823,710	312,079,984	283,732,205	345,968,686
10 Balances due from group companies	-	297,343	-	-
11 Investments in associates	125	125	-	-
12 Investments in subsidiary companies	11,316,817	12,709,067	-	-
13 Investments in joint ventures	-	-	-	-
14 Investment properties	-	-	-	-
15 Property and equipment	5,299,673	7,045,892	8,838,074	9,027,924
16 Prepaid lease rentals	137,000	134,503	139,110	136,578
17 Intangible assets	1,234,309	1,295,556	1,374,215	1,427,857
18 Deferred tax asset	2,174,706	3,340,452	2,560,636	3,879,306
19 Retirement benefit asset	1,835,000	980,000	1,835,000	980,000
20 Other assets	8,502,429	11,218,511	9,841,047	11,057,650
<b>21 TOTAL ASSETS</b>	<b>376,969,401</b>	<b>467,741,173</b>	<b>490,338,324</b>	<b>558,094,154</b>
<b>B LIABILITIES</b>				
22 Balances due to Central Bank of Kenya	-	-	-	-
23 Customer deposits	276,749,766	347,701,500	377,271,886	424,390,833
24 Deposits and balances due to local banking institutions	-	8,463,800	-	8,463,800
25 Deposits and balances due to foreign banking institutions	8,733,510	6,295,825	14,295,619	14,674,393
26 Other money market deposits	-	-	-	-
27 Borrowed funds	11,610,293	17,555,386	12,734,848	20,129,910
28 Balances due to group companies	1,660,076	-	-	-
29 Tax payable	-	247,995	131,928	314,180
30 Dividends payable	-	-	-	-
31 Deferred tax liability	-	-	307	100,043
32 Retirement benefit liability	-	-	-	-
33 Other liabilities	6,048,417	6,590,709	10,272,239	8,767,388
<b>34 TOTAL LIABILITIES</b>	<b>304,802,062</b>	<b>386,855,215</b>	<b>414,706,827</b>	<b>476,840,547</b>
<b>C SHAREHOLDERS' FUNDS</b>				
35 Paid up /Assigned capital	3,025,213	3,025,213	3,025,213	3,025,213
36 Share premium/(discount)	20,135,561	20,135,561	20,135,561	20,135,561
37 Revaluation reserves	(92,718)	(1,058,666)	(92,718)	(1,126,781)
38 Retained earnings/ Accumulated losses	37,756,878	44,166,421	39,961,479	43,699,536
39 Statutory loan loss reserve	4,005,379	8,044,803	5,264,936	8,947,452
40 Other Reserves/Re-measurement of defined benefit asset/liability	1,286,600	522,200	1,286,600	522,200
41 Proposed dividends	6,050,426	6,050,426	6,050,426	6,050,426
42 Capital grants	-	-	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>72,167,339</b>	<b>80,885,958</b>	<b>75,631,497</b>	<b>81,253,607</b>
44 Minority Interest	-	-	-	-
<b>45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>376,969,401</b>	<b>467,741,173</b>	<b>490,338,324</b>	<b>558,094,154</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>				
<b>1 INTEREST INCOME</b>				
1.1 Loans and advances	31,927,540	41,039,720	36,574,907	46,191,995
1.2 Government securities	8,665,293	7,515,622	9,991,210	9,117,249
1.3 Deposits and placements with banking institutions	290,415	157,855	482,412	470,493
1.4 Other Interest Income	-	-	427,186	604,195
<b>1.5 Total interest income</b>	<b>40,883,247</b>	<b>48,713,197</b>	<b>47,475,715</b>	<b>56,383,933</b>
<b>2 INTEREST EXPENSE</b>				
2.1 Customer deposits	9,019,457	13,717,424	10,633,005	15,295,887
2.2 Deposits and placement from banking institutions	678,345	1,345,813	894,015	1,852,091
2.3 Other interest expenses	-	-	-	-
<b>2.4 Total interest expenses</b>	<b>9,697,802</b>	<b>15,063,236</b>	<b>11,527,020</b>	<b>17,147,978</b>
<b>3 NET INTEREST INCOME/(LOSS)</b>	<b>31,185,445</b>	<b>33,649,961</b>	<b>35,948,695</b>	<b>39,235,954</b>

<b>4 OTHER OPERATING INCOME</b>				
4.1 Fees and commissions on loans and advances	4,259,929	4,545,325	4,635,350	5,366,204
4.2 Other fees and commissions	4,243,935	4,317,015	8,103,867	8,793,785
4.3 Foreign exchange trading income	2,192,237	2,202,692	4,149,902	4,067,466
4.4 Dividend Income	704,105	553,120	103	1,112
4.5 Other income	4,790,763	3,429,475	5,111,937	5,151,946
<b>4.6 Total other operating income</b>	<b>16,190,969</b>	<b>15,047,627</b>	<b>22,001,159</b>	<b>23,380,514</b>
<b>5 TOTAL OPERATING INCOME</b>	<b>47,376,413</b>	<b>48,697,589</b>	<b>57,949,854</b>	<b>62,616,468</b>
<b>6 OTHER OPERATING EXPENSES</b>				
6.1 Loan loss provision	3,013,751	2,199,102	5,058,270	4,713,807
6.2 Staff costs	11,232,635	12,107,360	13,993,445	15,310,898
6.3 Directors' emoluments	132,970	129,973	296,963	262,770
6.4 Rental charges	455,404	515,381	1,346,574	1,617,889
6.5 Depreciation charge on property and equipment	1,240,498	1,180,946	1,885,066	1,876,766
6.6 Amortisation charges	432,981	487,095	502,876	558,682
6.7 Other operating expenses	8,506,421	8,633,116	11,079,231	11,738,084
<b>6.8 Total other operating expenses</b>	<b>25,014,659</b>	<b>25,252,973</b>	<b>34,162,425</b>	<b>36,078,896</b>
<b>7 Profit/(loss) before tax and exceptional items</b>	<b>22,361,754</b>	<b>23,444,616</b>	<b>23,787,429</b>	<b>26,537,573</b>
8 Exceptional items	-	-	-	-
<b>9 Profit/(loss) after exceptional items</b>	<b>22,361,754</b>	<b>23,444,616</b>	<b>23,787,429</b>	<b>26,537,573</b>
10 Current tax	(6,514,044)	(7,386,407)	(6,977,553)	(7,701,260)
11 Deferred tax	31,267	441,198	38,986	786,758
<b>12 Profit/(loss) after tax and exceptional items</b>	<b>15,878,977</b>	<b>16,499,407</b>	<b>16,848,863</b>	<b>19,623,071</b>
13 Minority Interest	-	-	-	-
<b>14 Profit/(loss) after tax and exceptional items and Minority Interest</b>	<b>15,878,977</b>	<b>16,499,407</b>	<b>16,848,863</b>	<b>19,623,071</b>
<b>15 Other Comprehensive income:</b>				
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	904,406	(6,222,232)
15.2 Fair value changes in available-for-sale financial assets	70,678	(965,962)	70,678	(965,962)
15.3 Re-measurement of defined benefit pension fund	(254,000)	(1,092,000)	(254,000)	(1,092,000)
15.4 Share of other comprehensive income of associates	-	-	-	-
15.5 Income tax relating to components of other comprehensive income	76,200	327,600	76,200	327,600
<b>16 Other comprehensive income for the year net of tax</b>	<b>(107,122)</b>	<b>(1,730,362)</b>	<b>797,284</b>	<b>(7,952,594)</b>
<b>17 Total comprehensive income for the year</b>	<b>15,771,855</b>	<b>14,769,045</b>	<b>17,646,147</b>	<b>11,670,476</b>
<b>18 EARNINGS PER SHARE- DILUTED &amp; BASIC KSHS</b>	<b>5.30</b>	<b>5.45</b>	<b>5.63</b>	<b>6.49</b>
<b>19 DIVIDEND PER SHARE - DECLARED KSHS</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>

III OTHER DISCLOSURES	31-Dec-14	31-Dec-15	31-Dec-14	31-Dec-15
	Kshs 000 Audited	Kshs 000 Audited	Kshs 000 Audited	Kshs 000 Audited
<b>1 NON-PERFORMING LOANS AND ADVANCES</b>				
a) Gross Non-performing loans and advances	13,367,944	19,289,119	18,404,132	23,477,475
b) Less Interest in Suspense	1,809,962	2,815,766	2,588,273	3,310,816
<b>c) Total Non-Performing Loans and Advances (a-b)</b>	<b>11,557,982</b>	<b>16,473,353</b>	<b>15,815,858</b>	<b>20,166,660</b>
d) Less Loan Loss Provision	6,764,855	9,387,792	9,402,308	11,292,003
<b>e) Net Non-Performing Loans and Advances (c-d)</b>	<b>4,793,127</b>	<b>7,085,561</b>	<b>6,413,551</b>	<b>8,874,656</b>
f) Discounted Value of Securities	4,793,127	6,068,222	6,413,551	11,867,690
<b>g) Net NPLs Exposure (e-f)</b>	<b>-</b>	<b>1,017,339</b>	<b>(0)</b>	<b>(2,993,034)</b>
<b>2 INSIDER LOANS AND ADVANCES</b>				
a) Directors, Shareholders and Associates	375,380	592,219	648,670	689,698
b) Employees	8,912,786	10,673,477	9,795,649	11,588,774
<b>c) Total Insider Loans and Advances and other facilities</b>	<b>9,288,166</b>	<b>11,265,696</b>	<b>10,444,319</b>	<b>12,278,472</b>
<b>3 OFF-BALANCE SHEET ITEMS</b>				
a) Letters of credit, guarantees, acceptances	69,223,656	57,786,037	72,326,419	60,635,178
b) Forwards, swaps and options	35,375,754	12,072,941	36,498,020	13,268,058
c) Other contingent liabilities	-	-	-	-
<b>d) Total Contingent Liabilities</b>	<b>104,599,410</b>	<b>69,858,978</b>	<b>108,824,439</b>	<b>73,903,236</b>
<b>4 CAPITAL STRENGTH</b>				
a) Core capital	57,805,191	56,103,143	63,450,395	73,340,524
b) Minimum Statutory Capital	1,000,000	1,000,000	6,114,986	6,803,947
c) Excess (a-b)	<b>56,805,191</b>	<b>55,103,143</b>	<b>57,335,409</b>	<b>66,536,577</b>
d) Supplementary Capital	13,405,197	4,969,281	5,084,557	5,840,576
<b>e) Total Capital (a+d)</b>	<b>71,210,388</b>	<b>61,072,424</b>	<b>68,534,952</b>	<b>79,181,100</b>
f) Total risk weighted assets	338,877,072	397,490,368	406,764,524	467,246,047
<b>g) Core Capital/Total deposits Liabilities</b>	<b>20.9%</b>	<b>16.1%</b>	<b>16.8%</b>	<b>17.3%</b>
h) Minimum statutory Ratio	8.0%	8.0%	8.0%	8.0%
l) Excess	12.9%	8.1%	8.8%	9.3%
<b>j) Core Capital / total risk weighted assets</b>	<b>17.1%</b>	<b>14.1%</b>	<b>15.6%</b>	<b>15.7%</b>
k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%
l) Excess (j-k)	6.6%	3.6%	5.1%	5.2%
<b>m) Total Capital/total risk weighted assets</b>	<b>21.0%</b>	<b>15.4%</b>	<b>16.8%</b>	<b>16.9%</b>
n) Minimum statutory Ratio	14.5%	14.5%	14.5%	14.5%

o) Excess (m-n)	6.5%	0.9%	2.3%	2.4%
<b>5 LIQUIDITY</b>				
a) Liquidity Ratio	31.3%	30.0%	43.7%	48.3%
b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
c) Excess (a-b)	11.3%	10.0%	23.7%	28.3%