

KENYA COMMERCIAL BANK GROUP
UN AUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 30TH SEPTEMBER 2015

	BANK					GROUP CONSOLIDATED				
	30-Sep-14 Kshs 000 Un-Audited	31-Dec-14 Kshs 000 Audited	31-Mar-15 Kshs 000 Un-Audited	30-Jun-15 Kshs 000 Un-Audited	30-Sep-15 Kshs 000 Un-Audited	30-Sep-14 Kshs 000 Un-Audited	31-Dec-14 Kshs 000 Audited	31-Mar-15 Kshs 000 Un-Audited	30-Jun-15 Kshs 000 Un-Audited	30-Sep-15 Kshs 000 Un-Audited
I STATEMENT OF FINANCIAL POSITION										
A ASSETS										
1 Cash (both Local & Foreign)	6,553,160	8,410,517	7,284,182	6,787,648	6,914,087	19,163,749	33,275,231	17,024,024	16,208,624	16,269,430
2 Balances due from Central Bank of Kenya	7,287,720	13,789,090	14,691,594	11,675,082	17,908,270	7,287,720	13,789,090	14,691,594	11,675,082	17,908,270
3 Kenya Government and other securities held for dealing purposes	16,960	1,115,943	2,461,971	3,681,893	1,082,639	16,960	1,115,943	2,461,971	3,681,893	1,082,639
4 Financial Assets at fair value through profit and loss	-	-	-	-	-	-	-	-	-	-
5 Investment securities: a) Held to Maturity: a. Kenya Government securities	33,675,820	36,601,868	37,026,571	44,009,634	43,624,160	33,675,820	36,601,868	37,026,571	44,009,634	43,624,160
b. Other securities	-	-	-	-	-	21,187,670	24,467,128	25,368,129	27,765,245	31,613,264
b) Available for sale: a. Kenya Government securities	40,268,922	34,147,777	32,406,077	37,138,178	22,894,211	40,268,922	34,147,777	32,406,077	37,138,178	22,894,211
b. Other securities	1,951,568	865,258	885,541	876,295	845,000	1,951,568	865,258	885,541	876,295	845,000
6 Deposits and balances due from local banking institutions	1,575,228	-	-	2,927,875	575,575	1,575,228	745,314	-	2,927,875	575,575
7 Deposits and balances due from banking institutions abroad	3,473,857	2,577,662	3,266,344	4,530,462	7,709,971	39,493,766	36,827,145	60,451,463	77,057,187	96,548,215
8 Tax recoverable	127,500	137,516	-	34,249	249,227	180,884	183,283	-	34,266	210,769
9 Loans and advances to customers (net)	231,654,020	248,823,710	262,311,085	283,200,200	309,091,297	264,296,019	283,732,205	297,031,494	320,600,852	347,649,654
10 Balances due from group companies	-	-	1,448,803	1,725,577	204,184	-	-	-	-	-
11 Investments in associates	125	125	125	125	125	-	-	-	-	-
12 Investments in subsidiary companies	10,888,116	11,316,817	12,709,067	12,709,067	12,709,067	-	-	-	-	-
13 Investments in joint ventures	-	-	-	-	-	-	-	-	-	-
14 Investment properties	-	-	-	-	-	-	-	-	-	-
15 Property and equipment	5,317,481	5,299,673	5,563,901	5,845,470	5,946,854	8,421,314	8,838,074	8,922,027	9,244,899	9,376,376
16 Prepaid lease rentals	141,038	137,000	136,376	135,752	139,808	285,424	139,110	268,702	265,298	277,992
17 Intangible assets	1,109,692	1,234,309	1,152,838	1,396,264	1,249,742	1,242,031	1,374,215	1,287,196	1,529,044	1,367,813
18 Deferred tax asset	2,027,503	2,174,706	2,174,706	2,174,706	2,174,706	2,461,905	2,560,636	2,565,608	2,554,549	2,369,866
19 Retirement benefit asset	1,837,000	1,835,000	1,835,000	1,835,000	1,837,000	1,835,000	1,835,000	1,835,000	1,835,000	1,835,000
20 Other assets	6,739,986	8,502,430	6,757,995	7,690,452	10,621,717	8,220,429	9,841,047	8,039,376	9,205,856	12,803,675
21 TOTAL ASSETS	354,645,696	376,969,401	392,112,176	428,373,929	445,775,641	451,566,409	490,338,324	510,264,773	566,609,777	607,251,909
B LIABILITIES										
22 Balances due to Central Bank of Kenya	-	-	-	-	-	-	-	-	-	-
23 Customer deposits	263,245,575	276,749,766	289,076,281	317,058,707	326,866,055	350,104,094	377,271,886	397,102,268	443,036,231	471,054,955
24 Deposits and balances due to local banking institutions	2,412,838	-	127,523	7,100,000	13,029,300	2,412,838	-	127,523	7,100,000	13,029,300
25 Deposits and balances due to foreign banking institutions	2,312,378	8,733,510	6,749,683	3,085,453	2,296,929	6,906,118	14,295,619	9,320,810	5,173,359	6,115,984
26 Other money market deposits	-	-	-	-	-	-	-	-	-	-
27 Borrowed funds	12,484,482	11,610,293	11,595,487	20,914,425	20,797,906	13,158,705	12,734,848	12,724,434	22,474,447	22,507,217
28 Balances due to group companies	1,796,109	1,660,076	-	-	-	-	-	-	-	-
29 Tax payable	-	-	1,558,702	-	-	537,826	131,928	1,532,309	1,389	12,358
30 Dividends payable	-	-	-	-	-	-	-	-	-	-
31 Deferred tax liability	-	-	-	-	-	-	307	-	46,175	-
32 Retirement benefit liability	-	-	-	-	-	-	-	-	-	-
33 Other liabilities	4,230,951	6,048,417	7,174,940	6,781,013	6,979,277	7,468,695	10,272,239	10,049,311	10,680,877	12,703,075
34 TOTAL LIABILITIES	286,482,333	304,802,062	316,282,616	354,939,598	369,969,467	380,588,276	414,706,827	430,856,655	488,512,478	525,422,889
C SHAREHOLDERS' FUNDS										
35 Paid up /Assigned capital	3,025,213	3,025,213	3,025,213	3,025,213	3,025,213	3,025,213	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	20,135,561	20,135,561	20,135,561	20,135,561	20,135,561	20,135,561
37 Revaluation reserves	234,536	(92,718)	(295,770)	(930,855)	(2,314,154)	336,718	(92,718)	(295,770)	(930,855)	(2,314,154)
38 Retained earnings/ Accumulated losses	40,321,172	37,756,878	42,042,952	44,883,308	47,056,990	41,882,641	39,961,479	44,361,953	48,286,718	51,805,691
39 Statutory loan loss reserve	2,982,481	4,005,379	3,584,578	5,034,505	6,615,964	4,133,600	5,264,936	4,844,135	6,294,062	7,890,109
40 Other Reserves	1,464,400	1,286,600	1,286,600	1,286,600	1,286,600	1,464,400	1,286,600	1,286,600	1,286,600	1,286,600
41 Proposed dividends	-	6,050,426	6,050,426	-	-	-	6,050,426	6,050,426	-	-
42 Capital grants	-	-	-	-	-	-	-	-	-	-
43 TOTAL SHAREHOLDERS' FUNDS	68,163,363	72,167,339	75,829,560	73,434,331	75,806,174	70,978,133	75,631,497	79,408,118	78,097,299	81,829,020
44 Minority Interest	-	-	-	-	-	-	-	-	-	-
45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	354,645,696	376,969,401	392,112,176	428,373,929	445,775,641	451,566,409	490,338,324	510,264,773	566,609,777	607,251,909

II STATEMENT OF COMPREHENSIVE INCOME	BANK					GROUP CONSOLIDATED				
	30-Sep-14	31-Dec-14	31-Mar-15	30-Jun-15	30-Sep-15	30-Sep-14	31-Dec-14	31-Mar-15	30-Jun-15	30-Sep-15
	Kshs 000 Un-Audited	Kshs 000 Audited	Kshs 000 Un-Audited	Kshs 000 Un-Audited	Kshs 000 Un-Audited	Kshs 000 Un-Audited	Kshs 000 Audited	Kshs 000 Un-Audited	Kshs 000 Un-Audited	Kshs 000 Un-Audited
1 INTEREST INCOME										
1.1 Loans and advances	22,977,471	31,927,540	8,814,517	18,543,879	29,016,991	26,206,379	36,574,907	10,050,219	21,110,584	32,891,582
1.2 Government securities	6,705,664	8,665,293	1,800,911	3,892,039	5,379,933	7,647,877	9,991,210	2,138,091	4,571,810	6,530,891
1.3 Deposits and placements with banking institutions	249,508	290,415	19,198	88,782	115,648	376,942	482,412	53,338	171,541	241,823
1.4 Other Interest Income	-	-	-	-	-	-	427,186	-	-	-
1.5 Total interest income	29,932,643	40,883,247	10,634,626	22,524,699	34,512,572	34,231,198	47,475,715	12,241,648	25,853,935	39,664,296
2 INTEREST EXPENSE										
2.1 Customer deposits	6,644,691	9,019,457	2,355,181	5,051,824	8,764,008	7,845,563	10,633,005	2,761,025	5,879,798	10,041,601
2.2 Deposits and placement from banking institutions	452,589	678,345	167,143	389,962	1,016,229	558,174	894,015	221,886	528,014	1,263,930
2.3 Other interest expenses	-	-	-	-	-	-	-	-	-	-
2.4 Total interest expenses	7,097,280	9,697,802	2,522,324	5,441,786	9,780,237	8,403,737	11,527,020	2,982,911	6,407,812	11,305,531
3 NET INTEREST INCOME/(LOSS)	22,835,362	31,185,445	8,112,302	17,082,913	24,732,335	25,827,461	35,948,695	9,258,737	19,446,123	28,358,765
4 OTHER OPERATING INCOME										
4.1 Fees and commissions on loans and advances	2,982,019	4,259,929	1,077,488	2,159,979	3,357,247	3,536,569	4,635,350	1,166,746	2,367,707	3,661,513
4.2 Other fees and commissions	3,226,996	4,243,935	1,092,906	2,384,047	3,427,429	5,543,632	8,103,867	2,050,985	4,475,849	6,662,742
4.3 Foreign exchange trading income	1,755,066	2,192,237	524,330	1,212,518	1,729,920	3,211,722	4,149,902	873,579	2,013,736	2,926,590
4.4 Dividend Income	96	704,105	19	410	769	86	103	19	410	769
4.5 Other income	4,436,421	4,790,763	490,528	1,612,658	2,901,107	4,638,393	5,111,937	538,094	2,411,008	4,081,937
4.6 Total non-interest income	12,400,588	16,190,969	3,185,271	7,369,612	11,416,472	16,930,402	22,001,159	4,629,423	11,268,710	17,333,551
5 TOTAL OPERATING INCOME	35,235,950	47,376,413	11,297,573	24,452,525	36,148,807	42,757,863	57,949,854	13,888,160	30,714,833	45,692,316
6 OTHER OPERATING EXPENSES										
6.1 Loan loss provision	3,240,328	3,013,751	282,970	1,449,838	2,314,052	4,443,729	5,058,270	549,703	2,593,397	3,852,228
6.2 Staff costs	8,505,302	11,232,635	3,038,453	6,149,121	8,892,327	10,455,117	13,993,445	3,785,768	7,698,370	11,119,542
6.3 Directors' emoluments	104,403	132,970	24,761	59,637	87,071	210,138	296,963	87,397	156,860	217,837
6.4 Rental charges	341,236	455,404	109,386	234,287	376,817	797,451	1,346,574	303,792	629,482	968,422
6.5 Depreciation charge on property and equipment	847,963	1,240,498	280,518	575,682	878,598	1,292,601	1,885,066	450,878	927,421	1,415,337
6.6 Amortisation charges	412,640	432,981	103,381	219,053	354,049	463,961	502,876	122,413	256,398	408,060
6.7 Other operating expenses	5,552,430	8,506,421	1,803,831	3,981,660	6,230,592	7,397,296	11,079,231	2,354,915	5,250,453	8,315,492
6.8 Total other operating expenses	19,004,301	25,014,659	5,643,299	12,669,278	19,133,506	25,060,293	34,162,425	7,654,866	17,512,381	26,236,918
7 Profit/(loss) before tax and exceptional items	16,231,649	22,361,754	5,654,274	11,783,247	17,015,301	17,697,570	23,787,429	6,233,294	13,202,452	19,395,398
8 Exceptional items	-	-	-	-	-	-	-	-	-	-
9 Profit/(loss) after exceptional items	16,231,649	22,361,754	5,654,274	11,783,247	17,015,301	17,697,570	23,787,429	6,233,294	13,202,452	19,395,398
10 Current tax	(4,869,495)	(6,514,044)	(1,696,282)	(3,534,974)	(5,104,590)	(7,676,660)	(6,977,553)	(1,869,988)	(3,960,736)	(5,470,170)
11 Deferred tax	-	31,267	-	-	-	2,461,905	38,986	-	-	(190,770)
12 Profit/(loss) after tax and exceptional items	11,362,154	15,878,977	3,957,992	8,248,273	11,910,711	12,482,815	16,848,863	4,363,306	9,241,716	13,734,458
13 Minority Interest	-	-	-	-	-	-	-	-	-	-
14 Profit/(loss) after tax and exceptional items and Minority Interest	11,362,154	15,878,977	3,957,992	8,248,273	11,910,711	12,482,815	16,848,863	4,363,306	9,241,716	13,734,458
15 Other Comprehensive income:										
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-	-	(143,265)	904,406	(292,975)	306,823	732,881
15.2 Re-measurement of defined benefit pension fund	-	(177,800)	-	-	-	-	70,678	388,488	(930,855)	-
15.3 Fair value changes in available-for-sale financial assets	405,726	70,678	388,488	(930,855)	(2,221,450)	405,726	(177,800)	-	-	(2,221,450)
15.4 Share of other comprehensive income of associates	-	-	-	-	-	-	-	-	-	-
15.5 Income tax relating to components of other comprehensive income	-	-	-	-	-	-	-	-	-	-
16 Other comprehensive income for the year net of tax	405,726	(107,122)	388,488	(930,855)	(2,221,450)	262,461	797,284	95,513	(624,032)	(1,488,569)
17 Total comprehensive income for the year	11,767,880	15,771,855	4,346,480	7,317,418	9,689,261	12,745,276	17,646,147	4,458,819	8,617,684	12,245,889
18 EARNINGS PER SHARE- DILUTED & BASIC KSHS	5.01	5.25	5.23	5.45	5.25	5.50	5.57	5.77	6.11	6.05
19 DIVIDEND PER SHARE - DECLARED KSHS		2.00					2.00			

III OTHER DISCLOSURES	BANK					GROUP CONSOLIDATED				
	30-Sep-14	31-Dec-14	31-Mar-15	30-Jun-15	30-Sep-15	30-Sep-14	31-Dec-14	31-Mar-15	30-Jun-15	30-Sep-15
	Kshs 000 Un-Audited	Kshs 000 Audited	Kshs 000 Un-Audited	Kshs 000 Un-Audited	Kshs 000 Un-Audited	Kshs 000 Un-Audited	Kshs 000 Audited	Kshs 000 Un-Audited	Kshs 000 Un-Audited	Kshs 000 Un-Audited
1 NON-PERFORMING LOANS AND ADVANCES										
a) Gross Non-performing loans and advances	13,375,545	13,367,944	17,384,023	18,809,920	18,187,505	18,490,214	18,404,132	21,880,196	24,183,168	24,547,953
b) Less Interest in Suspense	1,960,902	1,809,962	2,572,007	2,457,536	2,484,695	2,734,507	2,588,273	3,351,776	3,319,798	3,436,373
c) Total Non-Performing Loans and Advances (a-b)	11,414,643	11,557,982	14,812,016	16,352,384	15,702,810	15,755,706	15,815,858	18,528,419	20,863,370	21,111,580
d) Less Loan Loss Provision	6,286,008	6,764,855	6,820,479	7,227,377	8,802,107	8,208,641	9,402,308	9,108,129	9,896,799	12,201,221
e) Net Non-Performing Loans and Advances(c-d)	5,128,635	4,793,127	7,991,537	9,125,007	6,900,703	7,547,065	6,413,551	9,420,290	10,966,571	8,910,359
f) Discounted Value of Securities	4,034,949	4,793,127	7,991,537	9,125,007	6,900,703	6,672,037	6,413,551	9,420,290	10,966,571	8,910,359
g) Net NPLs Exposure (e-f)	1,093,686					875,029				
2 INSIDER LOANS AND ADVANCES										
a) Directors, Shareholders and Associates	462,680	375,380	177,884	93,520	1,231,412	844,249	648,670	552,025	438,843	1,577,019
b) Employees	8,603,188	8,912,786	8,973,654	9,087,749	9,683,939	9,410,100	9,795,649	9,900,418	10,063,566	10,720,625
c) Total Insider Loans and Advances and other facilities	9,065,868	9,288,166	9,151,538	9,181,269	10,915,351	10,254,349	10,444,319	10,452,442	10,502,409	12,297,644
3 OFF-BALANCE SHEET ITEMS										
a) Letters of credit, guarantees, acceptances	70,637,745	69,223,656	64,451,811	67,831,261	59,645,759	74,754,144	72,326,419	68,461,144	69,927,355	62,729,347
b) Forwards, swaps and options	57,528,983	35,375,754	26,010,480	17,340,061	11,034,397	57,861,251	36,498,020	26,327,615	18,084,883	12,710,048
c) Other contingent liabilities										
d) Total Contingent Liabilities	128,166,728	104,599,410	90,462,291	85,171,322	70,680,156	132,615,395	108,824,439	94,788,759	88,012,239	75,439,395
4 CAPITAL STRENGTH										
a) Core capital	50,604,442	57,805,191	60,569,495	54,388,927	54,638,685					
b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000					
c) Excess (a-b)	49,604,442	56,805,191	59,569,495	53,388,927	53,638,685					
d) Supplementary Capital	12,786,463	13,405,197	3,584,577	5,034,506	6,615,964					
e) Total Capital (a+d)	63,390,905	71,210,388	64,154,072	59,423,433	61,254,649					
f) Total risk weighted assets	316,232,361	338,877,072	354,334,716	372,940,833	392,711,985					
g) Core Capital/Total deposits Liabilities	19.2%	20.9%	21.0%	17.2%	16.7%					
h) Minimum statutory Ratio	8.0%	8.0%	8.0%	8.0%	8.0%					
i) Excess	11.2%	12.9%	13.0%	9.2%	8.7%					
j) Core Capital / total risk weighted assets	16.0%	17.1%	17.1%	14.6%	13.9%					
k) Minimum Statutory Ratio	11%	10.5%	10.5%	10.5%	10.5%					
l) Excess (j-k)	5.5%	6.6%	6.6%	4.1%	3.4%					
m) Total Capital/total risk weighted assets	20.0%	21.0%	18.1%	15.9%	15.6%					
n) Minimum statutory Ratio	15%	14.5%	14.5%	14.5%	14.5%					
o) Excess (m-n)	5.5%	6.5%	3.6%	1.4%	1.1%					
5 LIQUIDITY										
a) Liquidity Ratio	32.8%	31.3%	31.4%	32.2%	26.2%					
b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%	20.0%					
c) Excess (a-b)	12.8%	11.3%	11.4%	12.2%	6.2%					

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 www.kcbbankgroup.com

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

Nginy Biwott- Chairman

Joshua Oigara- Chief Executive Officer