

KCB GROUP LIMITED
UN AUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 30TH SEPTEMBER 2016

	BANK					GROUP CONSOLIDATED				
	30-Sep-15 Kshs 000 Un-Audited	31-Dec-15 Kshs 000 Audited	31-Mar-16 Kshs 000 Un-Audited	30-Jun-16 Kshs 000 Un-Audited	30-Sep-16 Kshs 000 Un-Audited	30-Sep-15 Kshs 000 Un-Audited	31-Dec-15 Kshs 000 Un-Audited	31-Mar-16 Kshs 000 Un-Audited	30-Jun-16 Kshs 000 Un-Audited	30-Sep-16 Kshs 000 Un-Audited
I STATEMENT OF FINANCIAL POSITION										
A ASSETS										
1 Cash (both Local & Foreign)	6,914,087	7,456,227	7,548,231	6,590,668	6,535,156	16,269,430	11,964,522	11,690,738	10,912,667	10,434,929
2 Balances due from Central Bank of Kenya	17,908,270	23,962,327	29,413,682	34,926,342	16,709,811	17,908,270	23,962,327	29,413,682	34,926,342	16,709,811
3 Kenya Government and other securities held for dealing purposes	1,082,639	805,790	755,513	805,155	8,772	1,082,639	805,790	755,513	805,155	8,772
4 Financial Assets at fair value through profit and loss	-	-	-	-	-	-	-	-	-	-
5 Investments in associates: a. Kenya Government securities	43,624,160	43,256,718	43,592,042	43,759,708	42,127,026	43,624,160	43,256,718	43,592,042	43,759,708	42,127,026
b. Other securities	-	-	-	-	-	31,613,264	14,588,019	15,937,605	14,236,781	11,658,655
b) Available for sale: a. Kenya Government securities	22,894,211	33,827,214	45,217,894	37,489,753	46,967,903	22,894,211	33,827,214	45,217,894	37,489,753	46,967,903
b. Other securities	845,000	76,743	68,033	61,099	845,000	4,470,837	845,000	68,033	61,099	51,608
6 Deposits and balances due from local banking institutions	575,575	3,171,300	4,200,000	4,200,000	5,700,000	575,575	3,171,300	4,200,000	4,200,000	5,700,000
7 Deposits and balances due from banking institutions abroad	7,709,971	6,083,421	1,041,836	1,597,002	3,386,799	96,648,215	49,408,021	36,080,572	39,627,014	39,904,979
8 Tax recoverable	249,227	-	-	-	-	210,769	161,406	203,486	158,026	161,733
9 Loans and advances to customers (net)	309,091,297	312,079,984	313,053,740	315,326,989	332,283,047	347,649,654	345,968,686	345,943,452	347,395,962	364,525,409
10 Balances due from group companies	204,184	297,343	2,786,443	1,496,801	708,539	-	-	-	-	-
11 Investments in associates	125	125	-	-	-	-	-	-	-	-
12 Investments in subsidiary companies	12,709,067	12,709,067	-	-	-	-	-	-	-	-
13 Investments in joint ventures	-	-	-	-	-	-	-	-	-	-
14 Investment properties	-	-	-	-	-	-	-	-	-	-
15 Property and equipment	5,946,854	7,045,892	6,180,253	6,388,275	6,224,587	9,376,378	9,027,924	8,383,551	8,676,018	9,143,585
16 Prepaid lease rentals	139,808	134,503	218,960	133,255	132,632	277,992	136,578	243,783	133,255	132,632
17 Intangible assets	1,249,742	1,295,556	1,907,044	2,161,489	2,674,919	1,367,813	1,427,857	2,028,543	2,284,682	2,775,566
18 Deferred tax asset	2,174,706	3,340,452	3,340,452	3,340,452	3,340,452	2,369,866	3,879,306	3,865,137	3,762,026	3,754,824
19 Retirement benefit asset	1,835,000	980,000	980,000	980,000	980,000	1,835,000	980,000	980,000	980,000	980,000
20 Other assets	10,621,717	11,218,511	10,956,178	8,862,280	12,448,435	12,803,675	11,057,650	12,296,745	10,533,490	15,063,455
21 TOTAL ASSETS	445,775,641	467,741,173	467,040,289	468,119,268	480,228,078	607,251,909	558,094,154	556,800,774	559,941,978	570,100,886
B LIABILITIES										
22 Balances due to Central Bank of Kenya	-	-	2,993,220	-	-	-	-	2,993,220	-	-
23 Customer deposits	326,866,055	347,701,500	356,567,591	366,820,682	372,612,087	471,054,955	424,390,833	423,433,144	433,424,097	436,815,724
24 Deposits and balances due to local banking institutions	13,029,300	8,463,800	3,200,784	1,128,518	3,367,122	13,029,300	8,463,800	3,386,409	1,128,518	3,367,122
25 Deposits and balances due to foreign banking institutions	2,296,929	6,295,825	5,084,104	7,043	1,568,660	6,115,984	14,674,393	9,908,279	7,441,578	6,686,060
26 Other money market deposits	-	-	-	-	-	-	-	-	-	-
27 Borrowed funds	20,797,906	17,555,386	17,116,330	15,487,497	14,732,631	22,507,217	20,129,910	19,604,344	17,746,261	15,968,268
28 Balances due to group companies	-	-	-	-	-	-	-	-	-	-
29 Tax payable	-	247,995	2,045,457	219,890	528,295	-	314,180	2,055,370	297,988	590,170
30 Dividends payable	-	-	-	-	-	-	-	-	-	-
31 Deferred tax liability	-	-	-	-	-	-	100,043	120,208	31,558	61,857
32 Retirement benefit liability	-	-	-	-	-	-	-	-	-	-
33 Other liabilities	6,879,277	6,590,709	14,795,117	6,686,800	6,857,863	12,703,075	8,767,388	11,340,194	8,916,010	12,645,097
34 TOTAL LIABILITIES	369,869,467	386,855,215	401,802,604	396,297,297	401,115,144	525,422,869	476,840,547	472,841,168	468,986,010	478,134,918
C SHAREHOLDERS' FUNDS										
35 Paid up /Assigned capital	3,025,213	3,025,213	53,986,100	53,986,100	53,986,100	3,025,213	3,025,213	3,025,213	3,025,213	3,066,057
36 Share premium (discount)	20,135,561	20,135,561	0	0	0	20,135,561	20,135,561	20,135,561	20,135,561	21,646,777
37 Revaluation reserves	(2,314,154)	(1,058,686)	(1,579,992)	(739,834)	(421,544)	(2,314,154)	(1,138,791)	(1,579,992)	(807,936)	(689,846)
38 Retained earnings/ Accumulated losses	47,056,990	44,166,421	3,443,919	7,283,795	14,417,711	51,805,691	43,699,536	46,075,340	56,445,816	55,690,815
39 Statutory loss reserve	6,615,964	8,044,803	8,865,457	10,769,710	10,608,467	7,890,109	8,947,452	9,730,858	11,635,111	11,529,764
40 Other Reserves/Re-measurement of defined asset/liability	1,286,600	522,200	522,200	522,200	522,200	1,286,600	522,200	522,200	522,200	522,200
41 Proposed dividends	-	6,050,426	-	-	-	-	6,050,426	-	-	-
42 Capital grants	-	-	-	-	-	-	-	-	-	-
43 TOTAL SHAREHOLDERS' FUNDS	75,806,174	80,885,958	65,237,685	71,821,971	79,112,934	81,829,020	81,253,607	83,959,606	90,955,968	91,965,968
44 Minority interest	-	-	-	-	-	-	-	-	-	-
45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	445,775,641	467,741,173	467,040,289	468,119,268	480,228,078	607,251,909	558,094,154	556,800,774	559,941,978	570,100,886
II STATEMENT OF COMPREHENSIVE INCOME										
1 INTEREST INCOME										
1.1 Loans and advances	23,016,991	41,039,720	11,629,597	23,401,439	35,373,122	32,691,682	46,191,995	12,763,702	25,732,594	38,833,033
1.2 Government securities	5,379,933	7,515,622	2,874,484	5,117,357	7,772,854	6,530,891	9,117,249	3,329,937	6,082,502	9,129,525
1.3 Deposits and placements with banking institutions	115,648	157,855	128,421	296,741	542,227	241,823	470,493	189,238	341,755	628,560
1.4 Other Interest Income	-	-	-	-	-	-	604,195	-	-	-
1.5 Total interest income	34,512,571	48,713,197	14,389,321	28,815,537	43,688,202	39,684,296	56,383,933	16,282,877	32,162,151	48,991,118
2 INTEREST EXPENSE										
2.1 Customer deposits	8,764,008	13,717,424	4,317,495	7,381,539	9,800,684	10,041,601	15,295,887	4,784,991	8,374,979	11,407,817
2.2 Deposits and placement from banking institutions	1,016,229	1,315,613	229,485	401,211	641,087	1,263,930	1,852,091	396,140	733,533	1,042,544
2.3 Other interest expenses	-	-	-	-	-	-	-	-	-	-
2.4 Total interest expenses	9,780,237	15,033,037	4,546,980	7,782,750	10,441,771	11,305,531	17,147,978	5,181,131	9,108,512	12,450,361
3 NET INTEREST INCOME (LOSS)	24,732,333	33,649,961	9,842,953	21,032,787	33,246,431	28,358,765	39,235,954	11,101,746	23,053,639	36,540,757
4 OTHER OPERATING INCOME										
4.1 Fees and commissions on loans and advances	3,357,247	4,545,325	949,645	2,042,500	3,484,409	3,661,513	5,366,204	1,114,941	2,422,685	3,708,409
4.2 Other fees and commissions	3,427,429	4,317,015	1,210,546	2,570,702	3,406,055	6,662,742	8,793,785	1,910,832	4,050,443	5,783,442
4.3 Foreign exchange trading income	1,729,920	2,202,692	446,624	1,035,796	1,617,857	2,926,590	4,067,466	746,686	1,575,932	2,398,903
4.4 Dividend Income	769	853,120	68	239	427	769	1,112	89	239	427
4.5 Other income	2,901,107	3,429,475	494,374	1,586,310	1,907,288	4,081,937	5,151,946	610,123	1,826,305	2,335,853
4.6 Total non-interest income	11,416,473	15,047,627	3,343,827	7,235,548	10,416,035	17,333,551	23,380,514	4,382,651	9,875,624	14,227,034
5 TOTAL OPERATING INCOME	36,148,806	48,697,589	13,186,780	28,268,335	43,662,466	45,692,316	62,616,468	15,484,397	32,929,263	50,367,791
6 OTHER OPERATING EXPENSES										
6.1 Loan loss provision	2,314,052	2,199,102	1,240,334	1,775,423	2,977,438	3,852,228	4,713,807	1,369,225	2,071,274	3,422,499
6.2 Staff costs	8,892,327	12,107,360	3,355,475	6,636,568	10,322,206	11,119,542	15,310,898	4,081,913	8,121,719	12,566,673
6.3 Directors' emoluments	87,071	129,973	29,696	57,318	13,906	217,837	262,770	67,012	112,815	192,152
6.4 Rental charges	376,817	515,381	176,598	361,422	544,801	968,422	1,617,899	294,644	703,190	1,099,093
6.5 Depreciation charge on property and equipment	878,598	1,180,946	368,788	622,613	934,573	1,415,337	1,876,766	448,836	813,526	1,197,185
6.6 Amortisation charges	354,049	487,095	103,381	329,338	534,010	408,060	558,682	119,880	361,874	584,102
6.7 Other operating expenses	6,230,592	8,633,116	1,930,967	4,521,334	6,627,458	8,315,492	11,738,084	2,488,598	5,649,873	8,361,924
6.8 Total other operating expenses	19,133,505	25,252,973	7,195,238	14,304,016	21,954,393	26,296,018	36,078,896	8,870,108	17,834,261	27,423,628
7 Profit/(loss) before tax and exceptional items	17,015,301	23,444,616	5,991,542	13,964,319	21,708,074	19,395,398	26,537,573	6,614,289	15,095,002	22,944,163
8 Exceptional items	-	-	-	-	-	-	-	-	-	-
9 Profit/(loss) after exceptional items	17,015,301	23,444,616	5,991,542							

III OTHER DISCLOSURES		30-Sep-15	31-Dec-15	31-Mar-16	30-Jun-16	30-Sep-16	30-Sep-15	31-Dec-15	31-Mar-16	30-Jun-16	30-Sep-16
		Kshs 000	Kshs 000	Kshs 000	Kshs 000	Kshs 000	Kshs 000	Kshs 000	Kshs 000	Kshs 000	Kshs 000
		Un-Audited	Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited	Un-Audited	Un-Audited	Un-Audited
1 NON-PERFORMING LOANS AND ADVANCES											
a) Gross Non-performing loans and advances		18,187,505	19,289,119	26,135,275	27,680,305	26,446,810	24,547,953	23,477,475	30,436,873	32,978,280	31,096,578
b) Less Interest in Suspense		2,484,695	2,815,766	3,561,768	3,709,468	4,018,014	3,436,373	3,310,816	4,074,524	4,269,838	4,556,422
c) Total Non-Performing Loans and Advances (a-b)		15,702,810	16,473,353	22,573,507	23,970,837	22,428,796	21,111,581	20,166,660	26,362,349	28,708,443	26,540,155
d) Less Loan Loss Provision		8,802,107	9,387,792	10,842,355	12,646,423	11,571,667	12,201,221	11,292,003	12,603,423	14,533,676	13,484,947
e) Net Non-Performing Loans and Advances (c-d)		6,900,703	7,085,561	11,731,152	11,324,414	10,857,129	8,910,359	8,874,657	13,758,926	14,174,767	13,055,208
f) Discounted Value of Securities		6,900,703	6,068,222	7,613,893	6,853,209	5,020,473	8,910,359	11,867,690	10,654,600	11,535,277	8,076,704
g) Net NPLs Exposure (e-f)		-	1,017,339	4,117,259	4,469,205	5,836,656	-	(2,993,034)	3,104,326	2,639,490	4,978,505
2 INSIDER LOANS AND ADVANCES											
a) Directors, Shareholders and Associates		1,231,412	592,219	1,442,596	3,278,447	3,753,180	1,577,019	689,698	687,083	2,429,953	3,112,322
b) Employees		9,683,939	10,673,477	10,086,818	10,094,873	10,695,342	10,720,625	11,588,774	11,886,193	11,137,270	11,518,560
c) Total Insider Loans and Advances and other facilities		10,915,351	11,265,696	11,529,414	13,373,320	14,448,522	12,297,644	12,278,472	12,573,276	13,567,223	14,630,881
3 OFF-BALANCE SHEET ITEMS											
a) Letters of credit, guarantees, acceptances		59,645,759	57,786,037	58,567,508	62,205,612	65,219,825	62,729,347	60,635,178	61,155,145	64,802,260	68,260,283
b) Forwards, swaps and options		11,034,397	12,072,941	11,423,393	2,654,471	3,291,974	12,710,048	13,268,058	12,380,294	4,105,106	5,939,486
c) Other contingent liabilities		-	-	-	-	-	-	-	-	-	-
d) Total Contingent Liabilities		70,680,156	69,858,978	69,990,901	64,860,083	68,511,799	75,439,395	73,903,236	73,535,439	68,907,366	74,199,768
4 CAPITAL STRENGTH											
a) Core capital		54,638,685	56,103,143	54,789,410	57,579,883	60,290,197	68,609,218	73,340,524	75,655,525	75,902,992	80,178,650
b) Minimum Statutory Capital		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	6,803,947	6,733,314	6,692,054	6,710,274
c) Excess (a-b)		53,638,685	55,103,143	53,789,410	56,579,883	59,290,197	61,805,271	66,536,577	68,922,211	69,210,938	73,468,376
d) Supplementary Capital		6,515,964	4,969,291	4,890,563	4,893,893	5,141,677	5,932,701	5,840,576	5,778,802	5,717,572	6,025,373
e) Total Capital (a+d)		61,254,649	61,072,424	59,679,973	62,473,776	65,431,874	74,541,919	79,181,100	81,434,327	81,620,564	86,204,023
f) Total risk weighted assets		392,711,985	397,490,368	391,245,046	391,510,613	411,334,139	474,616,118	467,246,047	462,304,131	459,909,760	482,029,616
g) Core Capital/Total deposits Liabilities		16.7%	16.1%	15.4%	15.7%	16.2%	14.6%	17.3%	17.9%	17.5%	18.4%
h) Minimum statutory Ratio		8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
i) Excess		8.7%	8.1%	7.4%	7.7%	8.2%	6.6%	9.3%	9.9%	9.5%	10.4%
j) Core Capital / total risk weighted assets		13.9%	14.1%	14.0%	14.7%	14.7%	14.5%	16.4%	15.7%	16.5%	16.6%
k) Minimum Statutory Ratio		10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
l) Excess (j-k)		3.4%	3.6%	3.5%	4.2%	4.2%	4.0%	5.2%	5.9%	6.0%	6.1%
m) Total Capital/total risk weighted assets		15.6%	15.4%	15.3%	16.0%	15.9%	15.7%	16.9%	17.6%	17.7%	17.9%
n) Minimum statutory Ratio		14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%
o) Excess (m-n)		1.1%	0.9%	0.8%	1.5%	1.4%	1.2%	2.4%	3.1%	3.2%	3.4%
5 LIQUIDITY											
a) Liquidity Ratio		26.2%	30.0%	32.7%	34.6%	30.7%	26.9%	48.3%	38.8%	41.8%	39.0%
b) Minimum Statutory Ratio		20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
c) Excess (a-b)		6.2%	10.0%	12.7%	14.6%	10.7%	6.9%	28.3%	18.8%	21.8%	18.0%

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

Ngery Biwott: Chairman

Joshua Ogara: Group Chief Executive Officer & MD Kenya