

I. STATEMENT OF FINANCIAL POSITION	BANK					COMPANY					GROUP				
	30-Sep-16	30-Dec-16	30-Mar-17	30-Jun-17	30-Sep-17	30-Sep-16	30-Dec-16	30-Mar-17	30-Jun-17	30-Sep-17	30-Sep-16	30-Dec-16	30-Mar-17	30-Jun-17	30-Sep-17
	KShs 000 Unaudited	KShs 000 Audited	KShs 000 Unaudited	KShs 000 Unaudited	KShs 000 Unaudited	KShs 000 Unaudited	KShs 000 Audited	KShs 000 Unaudited	KShs 000 Unaudited	KShs 000 Unaudited	KShs 000 Unaudited	KShs 000 Audited	KShs 000 Unaudited	KShs 000 Unaudited	KShs 000 Unaudited
A. ASSETS															
1. Cash (both Local & Foreign)	6,535,156	8,085,113	6,182,156	6,850,236	6,119,496	-	951,009	933,609	913,056	913,056	9,898,376	11,374,751	9,246,661	9,886,863	9,443,239
2. Balances due from Central Bank of Kenya	16,709,811	18,055,378	22,621,216	18,456,216	33,080,707	-	-	-	-	-	16,709,811	18,055,378	22,621,216	20,006,048	33,080,707
3. Kenya Government and other securities held for dealing purposes	8,772	-	-	-	-	-	-	-	-	-	8,772	-	-	-	-
4. Financial assets at fair value through profit and loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Investment securities:															
a). Held to maturity:															
a. Kenya Government securities	42,127,026	32,520,671	32,297,753	32,829,060	30,257,322	-	-	-	-	-	42,127,026	32,520,671	32,440,656	32,877,060	30,410,462
b. Other securities	-	-	142,903	133,742	97,013	-	-	-	-	-	11,028,785	7,981,800	8,704,021	9,427,454	12,797,011
b). Available for sale:															
a. Kenya Government securities	46,967,903	58,466,646	60,799,938	68,789,446	60,092,326	-	-	-	-	-	46,967,903	58,466,646	60,799,938	68,842,956	60,388,247
b. Other securities	-	-	-	-	-	51,608	56,719	47,971	53,510	51,301	51,608	3,501,732	4,029,334	4,647,254	51,301
6. Deposits and balances due from local banking institutions	5,700,000	1,627,573	-	-	-	-	-	-	-	-	5,700,000	1,627,573	-	-	-
7. Deposits and balances due from banking institutions abroad	3,386,799	4,466,863	6,155,161	9,042,873	5,756,667	-	-	-	-	-	32,911,358	41,879,570	38,858,626	43,271,021	42,279,530
8. Tax recoverable	-	-	-	1,250,023	92,748	-	-	-	-	56,037	161,733	216,993	226,861	1,454,059	262,419
9. Loans and advances to customers (net)	332,283,047	353,900,051	362,922,411	373,809,146	384,993,749	-	-	-	-	-	364,332,066	385,745,331	395,491,270	406,975,972	419,494,427
10. Balances due from group companies	708,539	436,130	2,259,685	2,417,097	2,476,433	2,406,146	807,828	9,900,292	8,560,954	8,838,411	-	-	-	-	-
11. Investments in associates	-	-	-	-	-	125	125	125	125	125	-	-	-	-	-
12. Investments in subsidiary companies	-	-	-	-	-	66,695,167	67,130,100	67,130,100	67,130,100	67,130,100	-	-	-	-	-
13. Investments in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14. Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15. Property and equipment	6,224,587	6,036,806	6,062,972	5,939,653	5,847,484	581,449	564,597	563,900	563,292	562,593	9,787,262	9,372,955	9,453,613	9,493,791	9,307,081
16. Prepaid lease rentals	132,632	132,006	131,383	130,759	130,135	-	-	-	-	-	132,632	134,046	133,423	130,759	130,135
17. Intangible asset	2,674,919	3,046,237	2,945,452	3,256,578	3,227,088	-	-	-	-	-	2,775,566	3,166,913	3,057,898	3,368,961	3,378,886
18. Deferred tax asset	3,340,452	3,072,191	3,072,191	2,593,679	3,891,365	-	-	-	-	-	3,741,598	3,732,100	3,512,755	3,254,264	4,203,188
19. Retirement benefit asset	980,000	811,000	811,000	811,000	811,000	-	-	-	-	-	980,000	811,000	811,000	811,000	811,000
20. Other asset	12,448,436	14,121,009	14,131,442	13,662,922	14,469,735	-	-	-	-	32,668	14,987,765	16,652,184	16,367,514	16,160,577	17,795,176
21. TOTAL ASSETS	480,228,079	504,777,674	520,535,663	539,972,430	551,343,268	69,734,495	69,510,378	78,575,997	77,221,037	77,584,291	562,302,261	595,239,643	605,754,786	630,608,039	643,832,809
B. LIABILITIES															
22. Balances due to Central Bank of Kenya	-	-	-	-	4,989,950	-	-	-	-	-	-	-	-	-	4,989,950
23. Customer deposits	372,612,087	386,611,187	397,872,748	423,695,874	435,094,550	-	-	-	-	-	429,321,388	448,173,797	456,815,151	482,844,611	496,305,024
24. Deposits and balances due to local banking institutions	3,367,122	5,500,000	4,693,827	7,387,164	1,886,310	-	-	-	-	-	3,367,122	5,500,000	4,693,827	7,387,164	1,886,310
25. Deposits and balances due to foreign banking institutions	1,568,660	122,729	131,615	822,670	38,374	-	-	-	-	-	8,787,467	7,622,786	3,665,380	8,031,361	8,615,084
26. Other money market deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27. Borrowed funds	14,732,631	20,563,556	19,883,118	11,974,090	11,877,205	-	-	-	7,710,000	7,710,000	15,968,268	22,982,348	23,595,619	16,732,935	14,423,505
28. Balances due to group companies	1,448,486	-	-	-	86,377	-	-	-	-	-	-	-	-	-	-
29. Tax payable	528,295	531,825	2,277,380	-	-	-	36,153	66,925	-	-	590,171	870,488	2,466,139	118,756	95,517
30. Dividends payable	-	-	9,178,000	-	-	-	-	-	-	-	-	-	-	-	-
31. Deferred tax liability	-	-	-	-	-	-	-	-	-	284,147	61,858	166,150	171,450	171,230	284,147
32. Retirement benefit liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33. Other liabilities	6,857,864	10,458,489	10,000,180	13,705,021	9,827,047	978,070	739,845	709,073	1,017,798	1,133,936	12,892,030	13,358,299	13,131,484	16,990,721	14,040,271
34. TOTAL LIABILITIES	401,115,145	423,787,786	444,036,869	457,584,819	463,799,813	978,070	775,998	775,998	8,727,798	9,128,083	470,988,305	498,673,868	504,539,050	532,276,778	540,639,808
C. SHAREHOLDERS' FUNDS															
35. Paid up/Assigned capital	53,986,100	53,986,100	53,986,100	53,986,100	53,986,100	3,066,057	3,066,057	3,066,057	3,066,057	3,066,057	3,066,057	3,066,057	3,066,057	3,066,057	3,066,057
36. Share premium/(discount)	-	-	-	-	-	21,646,777	21,646,776	21,646,776	21,646,776	21,646,777	21,646,777	21,646,776	21,646,776	21,646,776	21,646,777
37. Revaluation reserves	(421,544)	(1,134,529)	(936,194)	184,912	101,851	-	-	-	-	-	(489,645)	(1,148,761)	(1,040,394)	250,919	154,565
38. Retained earnings/(Accumulated losses)	14,417,711	9,681,560	12,837,979	13,082,377	19,043,866	44,043,591	34,823,376	43,888,995	40,714,349	40,677,317	55,038,803	53,248,726	56,360,182	57,400,697	62,987,371
39. Statutory loan loss reserve	10,608,467	8,964,457	10,296,609	11,580,756	11,580,756	-	-	-	-	-	11,529,764	10,240,506	11,670,644	12,586,455	11,957,874
40. Other reserves/Remeasurement of defined asset/liability	522,200	314,300	314,300	314,300	314,300	-	-	-	-	-	522,200	314,300	314,300	314,300	314,300
41. Proposed dividends	-	9,178,000	-	3,239,166	3,239,166	-	9,198,171	9,198,171	3,066,057	3,066,057	-	9,198,171	9,198,171	3,066,057	3,066,057
42. Capital grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43. TOTAL SHAREHOLDERS' FUNDS	79,119,934	80,989,888	76,498,794	82,387,611	87,543,455	68,756,425	68,734,380	77,799,999	68,493,239	68,456,208	91,313,956	96,565,775	101,215,736	98,331,261	103,193,001
44. Minority interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45. TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	480,228,079	504,777,674	520,535,663	539,972,430	551,343,268	69,734,495	69,510,378	78,575,997	77,221,037	77,584,291	562,302,261	595,239,643	605,754,786	630,608,039	643,832,809

II. STATEMENT OF COMPREHENSIVE INCOME	BANK					COMPANY					GROUP				
	30-Sep-16	30-Dec-16	30-Mar-17	30-Jun-17	30-Sep-17	30-Sep-16	30-Dec-16	30-Mar-17	30-Jun-17	30-Sep-17	30-Sep-16	30-Dec-16	30-Mar-17	30-Jun-17	30-Sep-17
	KShs 000 Unaudited	KShs 000 Audited	KShs 000 Unaudited	KShs 000 Unaudited	KShs 000 Unaudited	KShs 000 Unaudited	KShs 000 Audited	KShs 000 Unaudited	KShs 000 Unaudited	KShs 000 Unaudited	KShs 000 Unaudited	KShs 000 Audited	KShs 000 Unaudited	KShs 000 Unaudited	KShs 000 Unaudited
1. INTEREST INCOME															
1.1 Loans and advances	35,373,122	46,484,722	10,249,230	21,712,920	33,701,276	-	-	105,058	210,116	420,231	38,789,407	51,208,848	11,343,854	23,945,210	37,096,698
1.2 Government securities	7,772,854	9,134,775	2,176,968	5,257,164	7,858,040	-	-	-	-	-	9,078,243	10,866,512	2,568,537	6,113,635	9,252,715
1.3 Deposits and placements with banking institutions	542,227	559,038	142,725	204,128	257,158	-	-	-	-	3,668	628,375	696,275	201,285	304,649	415,001
1.4 Other interest income	-	649	-	-	-	-	-	-	-	-	-	34,439	-	-	-
1.5 Total interest income	43,688,202	56,179,184	14,389,933	27,174,212	41,816,474	-	-	105,058	210,116	423,899	48,496,025	62,806,074	14,113,676	30,363,494	46,764,414
2. INTEREST EXPENSE															
2.1 Customer deposits	9,800,684	12,391,402	2,695,372	5,514,756	8,340,396	-	-	-	-	-	11,404,315	14,481,365	3,198,170	6,533,803	9,901,835

	BANK					COMPANY					GROUP				
	30-Sep-16 KShs 000 Unaudited	30-Dec-16 KShs 000 Audited	30-Mar-17 KShs 000 Unaudited	30-Jun-17 KShs 000 Unaudited	30-Sep-17 KShs 000 Unaudited	30-Sep-16 KShs 000 Unaudited	30-Dec-16 KShs 000 Audited	30-Mar-17 KShs 000 Unaudited	30-Jun-17 KShs 000 Unaudited	30-Sep-17 KShs 000 Unaudited	30-Sep-16 KShs 000 Unaudited	30-Dec-16 KShs 000 Audited	30-Mar-17 KShs 000 Unaudited	30-Jun-17 KShs 000 Unaudited	30-Sep-17 KShs 000 Unaudited
8. Exceptional items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9. Profit/(loss) after exceptional items	21,708,074	28,482,325	5,991,542	13,780,389	21,032,178	23,937	(88,683)	9,080,901	9,028,029	8,909,688	21,743,190	29,091,125	6,592,018	14,752,082	22,417,526
10. Current tax	(6,512,422)	(8,591,333)	(1,745,555)	(3,666,454)	(7,361,116)	-	-	-	-	-	(7,389,568)	(9,171,465)	(2,049,691)	(4,012,688)	(8,160,406)
11. Deferred tax	-	(111,678)	-	(478,512)	819,174	(27,947)	(36,153)	(30,772)	(35,442)	(56,037)	-	(197,213)	-	(478,512)	819,174
12. Profit/(loss) after tax and exceptional items	15,195,651	19,779,314	4,194,079	9,635,423	14,490,236	(4,010)	(124,836)	9,050,129	8,992,587	8,853,651	14,353,622	19,722,447	4,542,327	10,260,882	15,076,294
13. Minority interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14. Profit/(loss) after tax and exceptional items and minority interest	15,195,651	19,779,314	4,194,079	9,635,423	14,490,236	(4,010)	(124,836)	9,050,129	8,992,587	8,853,651	14,353,622	19,722,447	4,542,327	10,260,882	15,076,294
15. Other Comprehensive Income:															
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-	(1,605,115)	317,968	(89,967)	(53,869)	2,065,520
15.2 Fair value changes in available-for-sale financial assets	445,995	(108,355)	283,334	1,884,916	1,236,379	-	-	-	-	-	493,666	(55,355)	283,334	1,884,916	1,303,326
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	191,141	121,606	(85,000)	(565,475)	(370,914)	-	-	-	-	-	211,571	121,606	(85,000)	(565,475)	(390,998)
16. Other comprehensive income for the year net of tax	637,136	(283,749)	198,334	1,319,441	865,465	-	-	-	-	-	(899,878)	87,219	108,367	1,265,572	2,977,848
17. Total comprehensive income for the year	15,832,787	19,495,565	5,657,403	10,954,864	15,355,701	(4,010)	(124,836)	9,050,129	8,992,587	8,853,651	13,453,744	19,809,666	4,716,171	11,526,454	18,054,142
18. EARNINGS PER SHARE- DILUTED & BASIC KSHS	0.38	0.33	0.31	0.36	0.36	(0.00)	(0.04)	2.83	2.87	2.85	6.24	5.89	5.93	6.69	6.56
19. DIVIDEND PER SHARE - DECLARED KSHS	-	0.17	-	0.06	0.06	-	1.00	-	1.00	1.00	-	3.00	-	1.00	1.00

III. OTHER DISCLOSURES	BANK					COMPANY					GROUP				
	30-Sep-16 KShs 000 Unaudited	30-Dec-16 KShs 000 Audited	30-Mar-17 KShs 000 Unaudited	30-Jun-17 KShs 000 Unaudited	30-Sep-17 KShs 000 Unaudited	30-Sep-16 KShs 000 Unaudited	30-Dec-16 KShs 000 Audited	30-Mar-17 KShs 000 Unaudited	30-Jun-17 KShs 000 Unaudited	30-Sep-17 KShs 000 Unaudited	30-Sep-16 KShs 000 Unaudited	30-Dec-16 KShs 000 Audited	30-Mar-17 KShs 000 Unaudited	30-Jun-17 KShs 000 Unaudited	30-Sep-17 KShs 000 Unaudited
1. NON-PERFORMING LOANS AND ADVANCES															
a. Gross non-performing loans and advances	26,446,810	28,333,247	29,830,144	30,244,109	32,018,272	-	-	-	-	-	31,096,578	31,812,856	32,151,386	33,248,978	34,731,290
b. Less interest in suspense	4,018,014	4,210,013	4,443,776	4,505,009	3,344,867	-	-	-	-	-	4,556,422	4,609,881	4,746,065	4,918,816	3,761,805
c. Total non-performing loans and advances (a-b)	22,428,796	24,123,234	25,386,368	25,739,100	28,673,405	-	-	-	-	-	26,540,155	27,202,975	27,405,321	28,330,162	30,969,484
d. Less loan loss provision	11,571,667	14,921,244	18,220,729	18,236,637	18,783,064	-	-	-	-	-	13,484,947	16,460,084	19,250,483	19,103,631	19,832,149
e. Net non-performing loans and advances (c-d)	10,857,129	9,201,990	7,165,639	7,502,463	9,890,341	-	-	-	-	-	13,055,209	10,742,891	8,154,838	9,226,531	11,137,335
f. Discounted value of securities	10,857,129	9,362,800	5,155,858	5,431,083	7,931,376	-	-	-	-	-	8,076,704	9,455,231	6,169,886	9,009,014	10,789,908
g. Net NPLs exposure (e-f)	-	(160,810)	2,009,781	2,071,380	1,958,965	-	-	-	-	-	4,978,505	1,287,660	1,984,952	217,517	347,427
2. INSIDER LOANS AND ADVANCES															
a. Directors, shareholders and associates	3,753,180	5,143,843	2,606,949	6,097,064	846,818	-	-	-	-	-	3,112,322	4,818,059	2,671,024	6,006,222	898,395
b. Employees	10,695,342	11,944,993	11,917,042	11,765,695	12,884,480	-	-	-	-	-	11,518,560	12,738,369	12,585,442	12,851,701	13,953,960
c. Total insider loans and advances and other facilities	14,448,522	17,088,836	14,523,991	17,862,759	13,731,298	-	-	-	-	-	14,630,881	17,556,428	15,256,466	18,857,923	14,852,355
3. OFF-BALANCE SHEET ITEMS															
a. Letters of credit, guarantees and acceptances	65,219,825	52,197,440	60,455,126	71,372,628	59,911,894	-	-	-	-	-	68,260,283	54,949,849	62,937,121	76,501,166	65,005,022
b. Forwards, swaps and options	3,291,974	5,687,611	9,626,333	11,628,017	8,311,605	-	-	-	-	-	5,939,486	6,114,779	10,596,655	12,445,441	9,222,225
c. Other contingent liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d. Total contingent liabilities	68,511,799	57,885,051	70,081,459	83,000,645	68,223,499	-	-	-	-	-	74,199,769	61,064,628	73,533,776	88,946,607	74,227,246
4. CAPITAL STRENGTH															
a. Core capital	60,290,197	63,353,946	63,528,955	66,554,653	64,947,482	-	-	-	-	-	80,178,650	94,615,031	90,663,612	92,715,332	95,147,038
b. Minimum statutory capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-	6,710,274	6,713,989	6,718,624	6,754,433	6,716,404
c. Excess (a-b)	59,290,197	62,353,946	62,528,955	65,554,653	63,947,482	-	-	-	-	-	73,468,376	87,901,042	83,944,988	85,960,899	88,430,634
d. Supplementary capital	5,141,677	13,080,489	13,338,149	13,524,635	13,656,770	-	-	-	-	-	6,025,373	6,414,324	6,494,557	6,648,292	6,817,372
e. Total capital (a+d)	65,431,874	76,434,435	76,867,104	80,079,288	78,596,542	-	-	-	-	-	86,204,023	101,029,355	97,158,169	99,363,624	101,964,410
f. Total risk weighted assets	411,334,139	430,839,082	451,451,942	466,370,824	476,324,785	-	-	-	-	-	482,029,816	513,145,930	519,564,599	531,863,349	545,389,745
g. Core capital/Total deposits liabilities	16.2%	16.4%	16.0%	15.7%	14.9%	-	-	-	-	-	18.4%	21.1%	19.8%	19.2%	19.2%
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	8.2%	8.4%	8.0%	7.7%	6.9%	-	-	-	-	-	10.4%	13.1%	11.8%	11.2%	11.2%
j. Core capital/Total risk weighted assets	14.7%	14.7%	14.1%	14.3%	13.6%	-	-	-	-	-	16.6%	18.4%	17.4%	17.4%	17.4%
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)	4.2%	4.2%	3.6%	3.8%	3.1%	-	-	-	-	-	6.1%	7.9%	6.9%	6.9%	6.9%
m. Total capital/total risk weighted assets	15.9%	17.7%	17.0%	17.2%	16.5%	-	-	-	-	-	17.9%	19.7%	18.7%	18.7%	18.7%
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)	1.4%	3.2%	2.5%	2.7%	2.0%	-	-	-	-	-	3.4%	5.2%	4.2%	4.2%	4.2%
5. LIQUIDITY															
a. Liquidity ratio	30.7%	30.3%	30.6%	30.0%	29.2%	-	-	-	-	-	38.0%	37.5%	38.7%	35.7%	37.7%
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)	10.7%	10.3%	10.6%	10.0%	9.2%	-	-	-	-	-	18.0%	17.5%	18.7%	15.7%	17.7%

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.kcbgroup.com. They may also be accessed at the institution's Head Office located at Kencom House, Moi Avenue.

Ngeny Biwott - Group Chairman

Joshua Oigara - Group Chief Executive Officer and Managing Director