



KCB GROUP PLC AUDITED RESULTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31 DECEMBER 2017

	BANK		COMPANY		GROUP	
	31-Dec-16 KShs 000 Audited	31-Dec-17 KShs 000 Audited	31-Dec-16 KShs 000 Audited	31-Dec-17 KShs 000 Audited	31-Dec-16 KShs 000 Audited	31-Dec-17 KShs 000 Audited
I. STATEMENT OF FINANCIAL POSITION						
A. ASSETS						
1. Cash (both Local & Foreign]	8,085,113	8,186,847	-	-	11,374,751	11,288,063
2. Balances due from Central Bank of Kenya	18,055,378	17,802,484	-	-	18,055,378	17,802,484
3. Kenya Government and other securities held for dealing purposes	-	-	-	-	-	-
4. Financial Assets at fair value through profit and loss	-	-	-	-	-	-
5. Investment securities: a) Held to Maturity: a. Kenya Government securities	32,520,671	28,884,760	-	-	32,520,671	28,884,760
b. Other securities	-	-	-	-	7,981,800	9,379,729
b) Available for sale: a. Kenya Government securities	58,466,646	63,218,044	56,719	53,016	58,466,646	63,511,079
b. Other securities	-	2,489,208	-	-	3,501,732	8,231,770
6. Deposits and balances due from local banking institutions	1,627,573	8,030,307	951,009	887,927	1,627,573	8,030,307
7. Deposits and balances due from banking institutions abroad	4,466,863	5,074,613	-	-	41,879,570	35,304,595
8. Tax recoverable	-	174,568	-	68,639	216,993	523,785
9. Loans and advances to customers (net)	353,900,051	387,942,858	-	-	385,745,331	422,684,637
10. Balances due from group companies	436,130	1,150,511	807,828	8,568,354	-	-
11. Investments in associates	-	-	125	125	-	-
12. Investments in subsidiary companies	-	-	67,130,100	67,648,850	-	-
13. Investments in joint ventures	-	-	-	-	-	-
14. Investment properties	-	-	-	-	-	-
15. Property and equipment	6,036,804	6,194,697	564,597	562,147	9,372,955	10,454,253
16. Prepaid lease rentals	132,006	129,509	-	-	134,046	132,246
17. Intangible assets	3,046,237	3,180,796	-	-	3,166,913	3,371,113
18. Deferred tax asset	3,072,191	3,891,204	-	-	3,732,100	4,824,432
19. Retirement benefit asset	811,000	1,018,000	-	-	811,000	1,018,000
20. Other assets	14,121,012	18,261,905	-	20,051	16,652,184	21,227,686
21. TOTAL ASSETS	504,777,675	555,630,311	69,510,378	77,809,109	595,239,643	646,668,939
B. LIABILITIES						
22. Balances due to Central Bank of Kenya	-	-	-	-	-	-
23. Customer deposits	386,611,187	440,164,316	-	-	448,173,797	499,549,179
24. Deposits and balances due to local banking institutions	5,500,000	4,120,966	-	-	5,500,000	4,120,966
25. Deposits and balances due to foreign banking institutions	122,729	1,112,877	-	-	7,622,786	6,917,784
26. Other money market deposits	-	-	-	-	-	-
27. Borrowed funds	20,563,556	10,579,000	-	7,755,000	22,982,348	14,895,208
28. Balances due to group companies	-	-	-	69,833	-	-
29. Tax payable	531,825	-	36,153	-	870,488	265,629
30. Dividends payable	-	-	-	-	-	-
31. Deferred tax liability	-	-	-	1,751	166,150	159,962
32. Retirement benefit liability	-	-	-	-	-	-
33. Other liabilities	10,458,489	10,662,237	739,845	1,266,666	13,358,299	14,794,338
34. TOTAL LIABILITIES	423,787,786	466,639,396	775,998	9,093,250	498,673,868	540,703,066
C. SHAREHOLDERS' FUNDS						
35. Paid up/Assigned capital	53,986,000	53,986,100	3,066,057	3,066,057	3,066,057	3,066,057
36. Share premium/(discount)	-	-	21,646,777	21,646,777	21,646,777	21,646,777
37. Revaluation reserves	(1,134,529)	(22,115)	(20,024)	(23,727)	(1,148,761)	134,217
38. Retained earnings/Accumulated losses	9,681,661	19,147,259	34,843,570	37,894,638	53,248,896	63,394,145
39. Statutory loan loss reserve	8,964,457	9,556,900	-	-	10,240,506	11,208,263
40. Other Reserves/Re-measurement of defined benefit asset/liability	314,300	384,300	-	-	314,300	384,300
41. Proposed dividends	9,178,000	5,938,471	9,198,000	6,132,114	9,198,000	6,132,114
42. Capital grants	-	-	-	-	-	-
43. TOTAL SHAREHOLDERS' FUNDS	80,989,889	88,990,915	68,734,380	68,715,859	96,565,775	105,965,873
44. Minority Interest	-	-	-	-	-	-
45. TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	504,777,675	555,630,311	69,510,378	77,809,109	595,239,643	646,668,939
II. STATEMENT OF COMPREHENSIVE INCOME						
1. INTEREST INCOME						
1.1 Loans and advances	46,484,722	46,157,471	-	579,817	51,208,848	50,818,258
1.2 Government securities	9,134,775	10,493,819	-	-	10,866,512	12,365,068
1.3 Deposits and placements with banking institutions	559,038	292,871	-	-	696,275	489,770
1.4 Other Interest Income	649	-	-	-	34,439	-
1.5 Total interest income	56,179,184	56,944,161	-	579,817	62,806,074	63,673,096
2. INTEREST EXPENSE						
2.1 Customer deposits	12,391,402	11,754,008	-	-	14,481,365	13,615,312
2.2 Deposits and placement from banking institutions	862,815	1,074,761	-	527,240	1,298,065	1,673,011
2.3 Other interest expenses	-	-	-	-	-	-
2.4 Total interest expenses	13,254,217	12,828,769	-	527,240	15,779,430	15,288,323
3. NET INTEREST INCOME/(LOSS)	42,924,967	44,115,392	-	52,577	47,026,644	48,384,773
4. OTHER OPERATING INCOME						
4.1 Fees and commissions on loans and advances	4,621,797	5,199,528	-	-	6,560,093	5,595,408
4.2 Other fees and commissions	4,468,925	5,492,435	-	-	6,064,473	9,099,026
4.3 Foreign exchange trading income	2,204,062	2,928,408	-	6,205	5,493,696	4,665,498
4.4 Dividend Income	-	362	87,233	12,416,780	-	362
4.5 Other income	3,965,077	3,265,556	120,509	116,475	4,331,744	3,640,515
4.6 Total other operating income	15,259,861	16,886,289	207,742	12,539,460	22,450,006	23,000,809
5. TOTAL OPERATING INCOME	58,184,828	61,001,681	207,742	12,592,037	69,476,650	71,385,582
6. OTHER OPERATING EXPENSES						
6.1 Loan loss provision	3,759,049	4,978,786	-	-	3,823,759	5,914,321
6.2 Staff costs	14,560,447	16,408,400	249,013	45,953	17,719,037	19,146,769
6.3 Directors' emoluments	262,305	277,553	39,765	42,719	342,840	397,324
6.4 Rental charges	721,563	800,310	-	-	1,247,256	1,520,172
6.5 Depreciation charges on property and equipment	1,240,066	1,361,963	2,791	2,791	1,598,776	1,707,172
6.6 Amortisation charges	760,744	999,307	-	-	829,460	1,082,508
6.7 Other operating expenses	8,398,329	8,703,407	4,852	211,981	14,824,397	12,503,115
6.8 Total other operating expenses	29,702,503	33,529,726	296,421	303,444	40,385,525	42,271,381
7. Profit/(loss) before tax and exceptional items	28,482,325	27,471,955	(88,679)	12,288,593	29,091,125	29,114,201
8. Exceptional items	-	-	-	-	-	-

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II. STATEMENT OF COMPREHENSIVE INCOME						
9. Profit/(loss) after exceptional items	28,482,325	27,471,955	(88,679)	12,288,593	29,091,125	29,114,201
10. Current tax	(8,591,333)	(9,562,422)	-	(37,423)	(9,171,465)	(10,142,554)
11. Deferred tax	(111,678)	1,325,767	(36,153)	(1,751)	(197,213)	733,483
12. Profit/(loss) after tax and exceptional items	19,779,314	19,235,300	(124,832)	12,249,419	19,722,447	19,705,130
13. Minority Interest	-	-	-	-	-	-
14. Profit/(loss) after tax and exceptional items and Minority Interest	19,779,314	19,235,300	(124,832)	12,249,419	19,722,447	19,705,130
15. Other Comprehensive income:						
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-	76,889	(1,473,751)
15.2 Fair value changes in available-for-sale financial assets	(108,355)	1,589,163	-	-	209,253	3,912,705
15.3 Re-measurement of defined benefit pension fund	(297,000)	100,000	-	-	(297,000)	100,000
15.4 Share of other comprehensive income of associates	-	-	-	-	-	-
15.5 Income tax relating to components of other comprehensive income	121,606	(506,749)	-	-	98,324	(579,746)
16. Other comprehensive income for the year net of tax	(283,749)	1,182,414	-	-	87,466	1,959,208
17. Total comprehensive income for the year	19,495,565	20,417,714	(124,832)	12,249,419	19,809,913	21,664,338
18. EARNINGS PER SHARE - DILUTED & BASIC KSHS	0.37	0.36	(0.04)	4.00	6.43	6.43
19. DIVIDEND PER SHARE - PROPOSED KSHS	0.17	0.17	3.00	3.00	3.00	3.00

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III. OTHER DISCLOSURES						
1. NON-PERFORMING LOANS AND ADVANCES						
a) Gross Non-performing loans and advances	28,333,247	34,181,590	-	-	31,812,856	37,496,454
b) Less Interest in Suspense	4,210,013	4,775,864	-	-	4,609,881	5,125,304
c) Total Non-Performing Loans and Advances (a-b)	24,123,234	29,405,726	-	-	27,202,975	32,371,150
d) Less Loan Loss Provision	14,921,244	18,947,410	-	-	16,460,084	20,350,677
e) Net Non-Performing Loans and Advances(c-d)	9,201,990	10,458,316	-	-	10,742,891	12,020,472
f) Discounted Value of Securities	9,362,800	9,717,172	-	-	9,455,231	12,645,119
g) Net NPLs Exposure (e-f)	(160,810)	741,144	-	-	1,287,660	(624,647)
2. INSIDER LOANS AND ADVANCES						
a) Directors, Shareholders and Associates	5,143,843	2,476,014	-	-	4,818,059	2,512,857
b) Employees	11,944,993	11,348,411	-	-	12,738,369	12,231,711
c) Total Insider Loans and Advances and other facilities	17,088,836	13,824,425	-	-	17,556,428	14,744,567
3. OFF-BALANCE SHEET ITEMS						
a) Letters of credit,guarantees, acceptances	52,197,440	60,424,701	-	-	54,949,849	64,846,078
b) Forwards, swaps and options	5,687,611	13,215,932	-	-	6,114,779	15,004,860
c) Other contingent liabilities	-	-	-	-	-	-
d) Total Contingent Liabilities	57,885,051	73,640,633	-	-	61,064,628	79,850,938
4. CAPITAL STRENGTH						
a) Core capital	62,434,393	71,969,993	-	-	78,296,030	85,245,565
b) Minimum Statutory Capital	1,000,000	1,000,000	-	-	6,713,989	6,691,313
c) Excess (a-b)	61,434,393	70,969,993	-	-	71,582,041	78,554,252
d) Supplementary Capital	13,080,489	6,049,827	-	-	14,109,324	6,928,786
e) Total Capital (a+d)	75,514,882	78,019,820	-	-	92,405,354	92,174,351
f) Total risk weighted assets	430,839,082	483,986,168	-	-	513,145,932	554,302,907
g) Core Capital/Total deposits Liabilities	16.1%	16.4%	-	-	17.5%	17.1%
h) Minimum Statutory Ratio	8.0%	8.0%	-	-	8.0%	8.0%
i) Excess	8.1%	8.4%	-	-	9.5%	9.1%
j) Core Capital/total risk weighted assets	14.5%	14.9%	-	-	15.3%	15.4%
k) Minimum Statutory Ratio	10.5%	10.5%	-	-	10.5%	10.5%
l) Excess (j-k)	4.0%	4.4%	-	-	4.8%	4.9%
m) Total Capital/Total risk weighted assets	17.5%	16.1%	-	-	18.0%	16.6%
n) Minimum Statutory Ratio	14.5%	14.5%	-	-	14.5%	14.5%
o) Excess (m-n)	3.0%	1.6%	-	-	3.5%	2.1%
5. LIQUIDITY						
a) Liquidity Ratio	30.3%	28.5%	-	-	37.5%	29.0%
b) Minimum Statutory Ratio	20.0%	20.0%	-	-	20.0%	20.0%
c) Excess (a-b)	10.3%	8.5%	-	-	17.5%	9.0%

DIVIDEND

The Directors have recommended a final dividend of Kshs. 2 per ordinary share of the company having paid an interim dividend of Kshs. 1 per share on 31st October 2017, subject to shareholders approval the final dividend will be payable to shareholders registered at the close of business on Monday, 30th April, 2