





# KCB GROUP PLC UNAUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 30 JUNE 2018

	BANK				COMPANY				GROUP			
	30-Jun-17 KShs 000 Unaudited	31-Dec-17 KShs 000 Audited	31-Mar-18 KShs 000 Unaudited	30-Jun-18 KShs 000 Unaudited	30-Jun-17 KShs 000 Unaudited	31-Dec-17 KShs 000 Audited	31-Mar-18 KShs 000 Unaudited	30-Jun-18 KShs 000 Unaudited	30-Jun-17 KShs 000 Unaudited	31-Dec-17 KShs 000 Audited	31-Mar-18 KShs 000 Unaudited	30-Jun-18 KShs 000 Unaudited
8. Exceptional items	-	-	-	-	-	-	-	-	-	-	-	-
<b>9. Profit/(loss) after exceptional items</b>	<b>13,780,388</b>	<b>27,471,955</b>	<b>7,435,660</b>	<b>15,833,704</b>	<b>9,058,100</b>	<b>12,288,593</b>	<b>5,863,797</b>	<b>8,943,113</b>	<b>14,752,082</b>	<b>29,114,201</b>	<b>7,484,169</b>	<b>17,095,226</b>
10. Current tax	(3,666,454)	(9,562,422)	(2,832,824)	(5,241,947)	-	(37,423)	(7,559)	(7,389)	(4,012,688)	(10,142,554)	(3,087,126)	(5,528,864)
11. Deferred tax	(478,512)	1,325,767	786,465	542,802	(35,442)	(1,751)	(1,751)	7,305	(478,512)	733,483	786,465	544,998
<b>12. Profit/(loss) after tax and exceptional items</b>	<b>9,635,422</b>	<b>19,235,300</b>	<b>5,389,301</b>	<b>11,134,559</b>	<b>9,022,658</b>	<b>12,249,419</b>	<b>5,854,488</b>	<b>8,943,029</b>	<b>10,260,882</b>	<b>19,705,130</b>	<b>5,183,508</b>	<b>12,111,360</b>
13. Minority interest	-	-	-	-	-	-	-	-	-	-	-	-
<b>14. Profit/(loss) after tax and exceptional items and minority interest</b>	<b>9,635,422</b>	<b>19,235,300</b>	<b>5,389,301</b>	<b>11,134,559</b>	<b>9,022,658</b>	<b>12,249,419</b>	<b>5,854,488</b>	<b>8,943,029</b>	<b>10,260,882</b>	<b>19,705,130</b>	<b>5,183,508</b>	<b>12,111,360</b>
<b>15. Other Comprehensive Income:</b>												
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	(53,869)	(1,473,751)	(51,209)	289,296
15.2 Fair value changes in available-for-sale financial assets	1,884,916	1,589,163	139,692	274,893	-	-	-	-	1,884,916	3,912,705	148,244	124
15.3 Re-measurement of defined benefit pension fund	-	100,000	-	-	-	-	-	-	-	100,000	-	-
15.4 Share of other comprehensive income of associates	-	-	-	-	-	-	-	-	-	-	-	-
15.5 Income tax relating to components of other comprehensive income	(565,475)	(506,749)	(41,907)	(82,468)	-	-	-	-	(565,475)	(579,746)	(44,473)	(37)
<b>16. Other comprehensive income for the year net of tax</b>	<b>1,319,441</b>	<b>1,182,414</b>	<b>97,784</b>	<b>192,425</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,265,572</b>	<b>1,959,208</b>	<b>52,562</b>	<b>289,383</b>
<b>17. Total comprehensive income for the year</b>	<b>10,954,863</b>	<b>20,417,714</b>	<b>5,487,085</b>	<b>11,326,984</b>	<b>9,022,658</b>	<b>12,249,419</b>	<b>5,854,488</b>	<b>8,943,029</b>	<b>11,526,454</b>	<b>21,664,338</b>	<b>5,236,070</b>	<b>12,400,743</b>
<b>18. EARNINGS PER SHARE - DILUTED &amp; BASIC KSHS</b>	<b>0.36</b>	<b>0.36</b>	<b>0.40</b>	<b>0.41</b>	<b>5.89</b>	<b>4.00</b>	<b>7.64</b>	<b>5.83</b>	<b>6.69</b>	<b>6.43</b>	<b>6.76</b>	<b>7.90</b>
<b>19. DIVIDEND PER SHARE - DECLARED KSHS</b>	<b>-</b>	<b>0.17</b>	<b>-</b>	<b>0.06</b>	<b>-</b>	<b>3.00</b>	<b>-</b>	<b>1.00</b>	<b>-</b>	<b>3.00</b>	<b>-</b>	<b>1.00</b>

III. OTHER DISCLOSURES	BANK				GROUP			
	30-Jun-17 KShs 000 Unaudited	31-Dec-17 KShs 000 Audited	31-Mar-18 KShs 000 Unaudited	30-Jun-18 KShs 000 Unaudited	30-Jun-17 KShs 000 Unaudited	31-Dec-17 KShs 000 Audited	31-Mar-18 KShs 000 Unaudited	30-Jun-18 KShs 000 Unaudited
<b>1. NON-PERFORMING LOANS AND ADVANCES</b>								
a. Gross non-performing loans and advances	30,244,109	34,181,590	40,893,918	35,055,794	33,248,978	37,496,454	43,774,880	37,627,677
b. Less interest in suspense	4,505,009	4,775,864	4,760,944	4,298,094	4,918,816	5,125,304	5,118,839	4,539,723
<b>c. Total non-performing loans and advances (a-b)</b>	<b>25,739,101</b>	<b>29,405,726</b>	<b>36,132,974</b>	<b>30,757,699</b>	<b>28,330,162</b>	<b>32,371,150</b>	<b>38,656,041</b>	<b>33,087,955</b>
d. Less loan loss provision	18,236,637	18,947,410	19,108,169	18,136,909	19,103,631	20,350,677	20,543,885	19,374,003
<b>e. Net non-performing loans and advances (c-d)</b>	<b>7,502,464</b>	<b>10,458,316</b>	<b>17,024,805</b>	<b>12,620,791</b>	<b>9,226,531</b>	<b>12,020,472</b>	<b>18,112,156</b>	<b>13,713,951</b>
f. Discounted value of securities	5,431,083	9,717,172	14,468,207	9,107,787	9,009,014	12,645,119	16,928,275	11,333,760
<b>g. Net NPLs exposure (e-f)</b>	<b>2,071,380</b>	<b>741,144</b>	<b>2,556,598</b>	<b>3,513,003</b>	<b>217,517</b>	<b>(624,647)</b>	<b>1,183,880</b>	<b>2,380,191</b>
<b>2. INSIDER LOANS AND ADVANCES</b>								
a. Directors, shareholders and associates	6,097,064	2,476,014	1,503,180	1,202,573	6,006,222	2,512,857	1,531,165	1,203,894
b. Employees	11,765,695	11,348,411	11,207,208	11,177,880	12,851,701	12,231,711	12,194,873	12,193,876
<b>c. Total insider loans and advances and other facilities</b>	<b>17,862,759</b>	<b>13,824,425</b>	<b>12,710,388</b>	<b>12,380,453</b>	<b>18,857,923</b>	<b>14,744,567</b>	<b>13,726,039</b>	<b>13,397,770</b>
<b>3. OFF-BALANCE SHEET ITEMS</b>								
a. Letters of credit, guarantees and acceptances	71,372,628	60,424,701	73,791,121	69,867,244	76,501,166	64,846,078	79,240,141	78,728,777
b. Forwards, swaps and options	11,628,017	13,215,932	7,669,526	6,908,092	12,445,441	15,004,860	9,384,804	8,379,263
c. Other contingent liabilities	-	-	-	-	-	-	-	-
<b>d. Total contingent liabilities</b>	<b>83,000,645</b>	<b>73,640,633</b>	<b>81,460,647</b>	<b>76,775,336</b>	<b>88,946,607</b>	<b>79,850,938</b>	<b>88,624,945</b>	<b>87,108,039</b>
<b>4. CAPITAL STRENGTH</b>								
<b>a. Core capital</b>	<b>66,554,653</b>	<b>71,969,993</b>	<b>74,255,309</b>	<b>74,385,277</b>	<b>92,715,332</b>	<b>85,245,565</b>	<b>84,702,442</b>	<b>88,946,964</b>
b. Minimum statutory capital	1,000,000	1,000,000	1,000,000	1,000,000	6,754,433	6,691,313	6,537,376	6,494,591
c. Excess (a-b)	65,554,653	70,969,993	73,255,309	73,385,277	85,960,899	78,554,252	78,165,066	82,452,373
d. Supplementary capital	13,524,635	6,049,827	-	7,567,500	6,648,292	6,928,786	854,138	8,482,566
<b>e. Total capital (a+d)</b>	<b>80,079,288</b>	<b>78,019,820</b>	<b>74,255,309</b>	<b>81,952,777</b>	<b>99,363,624</b>	<b>92,174,351</b>	<b>85,556,580</b>	<b>97,429,530</b>
<b>f. Total risk weighted assets</b>	<b>466,370,824</b>	<b>483,986,168</b>	<b>493,897,730</b>	<b>501,238,786</b>	<b>531,863,349</b>	<b>554,302,907</b>	<b>560,943,322</b>	<b>566,099,443</b>
<b>g. Core capital/Total deposits liabilities</b>	<b>15.7%</b>	<b>16.4%</b>	<b>16.9%</b>	<b>15.8%</b>	<b>19.2%</b>	<b>17.1%</b>	<b>17.1%</b>	<b>16.9%</b>
h. Minimum statutory ratio	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
i. Excess	7.7%	8.4%	8.9%	7.8%	11.2%	9.1%	9.1%	8.9%
<b>j. Core capital/Total risk weighted assets</b>	<b>14.3%</b>	<b>14.9%</b>	<b>15.0%</b>	<b>14.8%</b>	<b>17.4%</b>	<b>15.4%</b>	<b>15.1%</b>	<b>15.7%</b>
k. Minimum statutory ratio	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
l. Excess (j-k)	3.8%	4.4%	4.5%	4.3%	6.9%	4.9%	4.6%	5.2%
<b>m. Total capital/Total risk weighted assets</b>	<b>17.2%</b>	<b>16.1%</b>	<b>15.0%</b>	<b>16.4%</b>	<b>18.7%</b>	<b>16.6%</b>	<b>15.3%</b>	<b>17.2%</b>
n. Minimum statutory ratio	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%
o. Excess (m-n)	2.7%	1.6%	0.5%	1.9%	4.2%	2.1%	0.8%	2.7%
<b>p. Adjusted core capital/Total deposit liabilities*</b>	<b>-</b>	<b>-</b>	<b>18.0%</b>	<b>16.9%</b>	<b>-</b>	<b>-</b>	<b>18.0%</b>	<b>17.9%</b>
<b>q. Adjusted core capital/Total weighted assets*</b>	<b>-</b>	<b>-</b>	<b>16.0%</b>	<b>15.8%</b>	<b>-</b>	<b>-</b>	<b>15.9%</b>	<b>16.6%</b>
<b>r. Adjusted total capital/Total weighted assets*</b>	<b>-</b>	<b>-</b>	<b>16.0%</b>	<b>17.3%</b>	<b>-</b>	<b>-</b>	<b>16.1%</b>	<b>18.1%</b>
<b>5. LIQUIDITY</b>								
<b>a. Liquidity ratio</b>	<b>30.0%</b>	<b>28.5%</b>	<b>29.4%</b>	<b>31.8%</b>	<b>35.7%</b>	<b>29.0%</b>	<b>33.9%</b>	<b>35.3%</b>
b. Minimum statutory ratio	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
<b>c. Excess (a-b)</b>	<b>10.0%</b>	<b>8.5%</b>	<b>9.4%</b>	<b>11.8%</b>	<b>15.7%</b>	<b>9.0%</b>	<b>13.9%</b>	<b>15.3%</b>

\*The adjusted capital ratios include the expected credit loss provisions added back to capital in line with the CBK Guidance Note issued in April 2018 on implementation of IFRS 9

\*\*Net loans and advances have been affected by the adoption of IFRS 9, in the statement of financial position.

#### INTERIM DIVIDEND

The Directors have approved payment of an interim dividend of KShs. 1 for every ordinary share of KShs. 1 held. The dividend will be paid on or about **Friday, 30<sup>th</sup> November, 2018**, to shareholders registered at the close of business on **Monday 3<sup>rd</sup> September, 2018**. The register of members will be closed for one day on **Tuesday 4<sup>th</sup> September, 2018** for the purpose of processing the dividend register.

Georgina Malombe – Director

Joshua Oigara - Group Chief Executive Officer and Managing Director

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