

	Audited 31 Dec 2019 KShs M	Audited 31 Dec 2018 KShs M
Summary Consolidated Statement of Financial Position		
Assets		
Cash and balances with Central Banks	83,235	50,101
Loans and advances to banks	25,174	32,017
Financial assets at fair value through other comprehensive income	70,614	83,805
Clearing house	1,181	1,217
Financial assets held for trading	1,651	-
Other assets and prepayments	44,328	30,646
Loans and advances to customers (Net)	535,371	455,880
Financial assets at amortized cost	96,977	37,174
Tax recoverable	552	-
Property and equipment	13,132	11,007
Intangible assets	6,337	3,003
Right of use assets	7,159	129
Retirement benefit asset	-	658
Deferred income tax asset	12,861	8,676
Total Assets	898,572	714,313
Equity and Liabilities		
Liabilities		
Deposits from banks	20,371	20,105
Deposits from customers	686,583	537,460
Bills payable	4,447	5,514
Lease liabilities	6,108	-
Other liabilities and accrued expenses	29,701	14,817
Tax payable	136	309
Borrowings	21,485	22,447
Total Liabilities	768,831	600,652
Equity		
Share capital	3,213	3,066
Share premium	27,690	21,647
Revenue and other reserves	90,805	81,283
Proposed dividend	8,033	7,665
Total Equity	129,741	113,661
Total Equity and Liabilities	898,572	714,313
Summary Consolidated Income Statement		
Net interest income	56,130	48,830
Non interest revenue	28,171	22,973
Total Income	84,301	71,803
Credit impairment charges	(8,889)	(2,944)
Income after impairment charges	75,412	68,859
Total operating expenses	(38,679)	(34,698)
Profit before tax and loss on monetary position	36,733	34,161
Gain / (Loss) on monetary position	164	(302)
Profit before income tax	36,897	33,859
Income tax expense	(11,732)	(9,864)
Profit for the year	25,165	23,995
Summary Consolidated Statement of Other Comprehensive Income		
Profit for the year	25,165	23,995
Other comprehensive income		
Re-measurement of defined benefit pension fund	(503)	(340)
Hyperinflation translation	443	664
Exchange differences on translation of foreign operations	(780)	(1,967)
Available for sale financial assets at fairvalue through OCI	(3,053)	1,687
Other comprehensive income net of tax	(3,893)	44
Total comprehensive income	21,272	24,039

	Audited 31 Dec 2019 KShs M	Audited 31 Dec 2018 KShs M
Earnings per share basic and diluted (in KShs)	8.11	7.83
Dividend per share (in KShs)	3.50	3.50
Summary Consolidated Statement of Cash Flows		
Cashflows generated from operating activities	38,148	7,908
Cashflows used in investing activities	(14,926)	(3,107)
Cash flows used in financing activities	(10,649)	(1,646)
Net increase / (decrease) in cash and cash equivalents	12,573	3,155
Cash and cash equivalents as at 1 January	50,629	47,474
Cash and cash equivalents at 31 December	63,202	50,629

	Share capital KShs M	Share premium KShs M	Revenue and other reserves KShs M	Proposed dividend KShs M	Total KShs M
Summary Consolidated Statement of Changes in Equity					
At 1 January 2019	3,066	21,647	81,283	7,665	113,661
Adjustment of initial application of IFRS 16, net of taxes	-	-	(651)	-	(651)
Shares issued on NBK Transaction	147	6,043	-	-	6,190
Profit for the year	-	-	25,165	-	25,165
Other comprehensive income net of tax	-	-	(3,893)	-	(3,893)
Dividend paid in the year	-	-	(3,066)	(7,665)	(10,731)
Proposed Dividend	-	-	(8,033)	8,033	-
At 31 December 2019	3,213	27,690	90,805	8,033	129,741

Summary of Directors' Report

During the year, the group paid KShs.456m (2018: KShs.427m) as Directors' emoluments.

MESSAGE FROM THE DIRECTORS

Proposed Dividend

The Directors of KCB Group Plc. (the "Group") have recommended a final dividend of Kenya Shillings two and fifty cents (KShs.2.50) having paid an interim dividend of Kenya Shillings one (KShs.1.00) for each ordinary share of Kenya Shillings one (KShs.1.00) on the issued and paid up share capital of the company subject to shareholder approval. The final dividend will be payable to the members of the company on the share register at the close of business on Monday, 27 April 2020. If approved, the full dividend per share for the year ended 31 December, 2019 will be Kenya Shillings three and fifty cents (KShs.3.50) for each ordinary share of Kenya Shillings one (KShs.1.00).

Independent Auditor's Report on the Summary financial statements to the Shareholders of KCB Group Plc

Opinion

The summary consolidated financial statements, which comprise the summary Consolidated statement of financial position as at 31 December 2019, the summary Consolidated income statement, the summary Consolidated statement of other comprehensive income, the summary Consolidated statement of changes in equity and the summary Consolidated statement of cash flows for the year then ended and the summary of the directors' remuneration report, are derived from the audited consolidated financial statements and directors' remuneration report of KCB Group Plc for the year ended 31 December 2019 (together "the summary financial statements").

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited consolidated financial statements and directors' remuneration report respectively, in accordance with the Kenyan Companies Act, 2015 and Capital Markets (Securities) (Public offers, Listing and Disclosures) Regulations, 2002 – amended 2019.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements, directors' remuneration report and the auditor's report thereon. The summary financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

The audited consolidated financial statements, directors' remuneration report and our report thereon

We expressed an unmodified (unqualified) audit opinion on the audited consolidated financial statements and directors' remuneration report in our report dated 11 March 2020. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary financial statements in accordance with the Kenyan Companies Act, 2015 and the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002 – amended 2019.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited consolidated financial statements and directors' remuneration report based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

The signing Partner responsible for the audit resulting in this independent auditor's report is CPA Joseph Kariuki – P/2102.

KPMG Kenya
Certified Public Accountants
PO Box 40612 – 00100, Nairobi
15 May 2020

The Key audit matters include:

- Impairment allowances on loans and advances at amortised cost, including off-balance sheet elements of the allowance in the consolidated financial statements
- Acquisition of National Bank of Kenya Limited in the consolidated and separate financial statements
- Information Technology (IT) Systems and controls in the consolidated financial statements

The above summary consolidated financial statements are derived from the Group's and Company's financial statements which have been audited by KPMG Kenya and received an unqualified opinion. The complete set of audited financial statements, statutory and qualitative disclosures can be accessed on the institutions website www.kcbgroup.com. They may also be accessed from the institutions Head Office located at Kencom House, Moi Avenue, Nairobi.

The financial statements were approved by the Board of Directors on Wednesday, 11 March 2020 and were signed on its behalf by:

Andrew W. Kairu – Group Chairman | **Joshua Oigara** – Group Chief Executive Officer and Managing Director
Lawrence Njiru – Director | **Joseph Kania** – Group Company Secretary