KCB GROUP PLC
UN-AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 31 MARCH 2019

		BANK			COMPANY			GROUP		
		31-Mar-18 Kshs 000 Un-audited	31-Dec-18 Kshs 000 Audited	31-Mar-19 Kshs 000 Un-audited	31-Mar-18 Kshs 000 Un-audited	31-Dec-18 Kshs 000 Audited	31-Mar-19 Kshs 000 Un-audited	31-Mar-18 Kshs 000 Un-audited	31-Dec-18 Kshs 000 Audited	31-Mar-19 Kshs 000 Un-audited
I	**STATEMENT OF FINANCIAL POSITION**									
A	**ASSETS**									
1	Cash (both Local & Foreign)	6,628,513	8,147,290	6,218,297	-	-	-	10,002,205	11,062,802	10,662,173
2	Balances due from Central Bank of Kenya	23,785,573	30,977,080	28,808,413	-	-	-	23,785,573	39,038,130	45,669,341
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 at armotized cost	25,041,952	27,347,610	40,679,833	-	-	-	25,166,605	30,515,506	43,411,594
	b. Other securities	45,853	-	-	-	-	-	8,129,656	6,658,706	6,130,196
	b) Fair value through OCI: a. Kenya Government securities	69,478,995	72,296,603	73,333,775	-	-	-	69,478,995	79,362,566	79,669,319
	b. Other securities	2,022,525	3,369,846	3,949,128	46,651	34,213	33,626	9,340,289	3,532,802	4,096,159
6	Deposits and balances due from local banking institutions	85,361	7,985,156	6,078,270	900,747	898,979	893,966	85,361	23,744,032	13,757,646
7	Deposits and balances due from banking institutions abroad	9,930,773	4,865,897	5,058,303	-	-	-	36,992,629	8,272,635	5,610,766
8	Tax recoverable	-	-	-	69,000	68,639	68,639	164,353	-	-
9	Loans and advances to customers (net)	383,875,385	417,230,271	424,828,537	-	-	-	418,618,183	455,880,284	464,262,958
10	Balances due from group companies	3,462,398	3,720,491	3,251,795	12,979,598	6,485,053	6,390,520	-	-	-
11	Investments in associates	-	-	-	125	125	125	-	-	-
12	Investments in subsidiary companies	-	-	-	67,648,950	68,035,825	68,036,500	-	-	-
13	Investments in joint ventures	-	-	-	-	-	-	-	-	-
14	Investment properties	-	-	-	-	-	-	-	-	-
15	Property and equipment	6,929,772	7,121,150	6,144,796	559,941	648,966	654,948	10,989,869	11,007,625	9,888,315
16	Prepaid lease rentals	131,383	127,013	127,013	-	-	-	133,423	129,018	129,018
17	Intangible assets	3,086,669	2,861,074	3,721,204	-	-	-	3,321,456	3,003,113	3,847,630
18	Deferred tax asset	4,677,668	8,396,643	8,746,909	-	102,168	126,332	5,600,948	9,585,223	9,494,550
19	Retirement benefit asset	1,018,000	658,000	658,000	-	-	-	1,018,000	658,000	658,000
20	Other assets	20,703,167	26,618,752	22,941,808	84,149	-	7,225	24,646,370	31,862,149	28,375,764
21	**TOTAL ASSETS**	**560,903,987**	**621,722,876**	**634,546,081**	**82,289,161**	**76,273,968**	**76,211,880**	**647,473,915**	**714,312,591**	**725,663,429**
B	**LIABILITIES**									
22	Balances due to Central Bank of Kenya	-	-	-	-	-	-	-	-	-
23	Customer deposits	438,710,751	475,395,672	491,016,763	-	-	-	496,366,083	537,459,617	552,204,662
24	Deposits and balances due to local banking institutions	4,509,997	7,000,000	500,000	-	-	-	4,509,997	10,942,005	4,561,595
25	Deposits and balances due to foreign banking institutions	204,721	4,216,955	404,185	-	-	-	5,012,077	9,162,792	4,954,782
26	Other money market deposits	-	-	-	-	-	-	-	-	-
27	Borrowed funds	18,404,818	18,933,205	18,734,182	7,575,000	-	-	22,519,759	22,447,432	21,465,662
28	Balances due to group companies	-	-	-	-	112,055	111,103	-	-	-
29	Tax payable	2,658,256	55,349	2,955,282	-	-	-	2,864,073	308,534	2,723,231
30	Dividends payable	-	-	-	-	-	-	-	-	-
31	Deferred tax liability	-	-	-	1,751	-	-	25,764	-	-
32	Retirement benefit liability	-	-	-	-	-	-	-	-	-
33	Other liabilities	13,451,346	18,332,749	18,333,118	136,135	55,013	70,757	16,542,684	20,331,073	20,290,173
34	**TOTAL LIABILITIES**	**477,939,889**	**523,933,930**	**531,943,529**	**7,712,886**	**167,068**	**181,861**	**547,840,437**	**600,651,453**	**606,200,104**
C	**SHAREHOLDERS' FUNDS**									
35	Paid up /Assigned capital	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
36	Share premium/(discount)	-	-	-	21,646,777	21,646,777	21,646,777	21,646,777	21,646,777	21,646,777
37	Revaluation reserves	75,670	2,100,551	2,260,607	(30,092)	(42,530)	(43,117)	237,988	1,851,626	2,146,879
38	Retained earnings/ Accumulated losses	22,579,557	33,927,032	38,580,581	43,761,419	43,771,453	43,695,161	67,312,103	85,182,131	90,955,873
39	Statutory loan loss reserve	-	-	-	-	-	-	854,138	1,222,095	1,222,095
40	Other Reserves/Re-measurement of defined benefit asset/liability	384,300	44,100	44,100	-	-	-	384,300	(6,972,691)	(7,239,500)
41	Proposed dividends	5,938,471	7,731,163	7,731,163	6,132,114	7,665,143	7,665,143	6,132,114	7,665,143	7,665,143
42	Capital grants	-	-	-	-	-	-	-	-	-
43	**TOTAL SHAREHOLDERS' FUNDS**	**82,964,098**	**97,788,946**	**102,602,551**	**74,576,275**	**76,106,900**	**76,030,021**	**99,633,478**	**113,661,138**	**119,463,324**
44	Minority Interest	-	-	-	-	-	-	-	-	-
45	**TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS**	**560,903,987**	**621,722,876**	**634,546,081**	**82,289,161**	**76,273,968**	**76,211,880**	**647,473,915**	**714,312,591**	**725,669,429**
II	**STATEMENT OF COMPREHENSIVE INCOME**									
1	**INTEREST INCOME**									
	1.1 Loans and advances	11,421,000	47,786,148	12,101,356	146,107	294,800	-	12,577,876	52,711,906	13,387,549
	1.2 Government securities	2,563,636	11,053,590	2,762,217	-	-	-	3,010,746	12,983,467	3,230,329
	1.3 Deposits and placements with banking institutions	49,867	470,035	129,078	-	22,281	-	79,759	585,325	159,386
	1.4 Other Interest Income	-	-	-	-	-	-	-	-	-
	1.5 Total interest income	**14,034,503**	**59,309,773**	**14,992,651**	**146,107**	**317,081**	**-**	**15,668,381**	**66,280,698**	**16,777,264**
2	**INTEREST EXPENSE**									
	2.1 Customer deposits	3,325,249	13,772,004	3,069,113	-	-	-	3,801,100	15,464,365	3,575,443
	2.2 Deposits and placement from banking institutions	197,483	1,236,287	361,338	135,603	271,954	-	440,948	1,985,797	493,900
	2.3 Other interest expenses	-	-	-	-	-	-	-	-	-
	2.4 Total interest expenses	**3,522,732**	**15,008,291**	**3,430,451**	**135,603**	**271,954**	**-**	**4,242,048**	**17,450,162**	4,069,343
3	**NET INTEREST INCOME/(LOSS)**	**10,511,771**	**44,301,482**	**11,562,200**	**10,504**	**45,127**	**-**	**11,426,333**	**48,830,536**	**12,707,921**
4	**OTHER OPERATING INCOME**									
	4.1 Fees and commissions on loans and advances	813,873	5,718,319	1,668,091	-	-	-	1,076,111	7,441,206	2,156,531
	4.2 Other fees and commissions	1,851,158	6,170,865	1,782,440	-	-	673	2,546,075	6,797,540	1,885,926
	4.3 Foreign exchange trading income	680,542	2,744,601	639,912	(17,449)	(14,016)	(5,013)	1,032,393	4,374,312	976,835
	4.4 Dividend Income	-	365	-	5,938,471	16,863,871	-	-	365	-
	4.5 Other income	809,935	3,934,627	916,797	25,195	105,824	24,210	886,387	4,360,140	1,030,682
	4.6 Total other operating income	**4,155,508**	**18,568,777**	**5,007,240**	**5,946,217**	**16,955,679**	**19,870**	**5,540,966**	**22,973,563**	**6,049,974**
5	**TOTAL OPERATING INCOME**	**14,667,279**	**62,870,259**	**16,569,440**	**5,956,721**	**17,000,806**	**19,870**	**16,967,299**	**71,804,099**	**18,757,895**
6	**OTHER OPERATING EXPENSES**									
	6.1 Loan loss provision	494,449	3,136,286	988,314	-	-	-	600,297	2,944,367	1,163,108
	6.2 Staff costs	3,793,401	14,351,844	3,909,701	11,478	91,398	12,584	4,451,595	17,007,482	4,632,581
	6.3 Directors' emoluments	6,466	307,968	5,277	8,873	26,982	10,373	48,438	339,076	44,523
	6.4 Rental charges	161,265	762,574	191,387	-	-	-	337,462	1,262,514	311,496
	6.5 Depreciation charge on property and equipment	370,048	1,506,047	364,253	715	3,557	1,874	478,264	1,866,468	452,818
	6.6 Amortisation charges	272,109	1,212,187	285,470	-	-	-	296,056	1,279,757	300,648
	6.7 Other operating expenses	2,133,881	10,208,414	2,661,750	71,858	372,838	95,496	3,271,018	13,245,599	3,356,456
	6.8 Total other operating expenses	**7,231,619**	**31,485,320**	**8,406,152**	**92,924**	**494,775**	**120,327**	**9,483,130**	**37,945,263**	**10,261,630**
7	**Profit/(loss) before tax and exceptional items**	**7,435,660**	**31,384,939**	**8,163,288**	**5,863,797**	**16,506,031**	**(100,457)**	**7,484,169**	**33,858,836**	**8,496,265**
8	Exceptional items	-	-	-	-	-	-	-	-	-
9	**Profit/(loss) after exceptional items**	**7,435,660**	**31,384,939**	**8,163,288**	**5,863,797**	**16,506,031**	**(100,457)**	**7,484,169**	**33,858,836**	**8,496,265**
10	Current tax	(2,832,824)	(10,595,034)	(2,899,934)	(7,559)	(361)	-	(3,087,126)	(11,275,951)	(3,096,954)
11	Deferred tax	786,465	1,620,802	350,266	(1,751)	103,919	24,165	786,465	1,412,085	374,431
12	**Profit/(loss) after tax and exceptional items**	**5,389,301**	**22,410,707**	**5,613,620**	**5,854,488**	**16,609,589**	**(76,292)**	**5,183,508**	**23,994,970**	**5,773,742**
13	Minority Interest	-	-	-	-	-	-	-	-	-
14	**Profit/(loss) after tax and exceptional items and Minority Interest**	**5,389,301**	**22,410,707**	**5,613,620**	**5,854,488**	**16,609,589**	**(76,292)**	**5,183,508**	**23,994,970**	**5,773,742**
15	**Other Comprehensive income:**									
	15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-	-	-	**(51,209)**	**(918,220)**	**(381,156)**
	15.2 Fair value changes in available-for-sale financial assets	139,692	3,032,380	228,651	-	(26,861)	(839)	148,244	2,366,710	421,790
	15.3 Re-measurement of defined benefit pension fund	-	(486,000)	-	-	-	-	-	(486,000)	-
	15.4 Share of other comprehensive income of associates	-	-	-	-	-	-	-	-	-
	15.5 Income tax relating to components of other comprehensive income	(41,907)	(763,914)	(68,595)	-	8,058	252	(44,473)	(564,213)	(12,190)
16	**Other comprehensive income for the year net of tax**	**97,784**	**1,782,466**	**160,056**	**-**	**(18,802)**	**(587)**	**52,562**	**398,277**	**28,444**
17	**Total comprehensive income for the year**	**5,487,085**	**24,193,173**	**5,773,676**	**5,854,488**	**16,590,787**	**(76,879)**	**5,236,070**	**24,393,247**	**5,802,187**
18	**EARNINGS PER SHARE- DILUTED & BASIC KSHS**	**0.40**	**0.42**	**0.42**	**7.64**	**5.42**	**-**	**6.76**	**7.83**	**7.53**
19	**DIVIDEND PER SHARE - DECLARED KSHS**	**-**	**0.20**	**-**	**-**	**3.50**	**-**	**-**	**3.50**	**-**
III	**OTHER DISCLOSURES**									
1	**NON-PERFORMING LOANS AND ADVANCES**									
	a) Gross Non-performing loans and advances	40,893,918	30,011,847	35,929,025				43,774,880	32,691,822	38,823,607
	b) Less Interest in Suspense	4,760,944	3,791,303	4,256,303				5,118,839	4,119,045	4,639,189
	c) Total Non-Performing Loans and Advances (a-b)	**36,132,974**	**26,220,544**	**31,672,722**				**38,656,041**	**28,572,777**	**34,184,418**
	d) Less Loan Loss Provision	19,108,169	13,339,097	14,541,637				20,543,885	14,380,593	15,179,879
	e) Net Non-Performing Loans and Advances(c-d)	**17,024,805**	**12,881,447**	**17,131,085**				**18,112,156**	**14,192,184**	**19,004,538**
	f) Discounted Value of Securities	14,468,207	11,432,696	15,798,783				16,928,275	15,943,763	21,050,017
	g) Net NPLs Exposure (e-f)	**2,556,598**	**1,448,751**	**1,332,302**				**1,183,881**	**(1,751,579)**	**(2,045,479)**
2	**INSIDER LOANS AND ADVANCES**									
	a) Directors, Shareholders and Associates	1,503,180	2,706,409	2,233,339				1,531,165	2,730,448	2,255,696
	b) Employees	11,207,208	11,394,584	11,644,458				12,194,873	12,453,076	12,810,656
	c) Total Insider Loans and Advances and other facilities	**12,710,388**	**14,100,993**	**13,877,797**				**13,726,038**	**15,183,523**	**15,066,352**
3	**OFF-BALANCE SHEET ITEMS**									
	a) Letters of credit,guarantees, acceptances	73,791,121	71,147,007	69,580,493				79,240,141	76,632,216	76,163,376
	b) Forwards, swaps and options	7,669,526	17,745,126	17,500,426				9,384,804	20,440,843	17,927,725
	c) Other contingent liabilities	-	-	-				-	-	-
	d) Total Contingent Liabilities	**81,460,647**	**88,892,133**	**87,080,919**				**88,624,945**	**97,073,059**	**94,091,101**
4	**CAPITAL STRENGTH**									
	a) Core capital	**74,255,309**	**87,957,222**	**89,803,971**				**84,702,442**	**109,939,064**	**115,712,806**
	b) Minimum Statutory Capital	**1,000,000**	**1,000,000**	**1,000,000**				**6,537,376**	**6,520,129**	**6,520,129**
	c) Excess (a-b)	**73,255,309**	**86,957,222**	**88,803,971**				**78,165,066**	**103,418,935**	**109,192,677**
	d) Supplementary Capital	**-**	**7,638,750**	**7,560,000**				**854,138**	**8,860,845**	**8,782,095**
	e) Total Capital (a+d)	**74,255,309**	**95,595,972**	**97,363,971**				**85,556,580**	**118,799,910**	**124,494,902**
	f) Total risk weighted assets	493,897,730	537,572,619	548,967,531				560,943,322	607,822,826	622,119,690
	g) Core Capital/Total deposits Liabilities	**16.9%**	**18.5%**	**18.3%**				**17.1%**	**20.5%**	**21.0%**
	h) Minimum statutory Ratio	8.0%	8.0%	8.0%				8.0%	8.0%	8.0%
	I) Excess	8.9%	10.5%	10.3%				9.1%	12.5%	13.0%
	j) Core Capital / total risk weighted assets	15.0%	16.4%	16.4%				15.1%	18.1%	18.6%
	k) Minimum Statutory Ratio	10.5%	10.5%	10.5%				10.5%	10.5%	10.5%
	l) Excess (j-k)	4.5%	5.9%	5.9%				4.6%	7.6%	8.1%
	m)Total Capital/total risk weighted assets	**15.0%**	**17.8%**	**17.7%**				**15.3%**	**19.5%**	**20.0%**
	n) Minimum statutory Ratio	14.5%	14.5%	14.5%				14.5%	14.5%	14.5%
	o) Excess (m-n)	0.5%	3.3%	3.2%				0.8%	5.0%	5.5%
	(p) Adjusted Core Capital/Total Deposit Liabilities*	18.0%	19.5%	19.2%				18.0%	21.3%	21.8%
	(q) Adjusted Core Capital/Total Risk Weighted Assets*	16.0%	17.2%	17.2%				15.9%	18.8%	19.3%
	(r) Adjusted Total Capital/Total Risk Weighted Assets*	16.0%	18.6%	18.6%				16.1%	20.3%	20.8%
5	**LIQUIDITY**									
	a) Liquidity Ratio	**29.4%**	**29.4%**	**32.3%**				**33.9%**	**33.3%**	**35.6%**
	b) Minimum Statutory Ratio	20.0%	20.0%	20.0%				20.0%	20.0%	20.0%
	c) Excess (a-b)	9.4%	9.4%	12.3%				13.9%	13.3%	15.6%

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 instituition. The complete set of quarterly financial statements, statutory and qualitative disclosures can be accessed on the institution's website www.kcbgroup.com

They may accessed at the institution's head office located at Kencom house, Moi Avenue.

Andrew W. Kairu – Group Chairman | **Joshua Oigara** – Group Chief Executive Officer and Managing Director

Regulated by Central Bank of Kenya.