KCB GROUP PLC

	BANK					COMP	ANY		GROUP				
	30-Jun-16 Kshs 000	31-Dec-16 Kshs 000	31-Mar-17 Kshs 000	30-Jun-17 Kshs 000	30-Jun-16 Kshs 000	31-Dec-16 Kshs 000	31-Mar-17 Kshs 000	30-Jun-17 Kshs 000	30-Jun-16 Kshs 000	31-Dec-16 Kshs 000	31-Mar-17 Kshs 000	30-Jun- Kshs 00	
I STATEMENT OF FINANCIAL POSITION	Un-Audited	Audited	Un-Audited	Un-Audited	Un-Audited	Audited	Un-Audited	Un-Audited	Un-Audited	Audited	Un-Audited	Un-Audite	
A ASSETS													
1 Cash (both Local & Foreign)	6,590,668	8,085,113	6,182,156	6,850,236	-	951,009	933,609	913,056	11,270,931	11,374,751	9,246,661	9,886,88	
2 Balances due from Central Bank of Kenya	34,926,342	18,055,378	22,621,216	18,456,216	-	-	-		34,926,342	18,055,378	22,621,216	20,006,04	
3 Kenya Government and other securities held for dealing purposes	805.155		-	-	-	-	-		805.155		-	-	
4 Financial Assets at fair value through profit and loss	-		-	-	-	-		-	-	-	-	-	
5 Investment securities: a) Held to Maturity: a. Kenya Government securities	43,759,708	32,520,671	32,297,753	32,829,060	-	-		-	43,759,708	32,520,671	32,440,656	32,877,0	
b. Other securities	-		142,903	133,742	-		-	-	19,381,264	7,981,800	8,704,021	9,427,4	
 b) Available for sale: a. Kenya Government securities 	37,489,753	58,466,646	60,799,938	68,789,446	-		-	-	37,489,753	58,466,646	60,799,938	68,842,9	
b. Other securities	61,099		-	-	-	56,719	47,971	53,510	61,099	3,501,732	4,029,334	4,647,2	
6 Deposits and balances due from local banking institutions	4,200,000	1,627,573	-	-	-	-		-	4,200,000	1,627,573	-	-	
7 Deposits and balances due from banking institutions abroad	1.597.002	4.466.863	6.155.161	9.042.873	-	-		-	80.748.133	41.879.570	38.858.626	43.271.0	
8 Tax recoverable	-			1,250,023	-	•		-	158,026	216,993	226,861	1,454,0	
9 Loans and advances to customers (net)	315.326.989	353.900.051	362.922.411	373.809.146					348.696.017	385.745.331	395.491.270	406.975.9	
10 Balances due from group companies	1,496,801	436,130	2,259,685	2,417,097	6,907,883	807,828	9,900,292	850,964	-	-	-		
11 Investments in associates	1			-	125 66.695.167	125	125	125 67.130.100	-				
12 Investments in subsidiary companies	-	-	_	-	00,090,107	67,130,100	67,130,100	67,130,100	-	•	-		
13 Investments in joint ventures 14 Investment properties	-		-	-	-	*		-	-	-	-		
	6.388.275	6.036.806	6.062.972	5.939.653	581.449	564.597	563.900	563,292	10.663.990	9.372.955	9.453.613	9,493.7	
15 Property and equipment	133,255	132,006	131.383	130,759	561,449	504,597	563,900	503,292	133 255	134.046	133,423	130.7	
16 Prepaid lease rentals 17 Intangible assets	2.161.489	3.046.237	2.945.452	3.256.578		•		-	2.284.682	3.166.913	3.057.898	3.368.9	
18 Deferred tay asset	3.340.452	3.072.191	3.072.191	2,593,679					3.765.840	3,732,100	3.512.755	3.254.2	
19 Retirement benefit asset	980.000	811.000	811.000	811.000					980.000	811.000	811,000	811.0	
20 Other assets	8.862.280	14.121.009	14.131.441	13.662.922					10.882.727	16.652.184	16.367.514	16.160.5	
			520.535.662		74.184.624				610.206.922	595,239,643	605,754,786	630,608,0	
21 TOTAL ASSETS	468,119,268	504,777,674	520,535,662	539,972,430	74,184,624	69,510,378	78,575,997	69,511,037	610,206,922	595,239,643	605,754,786	630,608,0	
B. LIARII ITIES													
22 Balances due to Central Bank of Kenya													
23 Customer deposits	366.820.682	386.611.187	397.872.748	423.695.874					476.519.563	448.173.797	456.815.151	482,844,6	
24 Deposits and balances due to local banking institutions	1,128,518	5.500.000	4.693.827	7.387.164					1,128,518	5,500,000	4.693.827	7,387,	
25 Deposits and balances due to foreign banking institutions	7,043	122,729	131.615	822,670					7,191,619	7.622.786	3.665.380	8,031,3	
26 Other money market deposits	- 1,5.0		-	-					-	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	-	0,001,	
27 Borrowed funds	15.487.497	20,563,556	19.883.118	11.974.090					17.746.261	22.982.348	23.595.619	16.732.9	
28 Balances due to group companies	5,946,867	-	-	-	-	-	-						
29 Tax payable	219,890	531,825	2,277,380	-	-	36,153	66,925		297,988	870,488	2,466,139	118,7	
30 Dividends payable	-		9.178.000	-	-	-	-		-		-		
31 Deferred tax liability	-		-	-	-	-		-	441,094	166,150	171,450	171,2	
32 Retirement benefit liability	-		-	-	-	-		-	-	-	-		
33 Other liabilities	6,686,800	10,458,489	10,000,180	13,705,021	813,683	739,845	709,073	1,017,798	10,423,967	13,358,299	13,131,484	16,990,7	
34 TOTAL LIABILITIES	396,297,297	423,787,786	444,036,868	457,584,819	813,683	775,998	775,998	1,017,798	513,749,010	498,673,868	504,539,050	532,276,7	
C SHAREHOLDERS' FUNDS													
35 Paid up / Assigned capital	53.986.100	53.986.100	53.986.100	53.986.100	3.025.213	3.066.057	3.066.057	3.066.057	3.025.213	3.066.057	3.066.057	3.066.0	
36 Share premium/(discount)				-	20,135,561	21,646,776	21,646,776	21,646,776	20,135,561	21,646,776	21,646,776	21,646,	
37 Revaluation reserves	(739.834)	(1.134.529)	(936.194)	184.912					(807.935)	(1.148.761)	(1.040.394)	250.9	
38 Retained earnings/ Accumulated losses	7,283,795	9,681,560	12,837,979	16,321,543	44,159,741	34,823,376	43,888,995	43,780,406	61,947,762	53,248,726	56,360,182	57,400,6	
39 Statutory loan loss reserve	10,769,710 522,200	8,964,457 314,300	10,296,609 314,300	11,580,756 314,300		-		-	11,635,111 522,200	10,240,506 314,300	11,670,644 314,300	12,586,4	
40 Other Reserves/Remeasurement of defined asset/liability	522,200	9.178.000	314,300	314,300	6.050.426	9.198.171	9.198.171	-	522,200	9.198.171	9.198.171	314,3	
41 Proposed dividends	-	9,178,000	-	-	6,050,426	9,198,171	9,198,171	-	-	9,198,171	9,198,171	3,066,	
42 Capital grants 43 TOTAL SHAREHOLDERS' FUNDS	71.821.971	80 080 888	76.498.794	82 387 611	73.370.941	68.734.380	77,799,999	68 493 239	96.457.912	96.565.775	101.215.736	98.331.	
43 TOTAL SHAREHOLDERS' FUNDS 44 Minority Interest	71,021,9/1	00,000,000	70,490,794	02,307,011	13,310,541	00,734,380	11,100,399	00,453,239	90,407,912	50,000,775	101,210,736	50,331,	
45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	468 119 268	504,777,674	520.535.662	539.972.430	74.184.624	69.510.378	78.575.997	69.511.037	610.206.922	595,239,643	605.754.786	630,608	

1												
II STATEMENT OF COMPREHENSIVE INCOME												
	30-Jun-16	31-Dec-16	31-Mar-17	30-Jun-17	30-Jun-16	31-Dec-16	31-Mar-17	30-Jun-17	30-Jun-16	31-Dec-16	31-Mar-17	30-Jun-17
	Kshs 000	Kshs 000	Kshs 000	Kshs 000	Kshs 000	Kshs 000	Kshs 000	Kshs 000	Kshs 000	Kshs 000	Kshs 000	Kshs 000
1 INTEREST INCOME	Un-Audited	Audited	Un-Audited	Un-Audited	Un-Audited	Audited	Un-Audited	Un-Audited	Un-Audited	Audited	Un-Audited	Un-Audited
1.1 Loans and advances	23,401,439	46,484,722	10,249,230	21,712,920	-		-		25,719,557	51,208,848	11,343,854	23,945,210
1.2 Government securities	4.592.831	9.134.775	2.176.968	5.257.164	-			-	5.547.579	10.866.512	2.568.537	6.113.635
1.3 Deposits and placements with banking institutions	296,741	559,038	142,725	204,128	-		-		341,689	696,275	201,285	304,649
1.4 Other Interest Income		649								34,439		
1.5 Total interest income	28,291,011	56,179,184	12,568,923	27,174,212	-				31,608,825	62,806,074	14,113,676	30,363,494
2 INTEREST EXPENSE												
2.1 Customer deposits	7.381.539	12.391.402	2.695.372	5 514 756					8.373.909	14.481.365	3.198.170	6,533,803
				459.358	-	-	•	-				
2.2 Deposits and placement from banking institutions	401.211	862.815	248.019	459.358	-		-	-	733.530	1.298.065	570.695	680.530
2.3 Other interest expenses	7.782.750	13,254,217	2.943.391	5.974.114	-				9.107.439	15,779,430	3,768,865	7,214,333
2.4 Total interest expenses	20,508,261	13,254,217 42,924,967	2,943,391 9.625.532	5,974,114 21,200,098	-	•	_		9,107,439	15,779,430 47,026,644	3,768,865	7,214,333
3 NET INTEREST INCOME/(LOSS)	20,508,261	42,924,967	9,020,032	21,200,096	-	•	-		22,501,386	47,020,044	10,344,611	23,149,161
4 OTHER OPERATING INCOME												
4.1 Fees and commissions on loans and advances	2 042 500	4 621 797	1 133 666	2 935 031					2 422 431	6 560 093	1 429 651	3 114 491
4.2 Other fees and commissions	2,570,702	4.468.925	1,179,904	2 389 016					3.881.593	6.064.473	2.025,496	4.095.367
4.3 Foreign exchange trading income	1.035.796	2,204,062	588.564	1,539,513					2,566,870	5,493,696	1,285,092	2.644.696
4.4 Dividend Income	239	-,,		213		87 233	9 177 637	9 177 637	239		1,200,002	213
4.5 Other income	2.110.836	3.965.077	719 266	1.041.583	63.814	120.509	25.056	56 596	2.336.876	4.331.744	823 553	1.632.949
4.6. Total populaterest income	7.760.073	15.259.861	3.621.400	7.905.356	63.814	207.742	9.202.693	9.234.233	11,208,009	22,450,006	5.563.792	11,487,716
5 TOTAL OPERATING INCOME	28 268 334	58 184 828	13.246.932	29.105.454	63.814	207,742	9,202,693	9.234.233	33,709,395	69.476.650	15,908,603	34,636,877
											10,000	
6 OTHER OPERATING EXPENSES												
6.1 Loan loss provision	1,775,423	3,759,049	773,760	1,630,406	-			-	2,061,474	3,823,759	958,134	2,012,647
6.2 Staff costs	6.636.568	14.560.447	3.719.060	7.599.809	-	249.013	62.179	113.361	8.078.478	17.719.037	4.444.809	9.085.443
6.3 Directors' emoluments	57,318	113,978	4,280	7,926	-	44,617	33,674	69,739	111,011	283,722	67,151	142,986
6.4 Rental charges	361.422	721.563	181.292	403.083	-	-	-	-	734.887	1.247.256	312.520	779.020
6.5 Depreciation charge on property and equipment	622,613	1,240,066	326,388	665,850	-	2,795	698	1,397	808,769	1,598,776	413,352	832,045
6.6 Amortisation charges	329,338	760,744	231,182	469,787	-	-	-	-	361,874	829,460	248,003	503,602
6.7 Other operating expenses	4,521,334	8,546,656	1,776,843	4,548,204			31,776	(8,364)	6,719,783	14,883,515	2,872,616	6,529,052
6.8 Total other operating expenses	14,304,016	29,702,503	7,012,805	15,325,065		296,425	128,327	176,133	18,876,276	40,385,525	9,316,585	19,884,795
7 Profit/(loss) before tax and exceptional items	13,964,318	28,482,325	6,234,127	13,780,389	63,814	(88,683)	9,074,366	9,058,100	14,833,119	29,091,125	6,592,018	14,752,082
8 Exceptional items									-			
9 Profit/(loss) after exceptional items	13,964,318	28,482,325	6,234,127	13,780,389	63,814	(88,683)	9,074,366	9,058,100	14,833,119	29,091,125	6,592,018	14,752,082
10 Current tax	(4,189,296)	(8,591,333)	(1,745,555)	(3,666,454)	-			-	(4,551,962)	(9,171,465)	(2,049,691)	(4,012,688)
11 Deferred tax	-	(111,678)	-	(478,512)	-	(36,153)	(30,772)	(35,442)		(197,213)	-	(478,512)
12 Profit/(loss) after tax and exceptional items	9,775,022	19,779,314	4,488,572	9,635,423	63,814	(124,836)	9,043,594	9,022,658	10,281,157	19,722,447	4,542,327	10,260,882
13 Minority Interest	-		-								-	
14 Profit/(loss) after tax and exceptional items and Minority Interest	9,775,022	19,779,314	4,488,572	9,635,423	63,814	(124,836)	9,043,594	9,022,658	10,281,157	19,722,447	4,542,327	10,260,882
15 Other Comprehensive income:												
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-		-	-	-	-	(1.352.456)	317.968	(89.967)	(53.869)
15.2 Fair value changes in available-for-sale financial assets	223,192	(108,355)	283,334	1,884,916	-	-	-	-	223,192	(55,355)	283,334	1,884,916
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	-	121,606	(85,000)	(565,475)	-				-	121,606	(85,000)	(565,475
16 Other comprehensive income for the year net of tax	223,192	(283,749)	198,334	1,319,441					(1,129,264)	87,219	108,367	1,265,572
17 Total comprehensive income for the year	9,998,214	19,495,565	4,686,906	10,954,864	63,814	(124,836)	9,043,594	9,022,658	9,151,893	19,809,666	4,650,694	11,526,454
18 EARNINGS PER SHARE- DILUTED & BASIC KSHS	6.46	0.37	0.33	0.36	0.04	-0.04	2.95	2.94	6.94	6.46	5.93	6.69
19 DIVIDEND PER SHARE - DECLARED KSHS	-	0.17							-	3.00		1.00

III OTHER DISCLOSURES							31-Mar-17					
	30-Jun-16 Kshs 000	31-Dec-16 Kshs 000	31-Mar-17 Kshs 000	30-Jun-17 Kshs 000	30-Jun-16 Kshs 000	31-Dec-16 Kshs 000	31-Mar-17 Kshs 000	30-Jun-17 Kshs 000	30-Jun-16 Kshs 000	31-Dec-16 Kshs 000	31-Mar-17 Kshs 000	30-Jun-11 Kehs 000
1 NON-PERFORMING LOANS AND ADVANCES	Un-Audited	Audited	Un-Audited	Un-Audited	Un-Audited	Audited	Un-Audited	Un-Audited	Un-Audited	Audited	Un-Audited	Un-Audited
a) Gross Non-performing loans and advances	27.680.305	28.333.247	29.830.144	30.244.109	-		-	-	32.978.280	31.812.856	32.151.386	33,248,978
b) Less Interest in Suspense	3 709 468	4 210 013	4 443 776	4 505 009					4 269 838	4 609 881	4 746 085	4 918 816
c)Total Non-Performing Loans and Advances (a-b)	23 970 837	24.123.234	25.386.368	25.739.100					28.708.442	27,202,975	27.405.321	28.330.162
d) Less Loan Loss Provision	12.648.423	14 921 244	18 220 729	18.236.637					14 533 676	16.460.084	19 250 483	19,103,631
e) Net Non-Performing Loans and Advances(c-d)	11.322.414	9.201.990	7,165,639	7.502.463					14,174,766	10.742.891	8.154.838	9.226.531
f) Discounted Value of Securities	6.853,209	9.362.800	5,155,858	5.431.083					11.535.277	9.455.231	6.169.886	9,009,014
g) Net NPLs Exposure (e-f)	4,469,205	(160,810)	2,009,781	2,071,380	-		-	-	2,639,489	1,287,660	1,984,952	217,517
2 INSIDER LOANS AND ADVANCES												
a) Directors, Shareholders and Associates	2,465,849	5,143,843	2,606,949	6,097,064	-	-	-	-	1,617,355	4,818,059	2,671,024	6,006,222
b) Employees	10.907.471	11.944.993	11.917.042	11.765.695	-	-	-	-	11.949.868	12.738.369	12.585.442	12.851.701
c)Total Insider Loans and Advances and other facilities	13,373,320	17,088,836	14,523,991	17,862,759	-	•	-	-	13,567,223	17,556,428	15,256,466	18,857,923
3 OFF-BALANCE SHEET ITEMS												
a)Letters of credit guarantees, acceptances	62.205.612	52,197,440	60.455.126	71.372.628					64.802.260	54,949,849	62,937,121	76.501.166
b) Forwards, swaps and options	2.654.471	5.687.611	9.626.333	11.628.017					4,105,106	6.114.779	10.596.655	12,445,441
c) Other contingent liabilities	-				-		-	-			-	
d)Total Contingent Liabilities	64,860,083	57,885,051	70,081,459	83,000,645	-	-	-	-	68,907,366	61,064,628	73,533,776	88,946,607
4 CAPITAL STRENGTH												
a)Core capital	57.579.883	63.353.946	63.528.955	66.554.653					75.655.525	94.615.031	90.663.612	92.715.332
b) Minimum Statutory Capital	1.000.000	1,000,000	1.000.000	1.000.000					6.803.947	6.713.989	6.718.624	6.754.433
clExcess (a-b)	56,579,883	62,353,946	62,528,955	65,554,653					68.851.578	87,901,042	83,944,988	85,960,899
d) Supplementary Capital	4,893,883	13,080,489	13,338,149	13,524,635					5,759,960	6,414,324	6,494,557	6.648.292
e) Total Capital (a+d)	62,473,766	76,434,435	76,867,104	80.079.288					81,415,485	101.029.355	97.158.169	99.363.624
f)Total risk weighted assets	391,510,613	430.839.082	451,451,942	466,370,824					460,796,834	513,145,930	519,564,599	531.863.349
o) Core Capital/Total deposits Liabilities	15.7%	16.4%	16.0%	15.7%					17.8%	21.1%	19.8%	19.29
h) Minimum statutory Ratio	8.0%	8.0%	8.0%	8.0%					8.0%	8.0%	8.0%	8.09
() Excess	7.7%	8.4%	8.0%	7.7%					9.8%	13.1%	11.8%	11.29
) Core Capital / total risk weighted assets	14.7%	14.7%	14.1%	14.3%					16.4%	18.4%	17.4%	17.49
k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%					10.5%	10.5%	10.5%	10.59
I) Excess (Hk)	4.2%	4.2%	3.6%	3.8%					5.9%	7.9%	6.9%	6.99
m) Total Capital/total risk weighted assets	16.0%	17.7%	17.0%	17.2%					17.7%	19.7%	18.7%	18.79
n) Minimum statutory Ratio	14.5%	14.5%	14.5%	14.5%					14.5%	14.5%	14.5%	14.59
o) Excess (m·n)	1.5%	3.2%	2.5%	2.7%		Ì			3.2%	5.2%	4.2%	4.29
5 LIQUIDITY												
a) Liquidity Ratio	34.6%	30.3%	30.6%	30.0%					39.1%	37.5%	38.7%	35.79
b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%					20.0%	20.0%	20.0%	20.09
c) Excess (a-b)	14.6%	10.3%	10.6%	10.0%					19.1%	17.5%	18.7%	15.79

INTERIM DIVIDEDD
The Directors have approved payment of an interim dividend of KSIts1 for every ordinary share of KSIts 1 held. The dividend will be paid on or about Tuesday, 31st October 2017, to shareholders registered at the close of business on Monday 4th September 2017. The register of members will be closed for one day on Tuesday 5th September 2017 for the purpose of processing the dividend register.

MESSAGE FROM THE DIRECTORS
These financial statements are extracts from the books of the institution. The complete set of quarterly financial statements, stately and qualitative disclosures can be accessed on the institutions website.
They may also be accessed at the institutions head office located at Kencom House, Moi avenue.

Ngeny Biwott- Chairman Joshua Olgara- Chief Executive Officer