

KENYA COMMERCIAL BANK GROUP
UN AUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 30TH JUNE 2015

	BANK				GROUP			
	30-Jun-14 Kshs 000 Un-Audited	31-Dec-14 Kshs 000 Audited	31-Mar-15 Kshs 000 Un-Audited	30-Jun-15 Kshs 000 Un-Audited	30-Jun-14 Kshs 000 Un-Audited	31-Dec-14 Kshs 000 Audited	31-Mar-15 Kshs 000 Un-Audited	30-Jun-15 Kshs 000 Un-Audited
I STATEMENT OF FINANCIAL POSITION								
A ASSETS								
1 Cash (both Local & Foreign)	6,138,382	8,410,517	7,284,182	6,787,648	14,227,426	33,275,231	17,024,024	16,208,624
2 Balances due from Central Bank of Kenya	11,259,020	13,789,090	14,691,594	11,675,082	11,259,020	13,789,090	14,691,594	11,675,082
3 Kenya Government and other securities held for dealing purposes	15,580	1,115,943	2,461,971	3,681,893	15,580	1,115,943	2,461,971	3,681,893
4 Financial Assets at fair value through profit and loss	-	-	-	-	-	-	-	-
5 Investment securities: a) Held to Maturity: a. Kenya Government securities	35,386,093	36,601,868	37,026,571	44,009,634	35,386,093	36,601,868	37,026,571	44,009,634
b. Other securities	-	-	-	-	16,002,335	24,467,128	25,368,129	27,765,245
b) Available for sale: a. Kenya Government securities	41,925,495	34,147,777	32,406,077	37,138,178	41,925,495	34,147,777	32,406,077	37,138,178
b. Other securities	2,007,988	865,258	885,541	876,295	2,007,988	865,258	885,541	876,295
6 Deposits and balances due from local banking institutions	12,027,608	-	-	2,927,875	12,027,608	745,314	-	2,927,875
7 Deposits and balances due from banking institutions abroad	6,811,035	2,577,662	3,266,344	4,530,462	39,759,061	36,827,145	60,451,463	77,057,187
8 Tax recoverable	127,990	137,516	-	34,249	198,428	183,283	-	34,266
9 Loans and advances to customers (net)	213,663,852	248,823,710	262,311,085	283,200,200	244,014,013	283,732,205	297,031,494	320,600,852
10 Balances due from group companies	369,257	-	1,448,803	1,725,577	-	-	-	-
11 Investments in associates	125	125	125	125	-	-	-	-
12 Investments in subsidiary companies	10,467,258	11,316,817	12,709,067	12,709,067	-	-	-	-
13 Investments in joint ventures	-	-	-	-	-	-	-	-
14 Investment properties	-	-	-	-	-	-	-	-
15 Property and equipment	5,245,801	5,299,673	5,563,901	5,845,470	8,314,912	8,838,074	8,922,027	9,244,899
16 Prepaid lease rentals	138,249	137,000	136,376	135,752	293,009	139,110	268,702	265,298
17 Intangible assets	1,172,800	1,234,309	1,152,838	1,396,264	1,280,667	1,374,215	1,287,196	1,529,044
18 Deferred tax asset	2,027,503	2,174,706	2,174,706	2,447,907	2,560,636	2,565,608	2,554,549	-
19 Retirement benefit asset	1,837,000	1,835,000	1,835,000	1,835,000	1,837,000	1,835,000	1,835,000	1,835,000
20 Other assets	7,211,816	8,502,430	6,757,995	7,690,452	8,704,453	9,841,047	8,039,376	9,205,856
21 TOTAL ASSETS	357,832,852	376,969,401	392,112,176	428,373,929	439,700,995	490,338,324	510,264,773	566,609,777
B LIABILITIES								
22 Balances due to Central Bank of Kenya	-	-	-	-	-	-	-	-
23 Customer deposits	276,460,447	276,749,766	289,076,281	317,058,707	351,602,752	377,271,886	397,102,268	443,036,231
24 Deposits and balances due to local banking institutions	698,506	-	127,523	7,100,000	698,506	-	127,523	7,100,000
25 Deposits and balances due to foreign banking institutions	1,415,956	8,733,510	6,749,683	3,085,453	2,940,309	14,295,619	9,320,810	5,173,359
26 Other money market deposits	-	-	-	-	-	-	-	-
27 Borrowed funds	12,502,909	11,610,293	11,595,487	20,914,425	13,116,753	12,734,848	12,724,434	22,474,447
28 Balances due to group companies	-	1,660,076	-	-	-	-	-	-
29 Tax payable	-	-	1,558,702	-	472,560	131,928	1,532,309	1,389
30 Dividends payable	-	-	-	-	-	-	-	-
31 Deferred tax liability	-	-	-	-	-	307	-	46,175
32 Retirement benefit liability	-	-	-	-	-	-	-	-
33 Other liabilities	4,025,685	6,048,417	7,174,940	6,781,013	6,015,581	10,272,239	10,049,311	10,680,877
34 TOTAL LIABILITIES	295,103,503	304,802,062	316,282,616	354,939,598	374,846,461	414,706,827	430,856,655	488,512,478
C SHAREHOLDERS' FUNDS								
35 Paid up /Assigned capital	2,984,228	3,025,213	3,025,213	3,025,213	2,984,228	3,025,213	3,025,213	3,025,213
36 Share premium/(discount)	19,330,200	20,135,561	20,135,561	20,135,561	19,330,200	20,135,561	20,135,561	20,135,561
37 Revaluation reserves	(485,604)	(92,718)	(295,770)	(930,855)	(320,149)	(92,718)	(295,770)	(930,855)
38 Retained earnings/ Accumulated losses	35,250,279	37,756,878	42,042,952	44,883,308	36,058,889	39,961,479	44,361,953	48,286,718
39 Statutory loan loss reserve	4,185,847	4,005,379	3,584,578	5,034,504	5,336,966	5,264,936	4,844,135	6,294,062
40 Other Reserves/Remeasurement of defined asset/liability	1,464,400	1,286,600	1,286,600	1,286,600	1,464,400	1,286,600	1,286,600	1,286,600
41 Proposed dividends	-	6,050,426	6,050,426	-	-	6,050,426	6,050,426	-
42 Capital grants	-	-	-	-	-	-	-	-
43 TOTAL SHAREHOLDERS' FUNDS	62,729,349	72,167,339	75,829,560	73,434,331	64,854,534	75,631,497	79,408,118	78,097,299
44 Minority Interest	-	-	-	-	-	-	-	-
45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	357,832,852	376,969,401	392,112,176	428,373,929	439,700,995	490,338,324	510,264,773	566,609,777

II STATEMENT OF COMPREHENSIVE INCOME								
	30-Jun-14 Kshs 000 Un-Audited	31-Dec-14 Kshs 000 Audited	31-Mar-15 Kshs 000 Un-Audited	30-Jun-15 Kshs 000 Un-Audited	30-Jun-14 Kshs 000 Un-Audited	31-Dec-14 Kshs 000 Audited	31-Mar-15 Kshs 000 Un-Audited	30-Jun-15 Kshs 000 Un-Audited
1 INTEREST INCOME								
1.1 Loans and advances	14,889,931	31,927,540	8,814,517	18,543,879	17,007,624	36,574,907	10,050,219	21,110,584
1.2 Government securities	4,545,060	8,665,293	1,800,911	3,892,039	5,101,468	9,991,210	2,138,091	4,571,810
1.3 Deposits and placements with banking institutions	200,620	290,415	19,198	88,782	300,203	482,412	53,338	171,541
1.4 Other Interest Income	-	-	-	-	-	427,186	-	-
1.5 Total Interest income	19,635,611	40,883,247	10,634,626	22,524,700	22,409,295	47,475,715	12,241,648	25,853,935
2 INTEREST EXPENSE								
2.1 Customer deposits	4,179,914	9,019,457	2,355,181	5,051,824	4,961,263	10,633,005	2,761,025	5,879,798
2.2 Deposits and placement from banking institutions	255,744	678,345	167,143	389,962	314,245	894,015	221,886	528,014
2.3 Other interest expenses	-	-	-	-	-	-	-	-
2.4 Total Interest expenses	4,435,657	9,697,802	2,522,324	5,441,786	5,275,508	11,527,020	2,982,911	6,407,812
3 NET INTEREST INCOME/(LOSS)	15,199,954	31,185,445	8,112,302	17,082,914	17,133,787	35,948,695	9,258,737	19,446,123
4 OTHER OPERATING INCOME								
4.1 Fees and commissions on loans and advances	1,778,842	4,259,929	1,077,488	2,159,979	2,143,999	4,635,350	1,166,746	2,367,707
4.2 Other fees and commissions	1,987,603	4,243,935	1,092,906	2,384,047	3,525,229	8,103,867	2,050,985	4,475,849
4.3 Foreign exchange trading income	1,196,654	2,192,237	524,330	1,212,518	2,219,921	4,149,902	873,579	2,013,736
4.4 Dividend Income	82	704,105	19	410	82	103	19	410
4.5 Other income	2,341,235	4,790,763	490,528	1,612,658	2,500,001	5,111,937	538,094	2,411,008
4.6 Total non-interest income	7,304,414	16,190,969	3,185,271	7,369,612	10,389,232	22,001,159	4,629,423	11,268,710
5 TOTAL OPERATING INCOME	22,504,368	47,376,413	11,297,573	24,452,526	27,523,019	57,949,854	13,888,160	30,714,833
6 OTHER OPERATING EXPENSES								
6.1 Loan loss provision	1,326,313	3,013,751	282,970	1,449,838	2,209,856	5,058,270	549,703	2,593,397
6.2 Staff costs	5,614,043	11,232,635	3,038,453	6,149,121	6,866,393	13,993,445	3,785,768	7,698,370
6.3 Directors' emoluments	80,305	132,970	24,761	59,637	156,295	296,963	87,397	156,860
6.4 Rental charges	230,930	465,404	109,386	234,287	534,847	1,346,574	303,792	629,482
6.5 Depreciation charge on property and equipment	623,985	1,240,498	280,518	575,682	907,189	1,885,066	450,878	927,421
6.6 Amortisation charges	219,343	432,981	103,381	219,053	252,317	502,876	122,413	256,398
6.7 Other operating expenses	3,694,647	8,506,421	1,803,831	3,981,660	4,922,073	11,079,231	2,354,915	5,250,453
6.8 Total other operating expenses	11,789,566	25,014,659	5,643,299	12,669,278	15,848,970	34,162,425	7,654,866	17,512,381
7 Profit/(loss) before tax and exceptional items	10,714,802	22,361,754	5,654,274	11,783,248	11,674,049	23,787,429	6,233,294	13,202,452
8 Exceptional items	-	-	-	-	-	-	-	-
9 Profit/(loss) after exceptional items	10,714,802	22,361,754	5,654,274	11,783,248	11,674,049	23,787,429	6,233,294	13,202,452
10 Current tax	(3,214,441)	(6,514,044)	(1,696,282)	(3,534,974)	(3,502,215)	(6,977,553)	(1,869,988)	(3,960,736)
11 Deferred tax	-	31,267	-	-	-	38,986	-	-
12 Profit/(loss) after tax and exceptional items	7,500,361	15,878,977	3,957,992	8,248,274	8,171,834	16,848,863	4,363,306	9,241,716
13 Minority Interest	-	-	-	-	-	-	-	-
14 Profit/(loss) after tax and exceptional items and Minority Interest	7,500,361	15,878,977	3,957,992	8,248,274	8,171,834	16,848,863	4,363,306	9,241,716
15 Other Comprehensive income:								
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-	(138,216)	904,406	(292,975)	306,823
15.2 Fair value changes in available-for-sale financial assets	(320,149)	70,678	388,488	(930,855)	(320,149)	70,678	388,488	(930,855)
15.3 Re-measurement of defined benefit pension fund	-	(177,800)	-	-	-	(177,800)	-	-
15.4 Share of other comprehensive income of associates	-	-	-	-	-	-	-	-
15.5 Income tax relating to components of other comprehensive income	-	-	-	-	-	-	-	-
16 Other comprehensive income for the year net of tax	(320,149)	(107,122)	388,488	(930,855)	(458,365)	797,284	95,513	(624,032)
17 Total comprehensive income for the year	7,180,212	15,771,855	4,346,480	7,317,419	7,713,469	17,646,147	4,458,819	8,61

III OTHER DISCLOSURES									
	30-Jun-14 Kshs 000 Un-Audited	31-Dec-14 Kshs 000 Audited	31-Mar-15 Kshs 000 Un-Audited	30-Jun-15 Kshs 000 Un-Audited	30-Jun-14 Kshs 000 Un-Audited	31-Dec-14 Kshs 000 Audited	31-Mar-15 Kshs 000 Un-Audited	30-Jun-15 Kshs 000 Un-Audited	
1 NON-PERFORMING LOANS AND ADVANCES									
a) Gross Non-performing loans and advances	16,235,018	13,367,944	17,384,023	18,809,920	21,720,568	18,404,132	21,880,196	24,183,168	
b) Less Interest in Suspense	1,941,406	1,809,962	2,572,007	2,457,536	2,636,266	2,588,273	3,351,776	3,319,798	
c) Total Non-Performing Loans and Advances (a-b)	14,293,612	11,557,982	14,812,016	16,352,384	19,084,302	15,815,858	18,528,419	20,863,370	
d) Less Loan Loss Provision	7,439,753	6,764,855	6,820,479	7,227,377	9,027,247	9,402,308	9,108,129	9,896,799	
e) Net Non-Performing Loans and Advances(c-d)	6,853,859	4,793,127	7,991,537	9,125,007	10,057,056	6,413,551	9,420,290	10,966,571	
f) Discounted Value of Securities	6,355,822	4,793,127	7,991,537	9,125,007	10,306,073	6,413,551	9,420,290	10,966,571	
g) Net NPLs Exposure (e-f)	498,037	-	-	-	(249,017)	(0)	-	0	
2 INSIDER LOANS AND ADVANCES									
a) Directors, Shareholders and Associates	1,816,391	375,380	177,884	93,520	1,964,693	648,670	552,025	438,843	
b) Employees	8,337,252	8,912,786	8,973,654	9,087,749	9,170,779	9,795,649	9,900,418	10,063,566	
c) Total Insider Loans and Advances and other facilities	10,153,643	9,288,166	9,151,538	9,181,269	11,135,472	10,444,319	10,452,442	10,502,409	
3 OFF-BALANCE SHEET ITEMS									
a) Letters of credit, guarantees, acceptances	123,917,187	69,223,656	64,451,811	67,831,261	131,435,094	72,326,419	68,461,144	69,927,355	
b) Forwards, swaps and options	72,007,408	35,375,754	26,010,480	17,340,061	72,140,142	36,498,020	26,327,615	18,084,883	
c) Other contingent liabilities	-	-	-	-	-	-	-	-	
d) Total Contingent Liabilities	195,924,595	104,599,410	90,462,291	85,171,322	203,575,236	108,824,439	94,788,759	88,012,238	
4 CAPITAL STRENGTH									
a) Core capital	46,460,419	57,805,191	60,569,495	54,388,927					
b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000					
c) Excess (a-b)	45,460,419	56,805,191	59,569,495	53,388,927					
d) Supplementary Capital	14,060,756	13,405,197	3,584,577	5,034,506					
e) Total Capital (a+d)	60,521,175	71,210,388	64,154,072	59,423,433					
f) Total risk weighted assets	292,090,820	338,877,072	354,334,716	372,940,833					
g) Core Capital/Total deposits Liabilities	16.8%	20.9%	21.0%	17.2%					
h) Minimum statutory Ratio	8.0%	8.0%	8.0%	8.0%					
i) Excess	8.8%	12.9%	13.0%	9.2%					
j) Core Capital / total risk weighted assets	15.9%	17.1%	17.1%	14.6%					
k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%					
l) Excess (j-k)	5.4%	6.6%	6.6%	4.1%					
m) Total Capital/total risk weighted assets	20.7%	21.0%	18.1%	15.9%					
n) Minimum statutory Ratio	14.5%	14.5%	14.5%	14.5%					
o) Excess (m-n)	6.2%	6.5%	3.6%	1.4%					
5 LIQUIDITY									
a) Liquidity Ratio	40.9%	31.3%	31.4%	32.2%					
b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%					
c) Excess (a-b)	20.9%	11.3%	11.4%	12.2%					

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 institution. The complete set of quarterly financial statements, statutory 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 Oigara- Chief Executive Officer