

**KCB GROUP PLC**  
**UN AUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 30 JUNE 2017**

	BANK				COMPANY				GROUP			
	30-Jun-16 Kshs 000 Un-Audited	31-Dec-16 Kshs 000 Audited	31-Mar-17 Kshs 000 Un-Audited	30-Jun-17 Kshs 000 Un-Audited	30-Jun-16 Kshs 000 Un-Audited	31-Dec-16 Kshs 000 Audited	31-Mar-17 Kshs 000 Un-Audited	30-Jun-17 Kshs 000 Un-Audited	30-Jun-16 Kshs 000 Un-Audited	31-Dec-16 Kshs 000 Audited	31-Mar-17 Kshs 000 Un-Audited	30-Jun-17 Kshs 000 Un-Audited
<b>I STATEMENT OF FINANCIAL POSITION</b>												
<b>A ASSETS</b>												
1 Cash (both Local & Foreign)	6,590,658	6,085,113	6,102,150	6,805,226	-	951,009	933,609	913,056	11,270,331	11,374,751	9,246,661	9,886,863
2 Balances due from Central Bank of Kenya	34,526,342	34,003,278	22,821,216	16,456,216	-	-	-	-	34,526,342	34,003,278	22,821,216	20,006,048
3 Kenya Government and other securities held for dealing purposes	805,155	-	-	-	-	-	-	-	805,155	-	-	-
4 Financial Assets at fair value through profit/loss	43,759,708	32,520,671	32,297,753	32,829,060	-	-	-	-	43,759,708	32,520,671	32,440,656	32,877,860
5 Investment securities: a) held to maturity a. Kenya Government securities b. Other securities	37,493,753 61,099	58,466,646	60,739,538	68,789,446	-	56,719	47,971	53,510	37,493,753 61,099	58,466,646	60,739,538	68,842,956
6 Deposits and balances due from local banking institutions 7 Deposits and balances due from banking institutions abroad	4,200,000 1,597,002	1,627,573 4,466,863	6,155,161	9,042,773	-	-	-	-	4,200,000 60,748,133	1,627,573 41,879,570	38,868,626	43,271,021
8 Tax receivable	-	-	-	1,250,023	-	-	-	-	-	-	1,250,023	1,454,609
9 Loans and advances to companies (net)	315,326,989	353,900,051	382,922,411	373,803,146	6,907,883	807,628	9,900,292	850,964	348,696,017	385,745,331	395,491,270	406,975,972
10 Balances due from group companies	2,496,801	436,130	2,259,685	2,417,097	125	125	125	125	2,496,801	436,130	2,259,685	2,417,097
11 Investments in associates	-	-	-	66,695,167	67,130,100	67,130,100	67,130,100	67,130,100	-	-	-	-
12 Investments in subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	-
13 Investments in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-
14 Investment properties	-	-	-	-	-	-	-	-	-	-	-	-
15 Property and equipment	6,388,275	6,038,806	6,092,972	5,939,653	581,449	564,597	563,000	563,292	10,683,990	9,372,955	9,453,613	9,483,791
16 Prepaid lease rentals	133,255	132,000	131,383	130,759	-	-	-	-	133,255	132,000	131,383	130,759
17 Intangible assets	2,161,489	3,046,237	2,945,462	3,256,578	-	-	-	-	2,161,489	3,046,237	2,945,462	3,256,578
18 Deferred tax asset	3,340,452	3,072,191	3,072,191	2,593,679	-	-	-	-	3,340,452	3,072,191	3,072,191	2,593,679
19 Retirement benefit asset	980,000	811,000	811,000	811,000	-	-	-	-	980,000	811,000	811,000	811,000
20 Other assets	8,852,280	14,121,009	14,131,441	13,852,922	-	-	-	-	10,882,727	16,652,184	16,652,184	16,150,577
<b>21 TOTAL ASSETS</b>	<b>468,119,268</b>	<b>504,777,674</b>	<b>520,535,662</b>	<b>539,972,430</b>	<b>74,184,624</b>	<b>69,510,378</b>	<b>78,575,997</b>	<b>69,511,037</b>	<b>610,206,922</b>	<b>595,239,643</b>	<b>605,754,786</b>	<b>630,608,639</b>
<b>B LIABILITIES</b>												
22 Balances due to Central Bank of Kenya	-	-	-	-	-	-	-	-	-	-	-	-
23 Customer deposits	366,820,682	386,811,167	397,672,749	423,895,874	-	-	-	-	478,519,563	448,173,797	456,815,151	482,844,611
24 Deposits and balances due to local banking institutions	1,125,518	5,520,000	4,693,627	7,387,154	-	-	-	-	1,125,518	5,520,000	4,693,627	7,387,154
25 Deposits and balances due to foreign banking institutions	7,043	122,729	131,615	822,670	-	-	-	-	7,191,619	7,622,796	3,665,380	8,031,361
26 Other money market deposits	-	-	-	-	-	-	-	-	-	-	-	-
27 Borrowed funds	15,487,497	20,583,556	19,883,118	11,974,000	-	-	-	-	17,746,261	22,982,348	23,595,019	16,732,935
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	118,756
30 Dividends payable	-	-	9,178,000	-	-	-	-	-	-	-	-	-
31 Deferred tax liability	-	-	-	-	-	-	-	-	44,094	168,150	171,450	171,230
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	16,990,721
<b>34 TOTAL LIABILITIES</b>	<b>396,297,297</b>	<b>423,787,786</b>	<b>444,036,968</b>	<b>457,584,819</b>	<b>813,683</b>	<b>775,998</b>	<b>775,998</b>	<b>1,017,798</b>	<b>513,749,010</b>	<b>488,673,688</b>	<b>504,539,050</b>	<b>532,276,778</b>
<b>C SHAREHOLDERS' FUNDS</b>												
35 Paid up/Assigned capital	53,986,100	53,986,100	53,986,100	53,986,100	3,025,213	3,066,657	3,066,657	3,066,657	3,025,213	3,066,657	3,066,657	3,066,657
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	21,646,776
37 Revaluation reserves	779,834	(1,134,529)	(936,194)	184,912	-	-	-	-	607,855	(1,148,761)	(1,940,394)	250,919
38 Retained earnings/ Accumulated losses	7,283,795	9,681,500	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	57,400,697
39 Statutory loan loss reserve	10,769,710	8,964,457	10,296,609	11,580,756	-	-	-	-	11,835,111	10,240,506	11,670,644	12,586,405
40 Other Reserves/Re-measurement of defined asset/liability	522,200	314,300	314,300	314,300	-	-	-	-	522,200	314,300	314,300	314,300
41 Proposed dividends	-	9,178,000	-	-	6,050,426	9,198,171	9,198,171	-	-	9,198,171	9,198,171	3,066,057
42 Capital grants	-	-	-	-	-	-	-	-	-	-	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>71,821,671</b>	<b>80,989,688</b>	<b>76,498,784</b>	<b>82,387,611</b>	<b>73,376,941</b>	<b>68,734,380</b>	<b>77,799,599</b>	<b>68,493,230</b>	<b>96,457,912</b>	<b>96,575,775</b>	<b>101,215,736</b>	<b>98,331,261</b>
44 Minority Interest	-	-	-	-	-	-	-	-	-	-	-	-
<b>45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>468,119,268</b>	<b>504,777,674</b>	<b>520,535,662</b>	<b>539,972,430</b>	<b>74,184,624</b>	<b>69,510,378</b>	<b>78,575,997</b>	<b>69,511,037</b>	<b>610,206,922</b>	<b>595,239,643</b>	<b>605,754,786</b>	<b>630,608,639</b>

	BANK				COMPANY				GROUP			
	30-Jun-16 Kshs 000 Un-Audited	31-Dec-16 Kshs 000 Audited	31-Mar-17 Kshs 000 Un-Audited	30-Jun-17 Kshs 000 Un-Audited	30-Jun-16 Kshs 000 Un-Audited	31-Dec-16 Kshs 000 Audited	31-Mar-17 Kshs 000 Un-Audited	30-Jun-17 Kshs 000 Un-Audited	30-Jun-16 Kshs 000 Un-Audited	31-Dec-16 Kshs 000 Audited	31-Mar-17 Kshs 000 Un-Audited	30-Jun-17 Kshs 000 Un-Audited
<b>I INTEREST INCOME</b>												
1 Loans and advances	23,401,431	46,454,722	10,249,232	21,712,522	-	-	-	-	25,719,527	51,209,387	11,313,854	23,945,521
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
3 Deposits and placements with banking institutions	296,741	559,038	14,725	204,128	-	-	-	-	341,689	696,275	201,285	304,489
4 Other interest income	649	649	-	-	-	-	-	-	34,439	-	-	-
<b>1.5 Total interest income</b>	<b>28,291,611</b>	<b>56,179,184</b>	<b>12,568,923</b>	<b>27,174,814</b>	-	-	-	-	<b>31,668,625</b>	<b>62,866,074</b>	<b>14,113,676</b>	<b>30,363,694</b>
<b>2 INTEREST EXPENSE</b>												
2.1 Customer deposits	7,381,538	12,381,402	2,695,372	5,514,756	-	-	-	-	8,373,909	14,481,365	3,198,170	6,533,803
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	-	-	-	-	-	-	-	-	-	-	-	-
<b>2.4 Total interest expenses</b>	<b>7,782,749</b>	<b>13,244,217</b>	<b>2,943,391</b>	<b>5,974,114</b>	-	-	-	-	<b>9,107,439</b>	<b>15,779,430</b>	<b>3,768,865</b>	<b>7,214,333</b>
<b>3 NET INTEREST INCOME/(LOSS)</b>	<b>20,508,862</b>	<b>42,934,967</b>	<b>9,625,532</b>	<b>21,200,698</b>	-	-	-	-	<b>22,561,186</b>	<b>47,086,644</b>	<b>10,344,811</b>	<b>23,149,361</b>
<b>4 OTHER OPERATING INCOME</b>												
4.1 Fees and commissions on loans and advances	2,042,500	4,621,797	1,133,666	2,036,031	-	-	-	-	2,422,441	6,590,983	1,439,651	3,114,491
4.2 Other fees and commissions	2,570,704	4,468,025	1,179,904	3,091,016	-	-	-	-	3,891,593	6,064,473	2,025,496	4,095,367
4.3 Foreign exchange trading income	1,035,796	2,204,062	588,564	1,538,512	-	-	-	-	2,568,870	5,493,696	1,285,052	2,644,696
4.4 Dividend income	239	-	-	213	-	-	-	-	239	-	-	213
4.5 Other income	2,110,938	3,995,077	719,266	1,041,026	63,814	87,233	26,056	9,177,637	2,348,789	4,331,744	823,553	1,652,849
<b>4.6 Total non-interest income</b>	<b>7,760,273</b>	<b>15,299,861</b>	<b>3,621,400</b>	<b>7,805,356</b>	<b>63,814</b>	<b>207,742</b>	<b>9,202,693</b>	<b>9,244,233</b>	<b>11,208,009</b>	<b>22,450,066</b>	<b>5,563,792</b>	<b>11,487,716</b>
<b>5 OTHER OPERATING EXPENSES</b>	<b>28,263,334</b>	<b>58,154,628</b>	<b>13,266,932</b>	<b>29,195,544</b>	<b>63,814</b>	<b>207,742</b>	<b>9,202,693</b>	<b>9,244,233</b>	<b>33,769,295</b>	<b>69,478,650</b>	<b>15,906,003</b>	<b>34,658,877</b>
6.1 Loan loss provision	1,775,423	3,759,048	773,760	1,630,406	-	-	-	-	2,061,474	3,823,789	958,134	2,012,647
6.2 Staff costs	6,636,568	14,560,447	3,719,000	7,599,800	-	249,013	33,674	62,719	8,078,478	17,719,037	4,444,809	9,065,443
6.3 Directors' emoluments	57,318	113,978	4,280	7,526	-	44,617	33,674	69,739	111,011	283,722	67,151	142,966
6.4 Rental charges	361,422	721,663	189,292	403,088	-	-	-	-	724,487	1,517,256	312,508	779,160
6.5 Depreciation charge on property and equipment	62,613	1,240,066	336,388	665,850	-	2,795	698	1,387	608,769	1,598,776	413,962	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	4,521,2											