

KENYA COMMERCIAL BANK GROUP
AUDITED RESULTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31ST DECEMBER 2014

	BANK		GROUP	
	31-Dec-13 Kshs 000 Audited	31-Dec-14 Kshs 000 Audited	31-Dec-13 Kshs 000 Audited	31-Dec-14 Kshs 000 Audited
I STATEMENT OF FINANCIAL POSITION				
A ASSETS				
1 Cash (both Local & Foreign)	8,649,572	8,410,517	15,759,310	33,275,231
2 Balances due from Central Bank of Kenya	8,173,873	13,789,090	8,173,873	13,789,090
3 Kenya Government and other securities held for dealing purposes	6,241,984	1,115,943	6,241,984	1,115,943
4 Financial Assets at fair value through profit and loss	-	-	-	-
5 Investment securities: a) Held to Maturity: a. Kenya Government securities	28,504,194	36,601,868	28,504,194	36,601,868
b. Other securities	-	-	20,344,670	24,467,128
b) Available for sale: a. Kenya Government securities	35,847,320	34,147,777	35,847,320	34,147,777
b. Other securities	2,057,948	865,258	2,057,948	865,258
6 Deposits and balances due from local banking institutions	56,742	-	1,059,638	745,314
7 Deposits and balances due from banking institutions abroad	5,166,173	2,577,662	19,349,766	36,827,145
8 Tax recoverable	679,218	137,516	740,020	183,283
9 Loans and advances to customers (net)	198,370,069	248,823,710	227,721,781	283,732,205
10 Balances due from group companies	-	-	-	-
11 Investments in associates	125	125	-	-
12 Investments in subsidiary companies	9,827,392	11,316,817	-	-
13 Investments in joint ventures	-	-	-	-
14 Investment properties	-	-	-	-
15 Property and equipment	5,363,433	5,299,673	8,484,836	8,838,074
16 Prepaid lease rentals	139,496	137,000	141,642	139,110
17 Intangible assets	1,334,265	1,234,309	1,403,180	1,374,215
18 Deferred tax asset	2,027,503	2,174,706	2,445,334	2,560,636
19 Retirement benefit asset	1,837,000	1,835,000	1,837,000	1,835,000
20 Other assets	8,408,547	8,502,430	10,739,083	9,841,047
21 TOTAL ASSETS	322,684,854	376,969,401	390,851,579	490,338,324
B LIABILITIES				
22 Balances due to Central Bank of Kenya	-	-	-	-
23 Customer deposits	237,212,782	276,749,766	305,659,189	377,271,886
24 Deposits and balances due to local banking institutions	-	-	-	-
25 Deposits and balances due to foreign banking institutions	5,516,617	8,733,510	6,650,977	14,295,619
26 Other money market deposits	-	-	-	-
27 Borrowed funds	7,073,182	11,610,293	7,719,647	12,734,848
28 Balances due to group companies	5,966,928	1,660,076	-	-
29 Tax payable	-	-	179,377	131,928
30 Dividends payable	-	-	-	-
31 Deferred tax liability	-	-	-	307
32 Retirement benefit liability	-	-	-	-
33 Other liabilities	5,152,306	6,048,417	7,287,423	10,270,179
34 TOTAL LIABILITIES	260,921,815	304,802,062	327,496,613	414,704,767
C SHAREHOLDERS' FUNDS				
35 Paid up /Assigned capital	2,984,228	3,025,213	2,984,228	3,025,213
36 Share premium/(discount)	19,330,200	20,135,561	19,330,200	20,135,561
37 Revaluation reserves	(163,396)	(92,718)	(163,396)	(92,718)
38 Retained earnings/ Accumulated losses	28,959,016	37,756,878	29,399,826	39,963,539
39 Statutory loan loss reserve	3,220,136	4,005,379	4,371,255	5,264,936
40 Other Reserves/Re-measurement of defined benefit asset/liability	1,464,400	1,286,600	1,464,400	1,286,600
41 Proposed dividends	5,968,455	6,050,426	5,968,453	6,050,426
42 Capital grants	-	-	-	-
43 TOTAL SHAREHOLDERS' FUNDS	61,763,039	72,167,339	63,354,966	75,633,557
44 Minority Interest	-	-	-	-
45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	322,684,854	376,969,401	390,851,579	490,338,324

	BANK		GROUP	
	31-Dec-13 Kshs 000 Audited	31-Dec-14 Kshs 000 Audited	31-Dec-13 Kshs 000 Audited	31-Dec-14 Kshs 000 Audited
II STATEMENT OF COMPREHENSIVE INCOME				
1 INTEREST INCOME				
1.1 Loans and advances	28,311,468	31,927,540	32,457,329	36,574,907
1.2 Government securities	7,355,172	8,665,293	8,327,336	9,991,210
1.3 Deposits and placements with banking institutions	360,946	290,415	572,653	482,412
1.4 Other Interest Income	61,488	-	256,080	427,186
1.5 Total interest income	36,089,074	40,883,248	41,613,398	47,475,715
2 INTEREST EXPENSE				
2.1 Customer deposits	6,447,163	9,019,457	7,871,927	10,633,005
2.2 Deposits and placement from banking institutions	641,320	678,345	757,185	894,015
2.3 Other interest expenses	-	-	-	-
2.4 Total interest expenses	7,088,483	9,697,802	8,629,112	11,527,020
3 NET INTEREST INCOME/(LOSS)	29,000,591	31,185,446	32,984,286	35,948,695
4 OTHER OPERATING INCOME				
4.1 Fees and commissions on loans and advances	3,845,358	4,259,929	4,684,093	4,635,350
4.2 Other fees and commissions	3,336,425	4,243,935	5,816,744	8,103,867
4.3 Foreign exchange trading income	1,684,575	2,192,237	3,710,397	4,149,902
4.4 Dividend Income	12,009	704,105	12,009	103
4.5 Other income	2,418,121	4,790,763	2,902,735	5,111,937
4.6 Total other operating income	11,296,488	16,190,969	17,125,978	22,001,159
5 TOTAL OPERATING INCOME	40,297,079	47,376,415	50,110,264	57,949,854
6 OTHER OPERATING EXPENSES				
6.1 Loan loss provision	1,782,846	3,013,751	2,905,975	5,058,270
6.2 Staff costs	11,077,167	11,232,635	13,469,901	13,993,445
6.3 Directors' emoluments	135,794	132,970	197,395	296,963
6.4 Rental charges	359,805	455,404	1,146,429	1,346,574
6.5 Depreciation charge on property and equipment	1,270,770	1,240,498	1,872,231	1,885,066
6.6 Amortisation charges	563,103	432,981	580,629	502,876
6.7 Other operating expenses	7,361,403	8,506,421	9,813,946	11,079,231
6.8 Total other operating expenses	22,550,888	25,014,660	28,986,505	34,162,425
7 Profit/(loss) before tax and exceptional items	17,746,191	22,361,755	20,123,759	23,787,429
8 Exceptional items	-	-	-	-
9 Profit/(loss) after exceptional items	17,746,191	22,361,755	20,123,759	23,787,429
10 Current tax	(6,040,598)	(6,514,044)	(6,520,863)	(6,977,553)
11 Deferred tax	721,081	31,267	738,486	38,986
12 Profit/(loss) after tax and exceptional items	12,426,674	15,878,978	14,341,382	16,848,862
13 Minority Interest	-	-	-	-
14 Profit/(loss) after tax and exceptional items and minority interest	12,426,674	15,878,978	14,341,382	16,848,862
15 Other Comprehensive income:				
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	(736,114)	904,406
15.2 Fair value changes in available-for-sale financial assets	(78,581)	70,678	(78,581)	70,678
15.3 Re-measurement of defined benefit pension fund	508,900	(177,800)	508,900	(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	430,319	(107,122)	(305,795)	797,284
17 Total comprehensive income for the year	12,856,993	15,771,856	14,035,587	17,646,146
18 EARNINGS PER SHARE- DILUTED & BASIC KSHS	4.18	5.30	4.82	5.63
19 DIVIDEND PER SHARE - DECLARED KSHS	2.00	2.00	2.00	2.00

III OTHER DISCLOSURES	BANK		GROUP	
	31-Dec-13 Kshs 000 Audited	31-Dec-14 Kshs 000 Audited	31-Dec-13 Kshs 000 Audited	31-Dec-14 Kshs 000 Audited
1 NON-PERFORMING LOANS AND ADVANCES				
a) Gross Non-performing loans and advances	15,199,950	13,367,944	19,227,705	18,404,132
b) Less Interest in Suspense	1,679,228	1,809,962	2,200,117	2,588,273
c) Total Non-Performing Loans and Advances (a-b)	13,520,722	11,557,982	17,027,588	15,815,859
d) Less Loan Loss Provision	6,090,384	6,764,855	6,761,992	9,402,308
e) Net Non-Performing Loans and Advances(c-d)	7,430,338	4,793,127	10,265,596	6,413,551
f) Discounted Value of Securities	5,376,081	4,793,127	6,601,170	6,413,551
g) Net NPLs Exposure (e-f)	2,054,257	-	3,664,426	(0)
2 INSIDER LOANS AND ADVANCES				
a) Directors, Shareholders and Associates	632,814	375,380	780,620	648,670
b) Employees	7,688,747	8,912,786	8,007,598	9,795,649
c) Total Insider Loans and Advances and other facilities	8,321,561	9,288,166	8,788,218	10,444,319
3 OFF-BALANCE SHEET ITEMS				
a) Letters of credit, guarantees, acceptances	106,425,736	69,223,656	108,989,120	72,326,419
b) Forwards, swaps and options	12,660,294	35,375,754	12,804,686	36,498,020
c) Other contingent liabilities	-	-	-	-
d) Total Contingent Liabilities	119,086,030	104,599,410	121,793,806	108,824,439
4 CAPITAL STRENGTH				
a) Core capital	50,905,250	57,805,191		
b) Minimum Statutory Capital	1,000,000	1,000,000		
c) Excess (a-b)	49,905,250	56,805,191		
d) Supplementary Capital	10,293,318	13,405,197		
e) Total Capital (a+d)	61,198,568	71,210,388		
f) Total risk weighted assets	272,565,071	338,877,072		
g) Core Capital/Total deposits Liabilities	21.5%	20.9%		
h) Minimum statutory Ratio	10.5%	10.5%		
i) Excess	11.0%	10.4%		
j) Core Capital / total risk weighted assets	18.7%	17.1%		
k) Minimum Statutory Ratio	10.5%	10.5%		
l) Excess (j-k)	8.2%	6.6%		
m) Total Capital/total risk weighted assets	22.5%	21.0%		
n) Minimum statutory Ratio	14.5%	14.5%		
o) Excess (m-n)	8.0%	6.5%		
5 LIQUIDITY				
a) Liquidity Ratio	33.3%	31.3%		
b) Minimum Statutory Ratio	20.0%	20.0%		
c) Excess (a-b)	13.3%	11.3%		

DIVIDEND

The directors have resolved to recommend to members at the forthcoming forty fourth Annual General Meeting a First and Final dividend for the year 2014 of Shs.2.00 per share to be paid on or about Friday, 12th June, 2015, to shareholders registered at the close of business on Monday, 11th May, 2015. The register of members will be closed for one day on Tuesday, 12th May, 2015 for the purpose of processing the dividend.

ANNUAL GENERAL MEETING

Notice is hereby given that the forty fourth Annual General Meeting of the shareholders of Kenya Commercial Bank Limited will be held at Bomas of Kenya, Nairobi, on Friday, 8th May, 2015 at 11.00 a. m. Full notice and Agenda will be published at a later date.

MESSAGE FROM THE DIRECTORS

The above Statement of Financial Position and Statement of Comprehensive Income are extracts from the Group's and Bank's financial statements which have been audited by KPMG-Kenya and received an unqualified opinion.

The financial statements were approved by the Board of Directors on 25th February 2015, and were signed on its behalf by:

Ngery Biwott - Chairman
Joshua Oigara - Group Chief Executive Officer
C Muya-Ngaruiya - Director
Joseph Kania - Secretary