

**KENYA COMMERCIAL BANK GROUP**  
**UNAUDITED RESULTS FOR THE PERIOD ENDED 31 MARCH 2011**

	GROUP			BANK		
	31-Mar-10	31-Dec-10	31-Mar-11	31-Mar-10	31-Dec-10	31-Mar-11
	Kshs 000 Un-Audited	Kshs 000 Audited	Kshs 000 Un-Audited	Kshs 000 Un-Audited	Kshs 000 Audited	Kshs 000 Un-Audited
<b>I BALANCE SHEET</b>						
<b>1 ASSETS</b>						
1.1 Cash ( both Local & Foreign)	7,153,060	10,009,715	9,978,616	4,949,832	5,777,976	6,001,692
1.2 Balances due from Central Bank of Kenya	9,425,310	8,018,535	7,862,984	9,425,310	8,018,535	7,862,984
1.3 Kenya Government securities	35,103,877	42,051,335	46,153,881	35,103,877	42,051,335	46,153,881
1.4 Foreign Currency Treasury Bills & Bonds	765,659	1,346,799	1,512,896	-	-	-
1.5 Deposits and balances due from local banking institutions	7,890,000	2,880,000	1,101,000	7,890,000	2,880,000	1,101,000
1.6 Deposits and balances due from banking institutions abroad	11,433,481	16,300,581	22,486,597	3,830,986	1,079,963	5,393,599
1.7 Kenya Government and other securities held for dealing purposes	1,990,363	847,876	492,132	1,990,363	847,876	492,132
1.8 Tax recoverable	540,366	11,009	761	536,960	-	-
1.9 Loans and advances to customers (net)	125,924,045	148,113,364	154,965,748	116,181,788	137,344,568	142,264,529
1.10 Investment securities	1,921,277	5,862,488	7,911,772	1,921,277	5,862,488	7,911,772
1.11 Balances due from group companies	-	-	-	-	-	-
1.12 Investments in associates	-	-	-	1,125	125	125
1.13 Investments in subsidiary companies	-	-	-	5,674,023	6,769,498	8,087,611
1.14 Investments in joint ventures	-	-	-	-	-	-
1.15 Investment properties	-	-	-	-	-	-
1.16 Property and equipment	8,082,702	8,271,647	8,780,854	6,089,690	5,888,285	6,127,010
1.17 Prepaid lease rentals	147,948	145,893	145,402	145,674	143,644	143,136
1.18 Intangible assets	1,259,496	1,368,385	1,264,489	1,259,496	1,319,367	1,218,134
1.19 Deferred tax asset	94,918	1,126,284	1,024,997	13,011	855,115	855,115
1.20 Retirement benefit asset	-	-	-	-	-	-
1.21 Other assets	8,932,612	5,002,289	7,261,369	7,117,900	4,185,781	5,419,636
<b>1.22 TOTAL ASSETS</b>	<b>220,665,114</b>	<b>251,356,200</b>	<b>270,943,498</b>	<b>202,131,312</b>	<b>223,024,556</b>	<b>239,032,356</b>
<b>2 LIABILITIES</b>						
2.1 Balances due to Central Bank of Kenya	-	1,499,595	-	-	1,499,595	-
2.2 Customer deposits	185,358,738	196,974,651	209,200,001	167,053,854	163,188,681	173,809,964
2.3 Deposits and balances due to local banking institutions	447,550	8,025,637	2,033,558	447,550	8,025,637	2,033,558
2.4 Deposits and balances due to foreign banking institutions	5,665,454	1,531,735	11,727,916	4,500,465	1,282,069	11,314,242
2.5 Other money market deposits	-	-	-	-	-	-
2.6 Borrowed funds	-	-	-	-	-	-
2.7 Balances due to group companies	-	-	-	658,334	4,638,052	4,485,697
2.8 Tax payable	616,488	1,837,722	2,482,485	592,135	1,750,345	2,455,244
2.9 Dividends payable	-	-	-	-	-	-
2.10 Deferred tax liability	-	121	-	-	-	-
2.11 Retirement benefit liability	-	-	-	-	-	-
2.12 Other liabilities	4,544,346	2,356,968	4,610,600	3,581,350	1,763,732	2,454,340
<b>2.13 TOTAL LIABILITIES</b>	<b>196,632,576</b>	<b>212,226,429</b>	<b>230,054,560</b>	<b>176,833,688</b>	<b>182,148,111</b>	<b>196,553,045</b>
<b>3 SHAREHOLDERS' FUNDS</b>						
3.1 Paid up /Assigned capital	2,217,778	2,950,260	2,950,260	2,217,778	2,950,260	2,950,260
3.2 Share premium	7,297,986	18,565,504	18,565,504	7,297,986	18,565,504	18,565,504
3.3 Revaluation reserves	358,527	(172,625)	(187,693)	347,908	225,356	183,457
3.4 Retained earnings	11,835,799	13,953,178	15,727,413	13,129,959	15,388,072	17,032,837
3.5 Statutory loan reserves	104,670	145,629	145,629	86,215	59,428	59,428
3.6 Proposed dividends	2,217,778	3,687,825	3,687,825	2,217,778	3,687,825	3,687,825
3.7 Capital grants	-	-	-	-	-	-
<b>3.8 TOTAL SHAREHOLDERS' FUNDS</b>	<b>24,032,538</b>	<b>39,129,771</b>	<b>40,888,938</b>	<b>25,297,624</b>	<b>40,876,445</b>	<b>42,479,311</b>
<b>3.10 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>220,665,114</b>	<b>251,356,200</b>	<b>270,943,498</b>	<b>202,131,312</b>	<b>223,024,556</b>	<b>239,032,356</b>

## II PROFIT AND LOSS ACCOUNT

	GROUP			BANK		
	31-Mar-10	31-Dec-10	31-Mar-11	31-Mar-10	31-Dec-10	31-Mar-11
	Kshs 000 Un-Audited	Kshs 000 Audited	Kshs 000 Un-Audited	Kshs 000 Un-Audited	Kshs 000 Audited	Kshs 000 Un-Audited
<b>4 INTEREST INCOME</b>						
4.1 Loans and advances	4,064,646	17,663,904	4,654,924	3,722,072	16,162,740	4,247,476
4.2 Government securities	884,244	5,259,702	979,099	862,207	5,178,712	945,046
4.3 Deposits and placements with banking institutions	116,072	186,187	74,768	96,127	99,810	19,897
4.4 Other Interest Income	-	-	-	-	-	-
<b>4.5 Total interest income</b>	<b>5,064,962</b>	<b>23,109,793</b>	<b>5,708,791</b>	<b>4,680,406</b>	<b>21,441,262</b>	<b>5,212,419</b>
<b>5 INTEREST EXPENSE</b>						
5.1 Customer deposits	1,096,801	3,307,581	523,226	989,072	2,802,736	397,772
5.2 Deposits and placement from banking institutions	94,761	156,887	74,185	79,153	140,145	61,752
5.3 Other interest expenses	-	-	-	-	-	-
<b>5.4 Total interest expenses</b>	<b>1,191,562</b>	<b>3,464,468</b>	<b>597,411</b>	<b>1,068,225</b>	<b>2,942,881</b>	<b>459,524</b>
<b>5.5 NET INTEREST INCOME</b>	<b>3,873,400</b>	<b>19,645,325</b>	<b>5,111,380</b>	<b>3,612,181</b>	<b>18,498,381</b>	<b>4,752,895</b>
<b>6 OTHER OPERATING INCOME</b>						
6.1 Fees and commissions on loans and advances	751,911	4,091,986	913,285	708,148	3,212,596	861,035
6.2 Other fees and commissions	722,137	2,696,594	1,028,227	529,433	2,405,750	623,736
6.3 Foreign exchange trading income	440,127	2,775,494	748,294	301,044	1,357,658	389,517
6.4 Dividend Income	664	1,185	170	664	1,519,248	170
6.5 Other income	704,012	1,450,803	109,770	686,353	1,392,649	95,656
<b>6.6 Total non-interest income</b>	<b>2,618,851</b>	<b>11,016,062</b>	<b>2,799,746</b>	<b>2,225,642</b>	<b>9,887,901</b>	<b>1,970,114</b>
<b>6.7 TOTAL OPERATING INCOME</b>	<b>6,492,251</b>	<b>30,661,387</b>	<b>7,911,126</b>	<b>5,837,823</b>	<b>28,386,282</b>	<b>6,723,009</b>
<b>7 OPERATING EXPENSES</b>						
7.1 Loan loss provision	497,165	2,144,320	424,995	482,084	1,898,230	370,250
7.2 Staff costs	2,098,618	9,379,643	2,572,078	1,796,557	8,024,266	2,190,654
7.3 Directors' emoluments	28,536	104,401	25,901	21,912	91,522	24,652
7.4 Rental charges	122,677	798,141	220,743	51,713	236,654	68,246
7.5 Depreciation charge on property and equipment	303,437	1,382,540	370,015	240,412	1,029,436	274,102
7.6 Amortisation charges	88,766	375,249	103,895	88,757	371,219	101,233
7.7 Other operating expenses	1,449,306	6,679,122	1,687,124	1,182,943	5,197,422	1,344,207
<b>7.8 Total operating expenses</b>	<b>4,588,505</b>	<b>20,863,416</b>	<b>5,404,751</b>	<b>3,864,378</b>	<b>16,848,749</b>	<b>4,373,344</b>
<b>7.9 Profit before tax and exceptional items</b>	<b>1,903,746</b>	<b>9,797,971</b>	<b>2,506,375</b>	<b>1,973,445</b>	<b>11,537,533</b>	<b>2,349,665</b>
7.10 Exceptional items	-	-	-	-	-	-
<b>7.11 Profit after exceptional items</b>	<b>1,903,746</b>	<b>9,797,971</b>	<b>2,506,375</b>	<b>1,973,445</b>	<b>11,537,533</b>	<b>2,349,665</b>
7.12 Current tax	(605,177)	(3,651,244)	(732,140)	(592,135)	(3,560,777)	(704,899)
7.13 Deferred tax	33,241	1,031,246	-	-	842,104	-
<b>7.15 Profit after tax and exceptional items</b>	<b>1,331,810</b>	<b>7,177,973</b>	<b>1,774,235</b>	<b>1,381,310</b>	<b>8,818,860</b>	<b>1,644,766</b>
<b>8 EARNINGS PER SHARE- DILUTED &amp; BASIC KSHS</b>	<b>2.40</b>	<b>2.76</b>	<b>2.41</b>	<b>2.49</b>	<b>3.40</b>	<b>2.23</b>
<b>9 DIVIDEND PER SHARE - PROPOSED KSHS</b>		<b>1.25</b>			<b>1.25</b>	

**III OTHER DISCLOSURES**

	GROUP					
	31-Mar-10	31-Dec-10	31-Mar-11	31-Mar-10	31-Dec-10	31-Mar-11
	Kshs 000 Un-Audited	Kshs 000 Audited	Kshs 000 Un-Audited	Kshs 000 Un-Audited	Kshs 000 Audited	Kshs 000 Un-Audited
<b>10 NON-PERFORMING LOANS AND ADVANCES</b>						
10.1 (a) Gross Non-performing loans and advances	15,703,737	14,583,382	14,736,110	14,650,859	13,053,727	13,067,658
10.2 (b) Less Interest in Suspense	1,837,461	1,796,530	1,815,553	1,724,980	1,707,256	1,702,854
10.3 <b>(c) Total Non-Performing Loans and Advances (a-b)</b>	<b>13,866,276</b>	<b>12,786,852</b>	<b>12,920,557</b>	<b>12,925,879</b>	<b>11,346,471</b>	<b>11,364,804</b>
10.4 (d) Less Loan Loss Provision	7,338,030	6,790,567	7,215,562	6,884,275	6,471,258	6,841,508
10.5 <b>(e) Net Non-Performing Loans and Advances(c-d)</b>	<b>6,528,246</b>	<b>5,996,285</b>	<b>5,704,995</b>	<b>6,041,604</b>	<b>4,875,213</b>	<b>4,523,296</b>
10.6 (f) Discounted Value of Securities	6,528,246	5,996,285	5,704,995	6,041,604	4,875,213	4,523,296
10.7 <b>(g) Net NPLs Exposure (e-f)</b>	-	-	-	-	-	-
<b>11 INSIDER LOANS AND ADVANCES</b>						
11.1 (a) Directors, Shareholders and Associates	3,882,410	4,213,193	3,603,724	3,876,091	4,198,868	3,586,514
11.2 (b) Employees	4,600,918	4,989,949	5,620,352	4,343,694	4,956,054	5,205,797
11.3 <b>(c) Total Insider Loans and Advances and other facilities</b>	<b>8,483,328</b>	<b>9,203,142</b>	<b>9,224,076</b>	<b>8,219,785</b>	<b>9,154,922</b>	<b>8,792,311</b>
<b>12 OFF-BALANCE SHEET ITEMS</b>						
12.1 (a) Letters of credit, guarantees, acceptances	38,123,438	72,429,394	72,069,963	36,663,223	69,532,289	70,447,939
12.2 (b) Other contingent liabilities	18,910,070	25,002,591	34,675,208	17,912,910	23,319,177	34,405,288
12.3 <b>(c) Total Contingent Liabilities</b>	<b>57,033,508</b>	<b>97,431,985</b>	<b>106,745,171</b>	<b>54,576,133</b>	<b>92,851,466</b>	<b>104,853,227</b>
<b>13 CAPITAL STRENGTH</b>						
13.1 (a) Core capital				19,397,468	35,220,808	34,704,495
13.2 (b) Minimum Statutory Capital				250,000	500,000	500,000
13.3 (c) Excess (a-b)				<b>19,147,468</b>	<b>34,720,808</b>	<b>34,204,495</b>
13.4 (d) Supplementary Capital				86,215	59,428	59,428
13.5 <b>(e) Total Capital (a+d)</b>				<b>19,483,683</b>	<b>35,280,236</b>	<b>34,784,503</b>
13.6 (f) Total risk weighted assets				<b>137,693,668</b>	<b>152,310,594</b>	<b>162,481,336</b>
13.7 <b>(g) Core Capital/Total deposits Liabilities</b>				11.6%	21.6%	20.0%
13.8 (h) Minimum statutory Ratio				8%	8%	8%
13.9 (l) Excess				3.6%	13.6%	12.0%
13.10 <b>(j) Core Capital / total risk weighted assets</b>				<b>14.1%</b>	<b>23.1%</b>	<b>21.4%</b>
13.11 (k) Minimum Statutory Ratio				8%	8%	8%
13.12 (l) Excess (j-k)				6.1%	15.1%	13.4%
13.13 <b>(m) Total Capital/total risk weighted assets</b>				<b>14.2%</b>	<b>23.2%</b>	<b>21.4%</b>
13.14 (n) Minimum statutory Ratio				12%	12%	12%
13.15 (o) Excess (m-n)				2.2%	11.2%	9.4%
<b>14 LIQUIDITY</b>						
14.1 <b>(a) Liquidity Ratio</b>				<b>39.3%</b>	<b>30.7%</b>	<b>32.8%</b>
14.2 (b) Minimum Statutory Ratio				<b>20.0%</b>	20.0%	20.0%
14.3 (c) Excess (a-b)				19.3%	<b>10.7%</b>	<b>12.8%</b>

**INTERIM DIVIDEND**

The Directors do not recommend payment of interim dividend.

**MESSAGE FROM THE DIRECTORS**

The above are extracts of financial statements and records of the Bank and Subsidiaries.

M L Oduor-Otieno - Chief Executive

P W Muthoka - Chairman









