

 AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 31 DECEMBER 2021

I. STATEMENT OF FINANCIAL POSITION	KCB Bank Kenya		National Bank of Kenya		KCB GROUP PLC (Company)		KCB GROUP PLC (Consolidated)	
	31-Dec-21 Kes 000 Audited	31-Dec-20 Kes 000 Audited	31-Dec-21 Kes 000 Audited	31-Dec-20 Kes 000 Audited	31-Dec-21 Kes 000 Audited	31-Dec-20 Kes 000 Audited	31-Dec-21 Kes 000 Audited	31-Dec-20 Kes 000 Audited
A. ASSETS								
1. Cash (both Local & Foreign)	9,372,477	7,597,722	1,250,983	1,100,330	-	-	17,834,897	15,152,993
2. Balances due from Central Bank of Kenya	27,674,664	25,839,259	7,722,963	3,750,586	-	-	35,397,627	29,589,845
3. Kenya Government and other securities held for dealing purposes	2,583,083	2,019,227	-	-	-	-	5,462,059	2,019,227
4. Financial Assets at fair value through profit and loss	-	-	-	-	-	-	-	-
5. Investment securities:								
a) Held at amortised cost:								
a. Kenya Government securities	88,570,009	69,422,464	33,049,950	34,460,222	-	-	122,014,917	103,882,686
b. Other securities	-	-	295,081	-	-	-	9,111,638	10,597,858
b) Fair value through OCI:								
a. Kenya Government securities	94,334,482	71,106,673	20,024,351	15,096,249	-	-	114,969,878	86,202,922
b. Other securities	2,065,054	-	-	-	-	-	24,733,874	8,081,389
6. Deposits and balances due from local banking institutions	4,046,727	3,097,833	1,852,529	1,357,790	517,007	1,146,705	1,852,529	4,455,623
7. Deposits and balances due from banking institutions abroad	4,317,828	8,662,093	496,359	755,496	-	-	43,169,681	39,117,240
8. Tax recoverable	-	247,078	-	304,692	93,053	24,920	-	425,728
9. Loans and advances to customers (net)	529,280,381	492,537,561	67,045,738	55,539,275	-	-	675,480,444	595,254,297
10. Balances due from group companies	4,303,501	5,715,418	-	-	1,799,959	212,778	-	-
11. Investments in associates	401,675	600,000	649,876	630,353	-	-	401,675	600,000
12. Investments in subsidiary companies	-	-	24,963	24,963	87,963,501	79,661,797	-	-
13. Investments in joint ventures	-	-	-	-	-	-	-	-
14. Investment properties	10,227,387	6,035,000	-	-	-	-	10,666,255	6,035,000
15. Property and equipment	9,806,117	9,977,222	4,119,087	4,374,108	614,434	616,428	21,793,983	19,967,596
16. Prepaid lease rentals	119,523	122,019	-	-	-	-	121,389	120,015
17. Intangible assets	3,771,158	4,443,725	612,378	744,447	5,571	7,597	7,010,170	5,499,457
18. Deferred tax asset	18,473,135	13,789,704	3,317,439	3,136,380	-	-	22,381,701	17,647,182
19. Retirement benefit asset	-	-	-	-	-	-	-	-
20. Other assets	17,047,723	37,132,433	6,081,608	5,566,729	3,703	33,330	27,329,848	43,161,195
21. TOTAL ASSETS	826,394,924	758,345,431	146,543,305	126,841,620	90,997,228	81,703,555	1,139,672,565	987,810,253
B. LIABILITIES								
22. Balances due to Central Bank of Kenya	-	-	3,496,740	-	-	-	3,496,740	-
23. Customer deposits	624,480,440	588,627,915	106,103,099	99,229,389	-	-	837,141,376	767,224,467
24. Deposits and balances due to local banking institutions	3,717,079	1,776,411	10,554,365	6,460,632	-	-	10,032,709	7,237,043
25. Deposits and balances due to foreign banking institutions	6,060,540	662,973	7,455,621	6,981,903	-	-	34,287,432	12,431,235
26. Other money market deposits	-	-	-	-	-	-	-	-
27. Borrowed funds	33,621,640	34,706,661	-	-	-	-	37,561,033	37,032,388
28. Balances due to group companies	-	-	-	-	3,553,491	-	-	-
29. Tax payable	5,287,663	-	215,227	-	-	-	5,644,087	-
30. Dividends payable	5,938,471	-	274	5,681	-	-	-	-
31. Deferred tax liability	-	-	-	-	7,007	10,152	655,000	-
32. Retirement benefit liability	458,000	177,000	-	-	-	-	458,000	177,000
33. Other liabilities	23,007,626	21,123,927	2,353,257	2,228,471	605,261	52,364	36,888,581	21,283,837
34. TOTAL LIABILITIES	702,571,459	647,074,887	130,178,583	114,906,076	612,268	3,616,007	966,164,958	845,385,970
C. SHAREHOLDERS' FUNDS								
35. Paid up/Assigned capital	53,986,100	53,986,100	12,683,038	12,368,906	3,213,463	3,213,463	3,213,463	3,213,463
36. Share premium/discount	-	-	3,141,319	-	27,690,149	27,690,149	27,690,149	27,690,149
37. Revaluation reserves	-	-	1,200,558	1,225,905	-	-	1,200,558	1,225,905
38. Retained earnings/(Accumulated losses)	60,677,534	48,232,365	(5,190,271)	(5,506,873)	49,840,959	43,970,473	131,577,505	112,822,478
39. Statutory loan loss reserve	5,346,700	-	4,520,549	3,794,213	-	-	7,958,694	2,154,895
40. Other Reserves/Re-measurement of defined benefit asset/liability	(1,045,618)	(125,558)	9,529	53,393	-	-	(9,567,560)	(7,896,070)
41. Proposed dividends	4,858,749	9,177,637	-	-	9,640,389	3,213,463	9,640,389	3,213,463
42. Capital grants	-	-	-	-	-	-	-	-
43. TOTAL SHAREHOLDERS' FUNDS	123,823,465	111,270,544	16,364,722	11,935,544	90,384,960	78,087,548	171,713,198	142,424,283
44. Minority Interest	-	-	-	-	-	-	1,794,409	-
45. TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	826,394,924	758,345,431	146,543,305	126,841,620	90,997,228	81,703,555	1,139,672,565	987,810,253
II. STATEMENT OF COMPREHENSIVE INCOME								
1. INTEREST INCOME								
1.1 Loans and advances	59,273,049	52,176,373	6,301,436	4,641,097	140,487	-	73,973,640	64,770,327
1.2 Government securities	17,896,923	16,220,619	5,761,130	5,002,783	-	-	26,535,032	23,177,656
1.3 Deposits and placements with banking institutions	1,194,727	510,169	170,981	86,617	16,662	31,329	1,648,557	797,469
1.4 Other Interest Income	-	-	6,221	-	-	-	-	-
1.5 Total interest income	78,364,699	68,907,161	12,239,768	9,730,497	157,149	31,329	102,157,229	88,745,452
2. INTEREST EXPENSE								
2.1 Customer deposits	14,665,787	14,269,287	2,941,403	2,463,293	-	-	20,495,296	18,855,318
2.2 Deposits and placement from banking institutions	1,819,184	1,167,011	687,169	150,287	-	-	3,448,141	1,952,551
2.3 Other interest expenses	373,643	401,728	347,976	98,475	-	-	519,776	401,728
2.4 Total interest expenses	16,858,614	15,838,026	3,976,548	2,712,055	-	-	24,463,213	21,209,597
3. NET INTEREST INCOME/(LOSS)	61,506,085	53,069,135	8,263,220	7,018,442	157,149	31,329	77,694,016	67,535,855
4. OTHER OPERATING INCOME								
4.1 Fees and commissions on loans and advances	8,278,303	7,881,136	84,686	97,005	32,385	-	8,820,394	7,504,666
4.2 Other fees and commissions	6,648,903	6,343,034	691,150	894,858	-	-	10,564,740	10,274,334
4.3 Foreign exchange trading income	3,951,977	3,416,282	666,907	486,807	51,613	37,601	6,546,206	5,389,620
4.4 Dividend income	-	-	100,021	118,065	15,688,218	170,000	-	-
4.5 Other income	3,399,876	4,434,964	305,043	279,087	1,154,508	506,956	5,009,251	4,985,683
4.6 Total other operating income	22,279,059	22,075,416	1,847,807	1,875,822	16,926,724	714,557	30,940,591	28,154,303
5. TOTAL OPERATING INCOME	83,785,144	75,144,551	10,111,027	8,894,264	17,083,873	745,886	108,636,607	95,690,158
6. OTHER OPERATING EXPENSES								
6.1 Loan loss provision	10,702,886	23,102,353	1,014,004	1,387,426	-	-	12,988,101	27,212,143
6.2 Staff costs	16,915,986	13,485,558	4,266,885	4,077,889	1,044,027	658,846	24,729,046	20,451,028
6.3 Directors' emoluments	542,156	248,102	26,719	20,436	46,920	50,354	597,594	296,200
6.4 Rental charges	159,150	208,882	141,700	173,612	-	-	351,110	389,603
6.5 Depreciation charge on property and equipment	2,145,492	2,201,665	762,341	669,051	13,669	12,184	3,856,739	3,609,291
6.6 Amortisation charges	1,630,771	1,790,693	364,429	398,030	2,026	2,026	2,170,842	2,309,813
6.7 Other operating expenses	11,185,470	10,520,856	2,147,992	1,855,227	447,212	1,376,565	16,126,871	15,703,200
6.8 Total other operating expenses	43,281,911	51,558,109	8,724,070	8,581,671	1,553,854	2,099,975	60,820,303	69,971,278
7. Profit/(loss) before tax and exceptional items	40,503,233	23,586,442	1,386,957	312,593	15,530,019	(1,354,089)	47,814,304	25,718,880
8. Exceptional items	-	-	-	-	-	-	-	-
9. Profit/(loss) after exceptional items	40,503,233	23,586,442	1,386,957	312,593	15,530,019	(1,354,089)	47,814,304	25,718,880
10. Current tax	(16,203,222)	(10,063,654)	(531,628)	(185,444)	(22,289)	(7,499)	(18,416,884)	(10,903,436)
11. Deferred tax	4,289,120	4,824,069	162,261	50,582	3,145	(11,372)	4,775,023	4,788,198
12. Profit/(loss) after tax and exceptional items	28,589,131	18,346,857	1,017,590	177,731	15,510,875	(1,372,960)	34,172,443	19,603,642
13. Minority Interest	-	-	-	-	-	-	81,394	-
Profit/(loss) after tax and exceptional items and Minority Interest	28,589,131	18,346,857	1,017,590	177,731	15,510,875	(1,372,960)	34,091,049	19,603,642
15. Other Comprehensive income:								
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-	-	-	(638,000)	(955,000)
15.2 Fair value changes in available-for-sale financial assets	(896,372)	618,503	(62,663)	71,191	-	-	(898,571)	3,117,974
15.3 Re-measurement of defined benefit pension fund	(418,000)	(167,000)	-	-	-	-	(418,000)	(167,000)
15.4 Share of other comprehensive income of associates	-	-	-	-	-	-	-	-
15.5 Income tax relating to components of other comprehensive income	394,312	(135,451)	18,799	(17,798)	-	-	394,571	(885,292)
16. Other comprehensive income for the year net of tax	(920,060)	316,052	(43,866)	53,393	-	-	(1,560,000)	1,110,682
17. Total comprehensive income for the year	27,669,071	18,662,909	973,726	231,124	15,510,875	(1,372,960)	32,612,443	20,714,324
18. EARNINGS PER SHARE - DILUTED & BASIC Kes	0.53	0.34	0.08	0.01	-	-	10.64	6.10
19. DIVIDEND PER SHARE - DECLARED Kes	0.20	0.17	-	-	-	-	3.00	1.00

Proposed Dividend
The Directors of KCB Group Plc. (the "Group") have recommended a final dividend of Kes. 2.00 having paid an interim dividend of Kes. 1.00 for each ordinary share on the issued and paid up share capital of the company subject to shareholders approval.
The final dividend will be payable to the members of the company on the share register at the close of business on Monday 25 April, 2022. If approved, the full dividend per share for the period ended 31 December 2021 will be Kes. 3.00 for each ordinary share.
Message from the Directors
The above financial statements are extracts from the Group's, Bank's and Company's financial statements which have been audited by PricewaterhouseCoopers LLP and received an unqualified opinion. The complete set of audited financial statements, statutory and qualitative disclosures can be accessed on the institution's website www.kcbgroup.com. They may also be accessed from the institutions Head Office located at Kencom House, Moi Avenue, Nairobi.
The financial statements were approved by the Board of Directors on 16 March 2022 and were signed on its behalf by:
Andrew W. Kairu – Group Chairman | **Joshua N Oigara** – Group Chief Executive Officer and Managing Director | **Anne Eriksson** – Director | **Bonnie Okumu** – Group Company Secretary

Regulated by Central Bank of Kenya.



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III. OTHER DISCLOSURES	KCB Bank Kenya		National Bank of Kenya		KCB GROUP PLC (Company)		KCB GROUP PLC (Consolidated)	
	31-Dec-21 Kes 000 Audited	31-Dec-20 Kes 000 Audited	31-Dec-21 Kes 000 Audited	31-Dec-20 Kes 000 Audited	31-Dec-21 Kes 000 Audited	31-Dec-20 Kes 000 Audited	31-Dec-21 Kes 000 Audited	31-Dec-20 Kes 000 Audited
1. NON-PERFORMING LOANS AND ADVANCES								
a) Gross non-performing loans and advances	92,193,441	66,810,159	26,541,854	26,438,040			122,850,349	96,612,758
b) Less Interest in Suspense	7,693,505	7,203,362	4,391,263	4,290,607			12,720,069	11,849,662
c) Total Non-Performing Loans and Advances (a-b)	84,499,936	59,606,797	22,150,591	22,147,433			110,130,280	84,763,096
d) Less Loan Loss Provision	38,766,900	33,533,503	11,782,093	11,322,528			52,307,984	45,904,828
e) Net Non-Performing Loans and Advances(c-d)	45,733,036	26,073,294	10,368,498	10,824,905			57,822,296	38,858,268
f) Discounted Value of Securities	40,764,309	23,561,199	10,239,577	10,330,933			61,440,544	43,674,611
g) Net NPLs Exposure (e-f)	4,968,727	2,512,095	128,921	493,972			(3,618,248)	(4,816,343)
2. INSIDER LOANS AND ADVANCES								
a) Directors, Shareholders and Associates	1,635,949	3,461,438	18	-			1,209,693	1,818,015
b) Employees	14,660,678	14,544,769	5,845,656	5,872,627			22,751,338	21,694,482
c) Total Insider Loans and Advances and other facilities	16,296,627	18,006,207	5,845,674	5,872,627			23,961,031	23,512,497
3. OFF-BALANCE SHEET ITEMS								
a) Letters of credit, guarantees and acceptances	74,967,657	60,389,210	4,514,574	4,996,228			91,241,390	74,319,742
b) Forwards, swaps and options	20,040,940	16,307,815	5,204,900	11,351,200			26,997,359	28,784,319
c) Other contingent liabilities	-	-	-	-			-	-
d) Total Contingent Liabilities	95,008,597	76,697,025	9,719,474	16,347,428			118,238,749	103,104,061
4. CAPITAL STRENGTH								
a) Core capital	107,656,861	102,218,465	10,288,488	6,578,405			156,347,528	143,723,638
b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000			1,000,000	1,000,000
c) Excess (a-b)	106,656,861	101,218,465	9,288,488	5,578,405			155,347,528	142,723,638
d) Supplementary Capital	28,966,763	24,455,875	1,316,500	1,256,934			31,578,757	26,610,770
e) Total Capital (a+d)	136,623,624	126,674,340	11,604,988	7,835,339			187,926,285	170,334,408
f) Total risk weighted assets	676,510,774	654,392,522	81,308,855	76,036,622			866,573,168	788,786,860
g) Core Capital/Total Deposits Liabilities	17.1%	17.3%	9.1%	6.2%			18.7%	18.7%
h) Minimum statutory Ratio	8.0%	8.0%	8.0%	8.0%			8.0%	8.0%
i) Excess (g-h)	9.1%	9.3%	1.1%	(1.8%)			10.7%	10.7%
j) Core Capital/Total Risk Weighted Assets	15.9%	15.6%	12.7%	8.7%			18.0%	18.2%
k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%			10.5%	10.5%
l) Excess (j-k)	5.4%	5.1%	2.2%	(1.8%)			7.5%	7.7%
m) Total Capital/Total Risk Weighted Assets	20.2%	19.4%	14.3%	10.3%			21.7%	21.6%
n) Minimum Statutory Ratio	14.5%	14.5%	14.5%	14.5%			14.5%	14.5%
o) Excess (m-n)	5.7%	4.9%	(0.2%)	(4.2%)			7.2%	7.1%
p) Adjusted Core Capital/Total Deposit Liabilities*	17.2%	17.6%	9.2%	6.2%			18.8%	18.9%
q) Adjusted Core Capital/Total Risk Weighted Assets*	16.0%	15.8%	12.9%	8.7%			18.1%	18.4%
r) Adjusted Total Capital/Total Risk Weighted Assets*	20.3%	19.5%	14.5%	10.3%			21.8%	21.8%
5. LIQUIDITY								
a) Liquidity Ratio	35.0%	31.2%	41.7%	44.4%			39.1%	36.1%
b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%			20.0%	20.0%
c) Excess (a-b)	15.0%	11.2%	21.7%	24.4%			19.1%	16.1%