



Absa Bank Kenya PLC Financial Statements

The Board of Directors of Absa Bank Kenya PLC is pleased to announce the unaudited group results for the period ended 31 March 2022

	Bank			Group		
	March 2021	December 2021	March 2022	March 2021	December 2021	March 2022
	Shs '000 Unaudited	Shs '000 Audited	Shs '000 Unaudited	Shs '000 Unaudited	Shs '000 Audited	Shs '000 Unaudited
I Statement of financial position						
A Assets						
1 Cash balances (both local and foreign)	6,038,429	7,730,114	6,893,855	6,038,429	7,730,114	6,893,855
2 Balances due from Central Bank of Kenya	9,727,440	13,279,265	12,715,668	9,727,440	13,279,265	12,715,668
3 Kenya Government and other securities held for dealing purposes	44,182,908	44,195,668	48,920,541	44,182,908	44,195,668	48,920,541
4 Financial Assets at fair value through profit and loss	-	-	-	-	-	-
5 Investment Securities:	-	-	-	-	-	-
a) Held to Maturity:	-	-	-	-	-	-
a. Kenya Government securities	-	-	-	-	-	-
b. Other securities	-	-	-	-	-	-
b) Fair value through other comprehensive income (FVOCI)	82,129,680	87,972,113	87,419,688	82,557,903	88,380,436	87,810,716
a. Kenya Government securities	82,129,680	87,972,113	87,419,688	82,557,903	88,380,436	87,810,716
b. Other securities	-	-	-	-	-	-
6 Deposits and balances due from local banking Institutions	1,500,000	1,113,150	-	1,500,000	1,113,150	-
7 Deposits and balances due from banking Institutions abroad	1,340,063	1,894,090	6,528,744	1,340,063	1,894,090	6,528,744
8 Tax recoverable	-	-	-	-	-	-
9 Loans and advances to customers (net)	218,265,767	234,234,076	242,672,126	218,265,767	234,234,076	242,672,126
10 Balances due from banking institutions in the group	3,769,442	19,057,979	14,327,127	3,769,442	19,057,979	14,327,127
11 Investment in Associates	-	-	-	-	-	-
12 Investment in Subsidiary Companies	427,751	462,751	462,751	-	-	-
13 Investment in joint Ventures	-	-	-	-	-	-
14 Investment properties	-	-	-	-	-	-
15 Property and equipment	2,853,543	2,416,109	2,347,411	2,854,058	2,416,200	2,347,487
16 Prepaid Operating Rental Leases	34,236	33,173	33,974	34,236	33,974	33,974
17 Intangible assets	242,658	417,271	444,612	310,748	480,728	508,327
18 Deferred Tax	3,785,649	4,677,328	4,806,292	3,836,533	4,737,959	4,863,381
19 Retirement Benefit Asset	68,605	-	-	68,605	-	-
20 Other assets	9,702,252	11,263,131	11,145,595	9,602,201	11,136,765	10,877,694
21 Total asset	384,068,423	428,746,218	438,718,384	384,088,333	428,656,430	438,499,640
B Liabilities						
22 Balances due to Central Bank of Kenya	-	-	-	-	-	-
23 Customer deposits	258,633,865	270,737,198	271,759,616	257,071,483	268,716,653	269,537,302
24 Deposits and balances due to Banking institutions (Local)	4,092,536	4,301,166	4,010,800	4,092,536	4,301,166	4,010,800
25 Deposits and balances due to Banking institutions (Foreign)	1,897,056	507,750	274,416	1,897,056	507,750	274,416
26 Other money market deposits	-	-	-	-	-	-
27 Borrowed funds	-	-	-	-	-	-
28 Balances due to banking institutions in the group	53,628,013	75,647,688	82,112,790	53,628,013	75,647,933	82,112,762
29 Tax payable	708,326	2,749,546	3,973,125	550,916	2,520,991	3,834,895
30 Dividends payable	-	-	-	-	-	-
31 Deferred tax liability	-	-	-	-	-	-
32 Retirement Benefit Liability	-	363,000	234,706	-	363,000	234,706
33 Other liabilities	18,126,140	20,087,231	19,491,042	18,191,698	20,184,718	19,344,722
34 Total liabilities	337,085,936	374,393,579	381,856,495	335,431,702	372,242,211	379,349,603
C Shareholders' Funds						
35 Paid up / Assigned capital	2,715,768	2,715,768	2,715,768	2,715,768	2,715,768	2,715,768
36 Share premium / (discount)	-	-	-	-	-	-
37 Revaluation reserves	808,417	396,310	108,403	820,575	393,663	101,086
38 Retained earnings / (Accumulated losses)	43,281,614	45,154,608	47,910,112	44,943,600	47,252,008	50,205,577
39 Statutory loan loss reserve	-	-	-	-	-	-
40 Other reserves	176,688	111,263	152,916	176,688	111,263	152,916
41 Proposed dividend	-	5,974,690	5,974,690	-	5,974,690	5,974,690
42 Capital Grants	-	-	-	-	-	-
43 Total shareholders' funds	46,982,487	54,352,639	56,861,889	48,656,631	56,447,392	59,150,037
44 Minority Interest	-	-	-	-	-	-
45 Total liabilities and total shareholders funds	384,068,423	428,746,218	438,718,384	384,088,333	428,689,603	438,499,640
II Statement of comprehensive income						
1.0 Interest income						
1.1 Loans and advances to customers	5,542,005	23,095,489	6,325,719	5,542,005	23,095,489	6,325,719
1.2 Government securities	2,032,097	8,246,019	2,201,131	2,044,265	8,296,579	2,213,692
1.3 Deposits and placements with banking institutions	11,954	646,242	241,800	12,499	646,242	241,800
1.4 Other interest income	-	-	-	-	-	-
1.5 Total interest income	7,586,056	31,987,750	8,768,650	7,598,769	32,038,310	8,781,211
2.0 Interest expenses						
2.1 Customer deposits	1,451,183	6,094,471	1,637,143	1,431,788	5,998,294	1,608,271
2.2 Deposits and placements with banking institutions	169,285	653,160	263,495	169,285	653,160	263,495
2.3 Other interest expenses	33,729	128,541	27,790	33,937	129,944	27,790
2.4 Total interest expenses	1,654,197	6,876,172	1,928,428	1,635,010	6,781,398	1,899,556
3.0 Net interest income	5,931,859	25,111,578	6,840,222	5,963,759	25,256,912	6,881,655
4.0 Non-interest income						
4.1 Fees and commissions income on loans & Advances	447,972	1,731,947	314,369	447,972	1,731,947	314,369
4.2 Other fees and commissions	923,578	3,363,198	834,061	1,180,441	4,423,785	1,150,900
4.3 Foreign exchange trading income	933,057	4,161,703	1,225,291	933,057	4,161,698	1,225,290
4.4 Dividend income	-	-	-	-	-	-
4.5 Other income	294,100	1,362,065	331,445	290,359	1,347,100	327,703
4.6 Total non-interest income	2,598,707	10,618,913	2,705,166	2,851,829	11,664,530	3,018,262
5.0 Total operating income	8,530,566	35,730,491	9,545,388	8,815,588	36,921,442	9,899,917
6.0 Operating expenses						
6.1 Loan loss provision	1,393,246	4,708,276	1,181,037	1,393,890	4,709,210	1,181,000
6.2 Staff costs	2,228,580	9,147,632	2,200,937	2,301,777	9,434,639	2,256,187
6.3 Directors emoluments	48,485	148,564	47,271	51,086	156,893	49,322
6.4 Rental charge	8,473	94,875	29,099	8,473	94,875	29,099
6.5 Depreciation on property and equipment	211,765	768,840	175,798	212,559	768,916	175,815
6.6 Amortisation charges	25,050	119,404	28,723	28,032	131,335	31,512
6.7 Other operating expenses	1,403,099	6,018,044	1,866,903	1,411,906	6,076,620	1,878,039
7.0 Total operating expenses	5,318,698	21,005,635	5,529,768	5,407,723	21,372,488	5,600,974
8.0 Profit before tax and exceptional items	3,211,868	14,724,856	4,015,620	3,407,865	15,548,954	4,298,943
9.0 Profit after exceptional items	3,211,868	14,724,856	4,015,620	3,407,865	15,548,954	4,298,943
10 Current tax	(1,461,888)	(5,547,509)	(1,223,579)	(1,524,490)	(5,803,620)	(1,313,904)
11 Deferred tax	531,959	1,119,868	(36,535)	536,589	1,124,635	(31,470)
12 Profit after tax and exceptional items	2,281,939	10,297,215	2,755,506	2,419,964	10,869,969	2,953,569
13 Other comprehensive income						
13.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-	-	-
13.2 Fair value changes in FVOCI financial assets	(375,456)	(964,181)	(551,663)	(373,364)	(983,238)	(559,131)
13.3 Revaluation surplus on property, plant and equipment	-	-	-	-	-	-
13.4 Share of other comprehensive income of associates	-	-	-	-	-	-
13.5 Income tax relating to components of other comprehensive income	112,637	289,254	165,499	112,009	294,972	167,739
14 Other Comprehensive Income for the year net of tax	(262,819)	(674,927)	(386,164)	(261,355)	(688,266)	(391,392)
15 Total comprehensive income for the year	2,019,120	9,622,288	2,369,342	2,158,609	10,181,703	2,562,177
Earnings per Share (Shs)	0.42	1.90	0.51	0.45	2.00	0.54
Dividends per share (Shs)	-	1.10	-	-	1.10	-

	March 2021	December 2021	March 2022
	Shs '000 Unaudited	Shs '000 Audited	Shs '000 Unaudited
III Other disclosures			
1) Non-performing loans and advances			
a) Gross non-performing loans and advances	17,267,408	19,817,024	19,498,844
b) Less: Interest in suspense	2,418,021	2,495,443	2,364,684
c) Total non performing loans and advances	14,849,387	17,321,581	17,134,160
d) Less: loan loss provisions	10,248,992	12,908,863	12,489,879
e) Net non performing loans (c-d)	4,600,395	4,412,718	4,644,281
f) Discounted value of securities	3,521,803	3,326,376	3,538,558
g) Net NPLs (Excess)/Exposure (e-f)	1,078,592	1,086,342	1,105,723
2) Insider loans and advances			
a) Directors, shareholders and associates	36,371	35,033	34,658
b) Employees	9,769,404	9,884,384	9,848,419
c) Total insider loans and advances	9,805,775	9,919,417	9,883,077
3) Off Balance sheet items			
a) Letters of credit, guarantees, acceptances	43,882,881	41,450,324	47,712,808
b) Forwards, swaps and options	85,958,439	90,454,228	93,085,296
c) Other contingent liabilities	-	-	-
Total Contingent liabilities	129,841,320	131,904,552	140,798,104
4) Capital Strength			
a) Core capital	44,856,413	47,870,376	49,248,127
b) Minimum statutory capital	1,000,000	1,000,000	1,000,000
c) Excess/(Deficiency)	43,856,413	46,870,376	48,248,127
d) Supplementary capital	8,212,501	8,486,247	8,644,466
e) Total capital	53,068,914	56,356,623	57,892,593
f) Total risk weighted assets	311,724,625	328,712,458	339,900,958
g) Core capital/total deposit liabilities	17.5%	17.9%	18.4%
h) Minimum statutory ratio	8.0%	8.0%	8.0%
i) Excess/(Deficiency)	9.5%	9.9%	10.4%
j) Core capital/total risk weighted assets	14.4%	14.6%	14.5%
k) Minimum statutory ratio	10.5%	10.5%	10.5%
l) Excess/(Deficiency)	3.9%	4.1%	4.0%
m) Total capital/total risk weighted assets	17.0%	17.1%	17.0%
n) Minimum statutory ratio	14.5%	14.5%	14.5%
o) Excess/(Deficiency)	2.5%	2.6%	2.5%
p) Adjusted Core Capital/Total Deposit Liabilities*	17.7%	18.0%	18.5%
q) Adjusted Core Capital/Total Risk Weighted Assets*	14.5%	14.7%	14.6%
r) Adjusted Total Capital/Total Risk Weighted Assets*	17.1%	17.2%	17.1%
5) Liquidity			
a) Liquidity ratio	38.3%	38.3%	36.7%
b) Minimum statutory ratio	20.0%	20.0%	20.0%
c) Excess/(Deficiency)	18.3%	18.3%	16.7%

Message from the Directors:

We are now in the final phase of our 5-year strategy which is built on three key priorities - Growth, Transformation and Returns. We have made significant progress on each of the three areas.

On Growth: Compared to the same period last year, revenue increased by 12% to KES 9.9 billion which is the highest in a decade, customer assets increased by 11% to KES 243 billion, total assets increased by 14% to KES 438 billion with customer deposits growing by 5% to KES 270 billion. This has supported a strong growth in profit after tax of 22% compared to the same period last year and demonstrates our business has returned to growth.

On Transformation: The bank sustained new-found levels of efficiency at 46% and demonstrates continued pay-offs being realized from our transformational investments and provides capacity for re-investment to support growth. Our customers are transacting more on digital where we are serving 90% of all our transactions now going through on alternate channels outside the branch. Our Brand building efforts continue to deliver results, we are now the most reputable financial institution in the country having improved from position two in 2021 as ranked by 2021 reputation tracker by GlobeScan.

On Returns: Return on equity recovery ahead of our plans at 20% and has improved from 19% as at end of 2021.

Our quarter one results for the year 2022 are a clear demonstration that our strategy is delivering the desired results. We remain cautiously optimistic about our future while being aware of the challenges and opportunities present in our operating environment.