

COMMERCIAL BANK OF AFRICA LIMITED

FINANCIAL STATEMENTS & DISCLOSURES - 30 SEPTEMBER 2015

I. STATEMENT OF FINANCIAL POSITION

| | GROUP | | | | BANK | | | | | |
|--|--------------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|--------------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|
| | 30 Sept 2014 Unaudited Kes 000 | 31 Dec 2014 Audited Kes 000 | 31 Mar 2015 Unaudited Kes 000 | 30 Jun 2015 Unaudited Kes 000 | 30 Sept 2015 Unaudited Kes 000 | 30 Sept 2014 Unaudited Kes 000 | 31 Dec 2014 Audited Kes 000 | 31 Mar 2015 Unaudited Kes 000 | 30 Jun 2015 Unaudited Kes 000 | 30 Sept 2015 Unaudited Kes 000 |
| A ASSETS | | | | | | | | | | |
| 1. Cash (both local and foreign) | 2,998,206 | 3,048,907 | 3,487,031 | 4,152,748 | 3,694,181 | 2,224,530 | 2,332,007 | 2,765,565 | 3,010,091 | 2,888,538 |
| 2. Balances due from Central Banks | 8,821,990 | 10,571,486 | 8,307,081 | 11,017,819 | 11,595,879 | 6,433,898 | 8,922,811 | 7,161,675 | 7,721,089 | 8,238,660 |
| 3. Kenya Government and other securities held for dealing purposes | - | - | - | - | - | - | - | - | - | - |
| 4. Financial assets at fair value through profit and loss | 179,059 | 221,074 | 221,074 | 221,074 | 221,074 | 179,059 | 221,074 | 221,074 | 221,074 | 221,074 |
| 5. Investment securities | | | | | | | | | | |
| a) Held to maturity: | | | | | | | | | | |
| a. Kenya Government securities | 29,444,735 | 23,121,765 | 23,822,780 | 26,200,957 | 24,399,642 | 29,177,920 | 23,121,765 | 23,822,780 | 26,200,957 | 24,399,642 |
| b. Other securities | 4,236,017 | 6,505,483 | 6,795,553 | 6,967,741 | 6,059,338 | 712,059 | 841,590 | 1,464,606 | 1,501,656 | 1,526,625 |
| b) Available for sale | | | | | | | | | | |
| a. Kenya government securities | 17,185,107 | 22,689,080 | 23,433,792 | 22,178,097 | 20,248,103 | 17,185,107 | 22,689,080 | 23,433,792 | 22,178,097 | 20,248,103 |
| b. Other securities | 1,720,783 | 2,173,731 | 2,749,030 | 3,015,646 | 3,251,109 | 42,774 | 46,014 | 1,058,149 | 1,085,192 | 1,117,961 |
| 6. Deposits and balances due from local banking institutions | 2,673,384 | 5,676,664 | 4,225,494 | 2,107,228 | 1,476,618 | 1,087,097 | 660,649 | 1,033,397 | 854,469 | 960,179 |
| 7. Deposits and balances due from banking institutions abroad | 7,171,735 | 13,295,134 | 14,211,801 | 8,105,598 | 6,711,648 | 4,330,338 | 8,912,237 | 9,303,695 | 4,573,145 | 5,219,954 |
| 8. Tax recoverable | 70,140 | 95,137 | - | 150,531 | 93,995 | - | 16,265 | - | 95,910 | 12,569 |
| 9. Loans and advances to customers (net) | 94,059,971 | 99,674,489 | 97,025,550 | 107,311,429 | 112,886,969 | 83,415,849 | 89,362,297 | 86,742,770 | 96,742,664 | 102,179,626 |
| 10. Balances due from banking institutions in the group | - | - | - | - | - | 159,057 | 2,251,645 | 3,546,985 | 2,110,847 | 3,272,768 |
| 11. Investment in associates | 656,355 | 2,998,130 | 2,998,130 | 2,931,470 | 2,931,470 | 332,593 | 2,497,563 | 2,497,563 | 2,497,563 | 2,497,563 |
| 12. Investment in subsidiary companies | - | - | - | - | - | 1,980,340 | 2,788,795 | 2,788,795 | 3,227,779 | 3,227,779 |
| 13. Investments in joint ventures | - | - | - | - | - | - | - | - | - | - |
| 14. Investment properties | - | - | - | - | - | - | - | - | - | - |
| 15. Property and equipment | 4,082,698 | 1,505,264 | 1,510,908 | 1,649,582 | 1,768,350 | 858,547 | 825,832 | 889,190 | 1,079,238 | 1,213,352 |
| 16. Prepaid lease rentals | 15,538 | - | - | - | - | - | - | - | - | - |
| 17. Intangible assets | 1,309,521 | 1,353,864 | 1,366,101 | 1,254,537 | 1,585,555 | 1,214,378 | 1,168,459 | 1,163,548 | 1,210,967 | 1,543,568 |
| 18. Deferred tax asset | 410,198 | 536,454 | 607,043 | 965,537 | 1,014,878 | 99,927 | 252,895 | 311,831 | 657,132 | 702,845 |
| 19. Retirement benefit asset | - | - | - | - | - | - | - | - | - | - |
| 20. Other assets | 3,158,388 | 3,997,042 | 4,256,900 | 5,299,840 | 4,708,641 | 5,277,391 | 8,897,850 | 6,778,252 | 4,398,534 | 4,996,056 |
| 21. Total assets | 178,193,825 | 197,463,704 | 195,018,268 | 203,529,354 | 202,647,450 | 154,710,864 | 175,808,828 | 174,983,667 | 179,366,404 | 184,466,862 |
| B LIABILITIES | | | | | | | | | | |
| 22. Balances due to Central Banks | - | - | - | - | - | - | - | - | - | - |
| 23. Customer deposits | 128,720,588 | 138,557,177 | 135,550,708 | 144,103,122 | 145,876,143 | 113,115,609 | 122,044,136 | 119,399,712 | 127,425,512 | 130,911,194 |
| 24. Deposits and balances due to local banking institutions | 16,599,584 | 15,551,917 | 15,690,363 | 11,304,658 | 12,192,792 | 16,596,768 | 15,551,917 | 15,690,363 | 11,304,658 | 12,192,792 |
| 25. Deposits and balances due to foreign banking institutions | 14,052,216 | 16,014,057 | 14,539,782 | 18,451,788 | 15,268,549 | 8,677,623 | 11,537,537 | 12,310,648 | 12,949,088 | 12,782,489 |
| 26. Other money market deposits | - | - | - | - | - | - | - | - | - | - |
| 27. Borrowed funds | - | 7,024,475 | 7,245,148 | 7,022,067 | 7,247,644 | - | 7,024,475 | 7,245,148 | 7,022,067 | 7,247,644 |
| 28. Balances due to banking institutions in the group | - | - | - | - | - | - | 125,465 | - | 31,759 | 56,731 |
| 29. Tax payable | - | 9,670 | 318,952 | 21,940 | 9,256 | 20,983 | - | 304,969 | - | - |
| 30. Dividends payable | - | - | - | - | - | - | - | - | - | - |
| 31. Deferred tax liability | 91,024 | - | - | - | - | - | - | - | - | - |
| 32. Retirement benefit liability | - | - | - | - | - | - | - | - | - | - |
| 33. Other liabilities | 2,542,760 | 1,806,058 | 2,668,070 | 3,410,354 | 3,355,978 | 1,345,542 | 1,668,654 | 1,521,612 | 1,810,845 | 2,190,739 |
| 34. Total liabilities | 162,006,172 | 178,963,354 | 176,013,023 | 184,313,929 | 183,950,362 | 139,756,525 | 157,952,184 | 156,472,452 | 160,543,929 | 165,381,589 |
| C SHAREHOLDERS' FUNDS | | | | | | | | | | |
| 35. Paid up capital | 4,915,402 | 5,300,923 | 5,300,923 | 5,300,923 | 5,300,923 | 4,915,402 | 5,300,923 | 5,300,923 | 5,300,923 | 5,300,923 |
| 36. Share premium | 1,275,622 | 2,991,194 | 2,991,194 | 2,991,194 | 2,991,194 | 1,275,622 | 2,991,194 | 2,991,194 | 2,991,194 | 2,991,194 |
| 37. Revaluation reserves | 1,180,089 | - | - | - | - | - | - | - | - | - |
| 38. Retained earnings | 7,539,431 | 8,599,866 | 9,268,474 | 10,037,310 | 9,541,780 | 8,024,517 | 8,610,958 | 9,403,046 | 10,520,008 | 10,889,469 |
| 39. Statutory loan loss reserve | 1,343,536 | 1,228,385 | 1,216,289 | 1,466,441 | 1,559,069 | 820,808 | 926,472 | 926,472 | 926,472 | 926,472 |
| 40. Other reserves | (66,427) | 379,982 | 228,365 | (580,443) | (695,878) | (82,010) | 27,097 | (110,420) | (916,122) | (1,022,785) |
| 41. Proposed dividends | - | - | - | - | - | - | - | - | - | - |
| 42. Capital grants | - | - | - | - | - | - | - | - | - | - |
| 43. Total shareholders' funds | 16,187,653 | 18,500,350 | 19,005,245 | 19,215,425 | 18,697,088 | 14,954,339 | 17,856,644 | 18,511,215 | 18,822,475 | 19,085,273 |
| 44. Total liabilities and shareholders' funds | 178,193,825 | 197,463,704 | 195,018,268 | 203,529,354 | 202,647,450 | 154,710,864 | 175,808,828 | 174,983,667 | 179,366,404 | 184,466,862 |

II. STATEMENT OF COMPREHENSIVE INCOME

| | GROUP | | | | BANK | | | | | |
|---|--------------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|--------------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|
| | 30 Sept 2014 Unaudited Kes 000 | 31 Dec 2014 Audited Kes 000 | 31 Mar 2015 Unaudited Kes 000 | 30 Jun 2015 Unaudited Kes 000 | 30 Sept 2015 Unaudited Kes 000 | 30 Sept 2014 Unaudited Kes 000 | 31 Dec 2014 Audited Kes 000 | 31 Mar 2015 Unaudited Kes 000 | 30 Jun 2015 Unaudited Kes 000 | 30 Sept 2015 Unaudited Kes 000 |
| 1 INTEREST INCOME | | | | | | | | | | |
| 1.1 Loans and advances | 7,062,423 | 9,824,206 | 3,051,219 | 6,019,286 | 9,324,988 | 5,759,315 | 8,098,320 | 2,630,020 | 5,172,647 | 8,045,354 |
| 1.2 Government securities | 3,217,236 | 4,624,828 | 1,424,798 | 3,006,148 | 4,403,337 | 2,873,156 | 4,100,863 | 1,209,456 | 2,564,796 | 3,770,334 |
| 1.3 Deposits and placements from banking institutions | 286,511 | 381,148 | 74,044 | 174,001 | 416,461 | 199,370 | 240,906 | 40,663 | 87,461 | 147,088 |
| 1.4 Other interest income | 1,349 | 22,296 | 5,919 | 33,708 | 725 | 1,349 | 22,296 | 399 | 33,707 | 725 |
| 1.5 Total interest income | 10,567,519 | 14,852,478 | 4,555,980 | 9,233,143 | 14,145,511 | 8,833,190 | 12,462,385 | 3,880,538 | 7,858,611 | 11,963,501 |
| 2 INTEREST EXPENSES | | | | | | | | | | |
| 2.1 Customer deposits | 4,472,729 | 6,525,812 | 1,973,306 | 4,124,258 | 6,379,446 | 3,650,506 | 5,388,099 | 1,682,731 | 3,383,858 | 5,270,848 |
| 2.2 Deposits and placements from banking institutions | 1,007,423 | 1,298,186 | 332,323 | 570,639 | 954,877 | 672,593 | 899,673 | 259,497 | 567,633 | 949,100 |
| 2.3 Other interest expenses | - | - | 220,673 | 443,798 | 669,375 | - | - | 220,673 | 443,798 | 669,375 |
| 2.4 Total interest expenses | 5,480,152 | 7,823,998 | 2,526,302 | 5,138,695 | 8,003,698 | 4,323,099 | 6,287,772 | 2,162,901 | 4,395,289 | 6,889,323 |
| 3 NET INTEREST INCOME | 5,087,367 | 7,028,480 | 2,029,678 | 4,094,448 | 6,141,813 | 4,510,091 | 6,174,613 | 1,717,637 | 3,463,322 | 5,074,178 |
| 4 OTHER OPERATING INCOME | | | | | | | | | | |
| 4.1 Fees and commissions on loans and advances | 1,185,103 | 1,678,372 | 598,923 | 1,342,174 | 2,444,352 | 1,079,174 | 1,531,777 | 562,895 | 1,247,872 | 2,306,699 |
| 4.2 Other fees and commissions | 1,071,709 | 1,469,915 | 348,891 | 716,505 | 1,177,253 | 842,836 | 1,149,820 | 294,355 | 602,868 | 913,106 |
| 4.3 Foreign exchange trading income | 1,211,568 | 1,606,710 | 298,566 | 665,243 | 463,810 | 1,038,283 | 1,381,450 | 389,189 | 790,460 | 1,283,057 |
| 4.4 Dividend income | - | - | - | - | 66,660 | 66,600 | 66,660 | - | 66,660 | 66,660 |
| 4.5 Other income | 312,749 | 457,450 | 63,846 | 147,074 | 158,403 | 181,759 | 290,537 | 11,948 | 23,025 | 34,204 |
| 4.6 Total Non-interest income | 3,781,129 | 5,212,447 | 1,310,226 | 2,870,996 | 4,310,478 | 3,208,652 | 4,420,244 | 1,258,387 | 2,730,885 | 4,603,726 |
| 5 TOTAL OPERATING INCOME | 8,868,496 | 12,240,927 | 3,339,904 | 6,965,444 | 10,452,291 | 7,718,743 | 10,594,857 | 2,976,024 | 6,194,207 | 9,677,904 |
| 6 OPERATING EXPENSES | | | | | | | | | | |
| 6.1 Loan loss provision | 1,076,580 | 1,728,434 | 205,134 | 510,103 | 826,358 | 595,696 | 970,853 | 330,057 | 619,421 | 833,994 |
| 6.2 Staff costs | 2,131,686 | 2,702,031 | 763,986 | 1,573,670 | 2,432,083 | 1,639,619 | 2,025,732 | 591,782 | 1,232,044 | 1,915,869 |
| 6.3 Directors' emoluments | 133,715 | 182,664 | 38,224 | 91,991 | 136,657 | 117,861 | 165,360 | 34,588 | 73,631 | 110,247 |
| 6.4 Rental charges | 235,743 | 338,227 | 223,656 | 285,299 | 465,039 | 247,219 | 333,798 | 145,977 | 193,878 | 311,155 |
| 6.5 Depreciation charge on property and equipment | 282,968 | 400,773 | 135,718 | 235,680 | 346,899 | 182,499 | 252,205 | 72,365 | 148,257 | 221,286 |
| 6.6 Amortisation charges | 228,918 | 330,974 | 92,636 | 195,223 | 288,992 | 220,564 | 299,743 | 82,090 | 168,247 | 255,545 |
| 6.7 Other operating expenses | 1,925,969 | 2,821,370 | 541,363 | 1,272,663 | 1,973,227 | 1,330,132 | 2,025,266 | 396,903 | 876,956 | 1,334,743 |
| 6.8 Total other operating expenses | 6,015,579 | 8,504,473 | 2,000,717 | 4,164,629 | 6,469,255 | 4 | | | | |