

# COMMERCIAL BANK OF AFRICA LIMITED

## FINANCIAL STATEMENTS & DISCLOSURES - 30 JUNE 2015

### I. STATEMENT OF FINANCIAL POSITION

	GROUP			BANK				
	30 June 2014	31 Dec 2014	31 Mar 2015	30 June 2015	30 June 2014	31 Dec 2014	31 Mar 2015	30 June 2015
	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited
	KES 000	KES 000	KES 000	KES 000	KES 000	KES 000	KES 000	KES 000
<b>A ASSETS</b>								
1. Cash (both local and foreign)	2,794,470	3,048,907	3,487,031	4,152,748	1,990,088	2,332,007	2,765,565	3,010,091
2. Balances due from Central Bank	4,746,372	10,571,486	8,307,081	11,017,819	2,764,886	8,922,811	7,161,675	7,721,089
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	179,059	221,074	221,074	221,074
5. Investment securities								
a) Held to maturity:								
a. Kenya Government securities	25,572,255	23,121,765	23,822,780	26,200,957	25,442,388	23,121,765	23,822,780	26,200,957
b. Other securities	2,496,641	6,505,483	6,795,553	6,967,741	-	841,590	1,464,606	1,501,656
b) Available for sale								
a. Kenya government securities	10,465,961	22,689,080	23,433,792	22,178,097	10,465,961	22,689,080	23,433,792	22,178,097
b. Other securities	1,057,489	2,173,731	2,749,030	3,015,646	42,774	46,014	1,058,149	1,085,192
6. Deposits and balances due from local banking institutions	2,305,821	5,676,664	4,225,494	2,107,228	1,622,874	660,649	1,033,397	854,469
7. Deposits and balances due from banking institutions abroad	18,360,073	13,295,134	14,211,801	8,105,598	16,342,655	8,912,237	9,303,695	4,573,145
8. Tax recoverable	231,715	95,137	-	150,531	48,214	16,265	-	95,910
9. Loans and advances to customers (net)	86,374,842	99,674,489	97,025,550	107,311,429	75,320,820	89,362,297	86,742,770	96,742,664
10. Balances due from banking institutions in the group	-	-	-	-	292,214	2,251,645	3,546,985	2,110,847
11. Investment in associates	656,355	2,998,130	2,998,130	2,931,470	332,593	2,497,563	2,497,563	2,497,563
12. Investment in subsidiary companies	-	-	-	-	1,680,340	2,788,795	2,788,795	3,227,779
13. Investments in joint ventures	-	-	-	-	-	-	-	-
14. Investment properties	-	-	-	-	-	-	-	-
15. Property and equipment	3,952,149	1,505,264	1,510,908	1,649,582	855,056	825,832	889,190	1,079,238
16. Prepaid lease rentals	43,798	-	-	-	-	-	-	-
17. Intangible assets	1,477,533	1,353,864	1,366,101	1,254,537	1,280,828	1,168,459	1,163,548	1,210,967
18. Deferred tax asset	147,278	536,454	607,043	965,057	70,255	252,895	311,831	567,132
19. Retirement benefit asset	-	-	-	-	-	-	-	-
20. Other assets	3,114,118	3,997,042	4,256,900	5,299,840	5,070,261	8,897,850	6,778,252	4,398,534
21. <b>Total assets</b>	<b>163,975,929</b>	<b>197,463,704</b>	<b>195,018,268</b>	<b>203,529,354</b>	<b>143,801,266</b>	<b>175,808,828</b>	<b>174,983,667</b>	<b>179,366,404</b>
<b>B LIABILITIES</b>								
22. Balances due to Central Banks	-	-	-	-	-	-	-	-
23. Customer deposits	122,094,956	138,557,177	135,550,708	144,103,122	109,069,655	122,044,136	119,399,712	127,425,512
24. Deposits and balances due to local banking institutions	8,837,686	15,551,917	15,690,363	11,304,658	8,836,727	15,551,917	15,690,363	11,304,658
25. Deposits and balances due to foreign banking institutions	15,389,720	16,014,057	14,539,782	18,451,788	10,244,444	11,537,537	12,310,648	12,949,088
26. Other money market deposits	-	-	-	-	-	-	-	-
27. Borrowed funds	-	7,024,475	7,245,148	7,022,067	-	7,024,475	7,245,148	7,022,067
28. Balances due to banking institutions in the group	-	-	-	-	-	125,465	-	31,759
29. Tax payable	2,425	9,670	318,952	21,940	-	-	304,969	-
30. Dividends payable	-	-	-	-	-	-	-	-
31. Deferred tax liability	120,696	-	-	-	-	-	-	-
32. Retirement benefit liability	-	-	-	-	-	-	-	-
33. Other liabilities	2,003,433	1,806,058	2,668,070	3,410,354	1,282,705	1,668,654	1,521,612	1,810,845
34. <b>Total liabilities</b>	<b>148,448,916</b>	<b>178,963,354</b>	<b>176,013,023</b>	<b>184,313,929</b>	<b>129,433,531</b>	<b>157,952,184</b>	<b>156,472,452</b>	<b>160,543,929</b>
<b>C SHAREHOLDERS' FUNDS</b>								
35. Paid up capital	4,915,402	5,300,923	5,300,923	5,300,923	4,915,402	5,300,923	5,300,923	5,300,923
36. Share premium	1,275,622	2,991,194	2,991,194	2,991,194	1,275,622	2,991,194	2,991,194	2,991,194
37. Revaluation reserves	1,180,089	-	-	-	-	-	-	-
38. Retained earnings	7,286,750	8,599,866	9,268,474	10,037,310	7,535,821	8,610,958	9,403,046	10,520,008
39. Statutory loan loss reserve	874,815	1,228,385	1,216,289	1,466,441	653,665	926,472	926,472	926,472
40. Other reserves	(5,665)	379,982	228,365	(580,443)	(12,775)	27,097	(110,420)	(916,122)
41. Proposed dividends	-	-	-	-	-	-	-	-
42. Capital grants	-	-	-	-	-	-	-	-
43. <b>Total shareholders' funds</b>	<b>15,527,013</b>	<b>18,500,350</b>	<b>19,005,245</b>	<b>19,215,425</b>	<b>14,367,735</b>	<b>17,856,644</b>	<b>18,511,215</b>	<b>18,822,475</b>
44. <b>Total liabilities and shareholders' funds</b>	<b>163,975,929</b>	<b>197,463,704</b>	<b>195,018,268</b>	<b>203,529,354</b>	<b>143,801,266</b>	<b>175,808,828</b>	<b>174,983,667</b>	<b>179,366,404</b>

### II. STATEMENT OF COMPREHENSIVE INCOME

	GROUP			BANK				
	Half Year to	Year ended	Quarter ended	Half Year to	Half Year to	Year ended	Quarter ended	Half Year to
	30 June 2014	31 Dec 2014	31 Mar 2015	30 June 2015	30 June 2014	31 Dec 2014	31 Mar 2015	30 June 2015
	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited
	KES 000	KES 000	KES 000	KES 000	KES 000	KES 000	KES 000	KES 000
<b>1 INTEREST INCOME</b>								
1.1 Loans and advances	4,415,034	9,824,206	3,051,219	6,019,286	3,534,142	8,098,320	2,630,020	5,172,647
1.2 Government securities	1,956,524	4,624,828	1,424,798	3,006,148	1,747,923	4,100,863	1,209,456	2,564,796
1.3 Deposits and placements from banking institutions	181,992	381,148	74,044	174,001	132,811	240,906	40,663	87,461
1.4 Other interest income	1,185	22,296	5,919	33,708	1,185	22,296	399	33,707
1.5 <b>Total interest income</b>	<b>6,554,735</b>	<b>14,852,478</b>	<b>4,555,980</b>	<b>9,233,143</b>	<b>5,416,061</b>	<b>12,462,385</b>	<b>3,880,538</b>	<b>7,858,611</b>
<b>2 INTEREST EXPENSES</b>								
2.1 Customer deposits	2,598,264	6,525,812	1,973,306	4,124,258	2,057,068	5,388,099	1,682,731	3,383,858
2.2 Deposits and placements from banking institutions	706,626	1,298,186	332,323	570,639	468,830	899,673	259,497	567,633
2.3 Other interest expenses	-	-	220,673	443,798	-	-	220,673	443,798
2.4 <b>Total interest expenses</b>	<b>3,304,890</b>	<b>7,823,998</b>	<b>2,526,302</b>	<b>5,138,695</b>	<b>2,525,898</b>	<b>6,287,772</b>	<b>2,162,901</b>	<b>4,395,289</b>
3 <b>NET INTEREST INCOME</b>	<b>3,249,845</b>	<b>7,028,480</b>	<b>2,029,678</b>	<b>4,094,448</b>	<b>2,890,163</b>	<b>6,174,613</b>	<b>1,717,637</b>	<b>3,463,322</b>
<b>4 OTHER OPERATING INCOME</b>								
4.1 Fees and commissions on loans and advances	763,479	1,678,372	598,923	1,342,174	697,932	1,531,777	562,895	1,247,872
4.2 Other fees and commissions	671,359	1,469,915	348,891	716,505	520,351	1,149,820	294,355	602,868
4.3 Foreign exchange trading income	985,721	1,606,710	298,566	665,243	867,544	1,381,450	389,189	790,460
4.4 Dividend income	-	-	-	-	66,600	66,600	-	66,600
4.5 Other income	175,218	457,450	63,846	147,074	130,140	290,537	11,948	23,025
4.6 <b>Total Non-interest income</b>	<b>2,595,777</b>	<b>5,212,447</b>	<b>1,310,226</b>	<b>2,870,996</b>	<b>2,282,567</b>	<b>4,420,244</b>	<b>1,258,387</b>	<b>2,730,885</b>
5 <b>TOTAL OPERATING INCOME</b>	<b>5,845,622</b>	<b>12,240,927</b>	<b>3,339,904</b>	<b>6,965,444</b>	<b>5,172,730</b>	<b>10,594,857</b>	<b>2,976,024</b>	<b>6,194,207</b>
<b>6 OPERATING EXPENSES</b>								
6.1 Loan loss provision	789,036	1,728,434	205,134	510,103	378,123	970,853	330,057	619,421
6.2 Staff costs	1,436,486	2,702,031	763,986	1,573,670	1,106,692	2,025,732	591,782	1,232,044
6.3 Directors' emoluments	83,780	182,664	38,224	91,991	73,233	165,360	34,588	73,631
6.4 Rental charges	154,891	338,227	223,556	285,299	163,903	333,798	145,977	193,878
6.5 Depreciation charge on property and equipment	185,896	400,773	135,718	235,680	118,190	252,205	72,365	148,257
6.6 Amortisation charges	148,303	330,974	92,636	195,223	139,196	299,743	82,900	168,247
6.7 Other operating expenses	1,206,735	2,821,370	541,363	1,272,663	837,952	2,025,266	396,903	876,956
6.8 <b>Total other operating expenses</b>	<b>4,005,127</b>	<b>8,504,473</b>	<b>2,000,717</b>	<b>4,164,629</b>	<b>2,817,289</b>	<b>6,072,957</b>	<b>1,653,762</b>	<b>3,312,434</b>
7 <b>PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS</b>	<b>1,840,495</b>	<b>3,736,454</b>	<b>1,339,187</b>	<b>2,800,815</b>	<b>2,355,441</b>	<b>4,521,900</b>	<b>1,322,262</b>	<b>2,881,773</b>
8 Exceptional items	-	586,040	-	-	-	586,040	-	-
9 <b>PROFIT AFTER EXCEPTIONAL ITEMS</b>	<b>1,840,495</b>	<b>4,322,494</b>	<b>1,339,187</b>	<b>2,800,815</b>	<b>2,355,441</b>	<b>5,107,940</b>	<b>1,322,262</b>	<b>2,881,773</b>
Share of associate profit	-	238,825	-	-	-	-	-	-
<b>PROFIT BEFORE TAX</b>	<b>1,840,495</b>	<b>4,561,319</b>	<b>1,339,187</b>	<b>2,800,815</b>	<b>2,355,441</b>	<b>5,107,940</b>	<b>1,322,262</b>	<b>2,881,773</b>
10 Current tax	766,016	1,704,178	511,306	985,424	737,700	1,533,114	530,172	972,724
11 Deferred tax	(163,191)	(527,080)	-	(41,927)	-	(199,729)	-	-
12 <b>PROFIT AFTER TAX AND EXCEPTIONAL ITEM</b>	<b>1,237,670</b>	<b>3,384,221</b>	<b>827,881</b>	<b>1,857,318</b>	<b>1,617,741</b>	<b>3,774,555</b>	<b>792,090</b>	<b>1,909,049</b>
<b>OTHER COMPREHENSIVE INCOME</b>								
13.1 Exchange differences on translating foreign operations	(40,234)	(135,751)	(185,468)	(199,025)	-	-	-	-
13.2 Available-for-sale financial assets	99,324	657,499	(196,453)	(1,347,456)	111,429	168,390	(196,453)	(1,347,456)
13.3 Gains on property revaluations	-	-	-	-	-	-	-	-
13.4 Share of other comprehensive income of associates	-	-	-	-	-	-	-	-
13.5 Income tax relating to components of other comprehensive income	(29,797)	(197,250)	58,936	404,237	(33,429)	(50,517)	58,936	404,237
<b>Total comprehensive income for the year net of tax</b>	<b>29,293</b>	<b>324,498</b>	<b>(322,985)</b>	<b>(1,</b>				