

# COMMERCIAL BANK OF AFRICA LIMITED

## FINANCIAL STATEMENTS & DISCLOSURES - 31 DECEMBER 2013

### I. STATEMENT OF FINANCIAL POSITION

	GROUP		BANK	
	31 Dec 2013 Audited Shs 000	31 Dec 2012 Audited Shs 000	31 Dec 2013 Audited Shs 000	31 Dec 2012 Audited Shs 000
<b>A ASSETS</b>				
1. Cash (both local and foreign)	2,333,013	1,552,602	1,492,211	1,197,643
2. Balances due from Central Banks	10,472,650	7,369,445	8,221,033	6,307,429
3. Kenya Government and other securities held for dealing purposes	-	-	-	-
4. Financial assets at fair value through profit and loss	179,059	121,393	179,059	121,393
5. Investment securities				
<b>a) Held to maturity:</b>				
a. Kenya government securities	27,856,802	21,491,883	27,856,802	21,491,883
b. Other securities	3,358,199	5,741,713	175,691	174,980
<b>b) Available for sale</b>				
a. Kenya government securities	7,100,722	5,432,835	7,100,722	5,432,835
b. Other securities	932,437	38,941	42,774	38,941
6. Deposits and balances due from local banking institutions	16,379,983	8,416,258	527,340	3,135,081
7. Deposits and balances due from banking institutions abroad	85,198	9,253,181	13,808,777	9,263,252
8. Tax recoverable	-	-	-	-
9. Loans and advances to customers (net)	68,640,329	51,486,979	57,180,199	42,504,096
10. Balances due from banking institutions in the group	-	-	-	3,668
11. Investment in associates	722,955	614,155	332,593	332,593
12. Investment in subsidiary companies	-	-	1,680,340	805,340
13. Investments in joint ventures	-	-	-	-
14. Investment properties	-	-	-	-
15. Property and equipment	3,710,028	3,330,676	817,958	614,763
16. Prepaid lease rentals	15,538	15,538	-	-
17. Intangible assets	1,340,699	452,596	1,280,066	377,159
18. Deferred tax asset	111,589	90,850	103,683	-
19. Retirement benefit asset	-	-	-	-
20. Other assets	2,231,837	2,891,606	4,082,716	8,654,502
<b>21. Total assets</b>	<b>145,998,378</b>	<b>118,300,651</b>	<b>124,881,964</b>	<b>100,455,558</b>
<b>B LIABILITIES</b>				
22. Balances due to Central Banks	2,700,000	-	2,700,000	-
23. Customer deposits	104,715,681	91,650,439	90,992,899	79,996,156
24. Deposits and balances due to local banking institutions	8,023,123	5,993,359	8,023,123	2,182,451
25. Deposits and balances due to foreign banking institutions	14,289,629	5,525,688	8,071,512	4,661,868
26. Other money market deposits	-	-	-	-
27. Borrowed funds	-	-	-	-
28. Balances due to banking institutions in the group	-	-	-	-
29. Tax payable	23,237	182,160	69,579	163,076
30. Dividends payable	-	-	-	-
31. Deferred tax liability	87,268	560,979	-	397,779
32. Retirement benefit liability	-	-	-	-
33. Other liabilities	820,865	1,513,642	1,275,570	1,413,034
<b>34. Total liabilities</b>	<b>130,659,803</b>	<b>105,426,267</b>	<b>111,132,683</b>	<b>88,814,364</b>
<b>C SHAREHOLDERS' FUNDS</b>				
35. Paid up capital	4,915,402	4,915,402	4,915,402	4,915,402
36. Share premium	1,275,622	1,275,622	1,275,622	1,275,622
37. Revaluation reserves	1,180,089	1,110,131	-	-
38. Retained earnings	6,326,067	4,550,472	6,023,368	4,482,260
39. Statutory loan loss reserve	643,949	415,992	548,377	351,074
40. Other reserves	(79,842)	(27,810)	(90,776)	(17,739)
41. Proposed dividends	1,077,288	634,575	1,077,288	634,575
42. Capital grants	-	-	-	-
<b>43. Total shareholders' funds</b>	<b>15,338,575</b>	<b>12,874,384</b>	<b>13,749,281</b>	<b>11,641,194</b>
<b>44. Total liabilities and shareholders' funds</b>	<b>145,998,378</b>	<b>118,300,651</b>	<b>124,881,964</b>	<b>100,455,558</b>

### II. STATEMENT OF COMPREHENSIVE INCOME

	GROUP		BANK	
	31 Dec 2013 Audited Shs 000	31 Dec 2012 Audited Shs 000	31 Dec 2013 Audited Shs 000	31 Dec 2012 Audited Shs 000
<b>1 INTEREST INCOME</b>				
1.1 Loans and advances	7,389,815	7,341,425	5,712,429	6,098,692
1.2 Government securities	4,230,617	3,080,122	3,576,462	2,660,587
1.3 Deposits and placements from banking institutions	230,935	348,208	178,937	258,779
1.4 Other interest income	7,539	31,802	7,539	7,599
<b>1.5 Total interest income</b>	<b>11,858,906</b>	<b>10,801,557</b>	<b>9,475,367</b>	<b>9,025,657</b>
<b>2 INTEREST EXPENSES</b>				
2.1 Customer deposits	4,472,135	5,078,754	3,394,525	4,177,480
2.2 Deposits and placements from banking institutions	1,013,783	418,937	569,304	233,904
2.3 Other interest expenses	-	-	-	-
<b>2.4 Total interest expenses</b>	<b>5,485,918</b>	<b>5,497,691</b>	<b>3,963,829</b>	<b>4,411,384</b>
<b>3 NET INTEREST INCOME</b>	<b>6,372,988</b>	<b>5,303,866</b>	<b>5,511,538</b>	<b>4,614,273</b>
<b>4 OTHER OPERATING INCOME</b>				
4.1 Fees and commissions on loans and advances	1,028,338	392,705	831,698	169,739
4.2 Other fees and commissions	1,284,772	875,899	1,030,144	774,291
4.3 Foreign exchange trading income	1,593,452	1,669,364	1,420,257	1,552,064
4.4 Dividend income	-	-	-	50,000
4.5 Other income	454,533	637,773	332,688	565,567
<b>4.6 Total Non-interest income</b>	<b>4,361,095</b>	<b>3,575,741</b>	<b>3,614,787</b>	<b>3,111,661</b>
<b>5 TOTAL OPERATING INCOME</b>	<b>10,734,083</b>	<b>8,879,607</b>	<b>9,126,325</b>	<b>7,725,934</b>
<b>6 OPERATING EXPENSES</b>				
6.1 Loan loss provision	488,003	173,266	397,129	106,602
6.2 Staff costs	2,509,589	2,041,844	1,860,588	1,644,140
6.3 Directors' emoluments	149,066	103,595	146,194	101,675
6.4 Rental charges	337,277	243,037	317,976	238,093
6.5 Depreciation charge on property and equipment	261,109	229,696	204,575	163,914
6.6 Amortisation charges	245,307	99,289	227,542	92,559
6.7 Other operating expenses	2,081,499	1,767,997	1,508,579	1,380,778
<b>6.8 Total other operating expenses</b>	<b>6,071,850</b>	<b>4,658,724</b>	<b>4,662,583</b>	<b>3,727,761</b>
<b>7 PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS</b>	<b>4,662,233</b>	<b>4,220,883</b>	<b>4,463,742</b>	<b>3,998,173</b>
8 Exceptional items	-	-	-	-
<b>9 PROFIT AFTER EXCEPTIONAL ITEMS</b>	<b>4,662,233</b>	<b>4,220,883</b>	<b>4,463,742</b>	<b>3,998,173</b>
Share of associate profit	108,800	114,383	-	-
<b>PROFIT BEFORE TAX</b>	<b>4,771,033</b>	<b>4,335,266</b>	<b>4,463,742</b>	<b>3,998,173</b>
10. Current tax	1,532,468	1,339,518	1,457,081	1,174,697
11. Deferred tax	(502,135)	(127,509)	(470,161)	182,929
<b>12 PROFIT AFTER TAX AND EXCEPTIONAL ITEMS</b>	<b>3,740,700</b>	<b>3,123,257</b>	<b>3,476,822</b>	<b>2,640,547</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
13.1 Exchange differences on translating foreign operations	1,258	(60,491)	-	-
13.2 Available-for-sale financial assets	(66,886)	66,304	(104,338)	9,294
13.3 Gains on property revaluations	92,500	325,799	-	-
13.4 Share of other comprehensive income of associates	-	-	-	-
13.5 Income tax relating to components of other comprehensive income	(7,684)	(99,483)	31,301	(2,788)
<b>Other comprehensive income for the year net of tax</b>	<b>19,188</b>	<b>232,129</b>	<b>(73,037)</b>	<b>6,506</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>3,759,888</b>	<b>3,355,386</b>	<b>3,403,785</b>	<b>2,647,053</b>
<b>EARNINGS PER SHARE - BASIC &amp; DILUTED</b>	<b>Shs 15.22</b>	<b>Shs 12.71</b>	<b>Shs 14.15</b>	<b>Shs 10.74</b>

### III. OTHER DISCLOSURES

	BANK	
	31 Dec 2013 Audited Shs 000	31 Dec 2012 Audited Shs 000
<b>1 NON-PERFORMING LOANS AND ADVANCES</b>		
a) Gross non-performing loans and advances	2,379,864	2,015,858
b) Less interest in suspense	462,783	392,352
<b>c) Total non-performing loans (a-b)</b>	<b>1,917,081</b>	<b>1,623,506</b>
d) Specific provisions for bad debts	1,607,976	1,286,613
<b>e) Net non-performing loans (c-d)</b>	<b>309,105</b>	<b>336,893</b>
f) Realisable value of securities	309,105	336,893
<b>g) Net NPLs Exposure (e-f)</b>	<b>-</b>	<b>-</b>
<b>2 INSIDER LOANS AND ADVANCES</b>		
a) Directors, shareholders and associates	5,291,226	4,482,292
b) Employees	1,363,900	1,118,426
<b>c) Total insider loans advances and other facilities</b>	<b>6,655,126</b>	<b>5,600,718</b>
<b>3 OFF-BALANCE SHEET ITEMS</b>		
a) Letters of credit, guarantees and acceptances	21,849,734	18,727,441
b) Forward, swaps and options	13,901,412	2,808,213
c) Other contingent liabilities	-	-
<b>d) Total contingent liabilities</b>	<b>35,751,146</b>	<b>21,535,654</b>
<b>4 CAPITAL STRENGTH</b>		
a) Core capital	10,378,232	9,712,123
b) Minimum statutory capital	1,000,000	1,000,000
<b>c) Excess / (deficiency)</b>	<b>9,378,232</b>	<b>8,712,123</b>
d) Supplementary capital	548,377	351,074
<b>e) Total capital (a+d)</b>	<b>10,926,609</b>	<b>10,063,197</b>
<b>f) Total risk weighted assets</b>	<b>81,059,876</b>	<b>62,608,323</b>
g) Core capital / total deposit liabilities	11.41%	12.14%
h) Minimum statutory ratio	8.00%	8.00%
<b>i) Excess / (deficiency) (g-h)</b>	<b>3.41%</b>	<b>4.14%</b>
j) Core capital / total risk weighted assets	12.80%	15.51%
k) Minimum statutory ratio	8.00%	8.00%
<b>l) Excess / (deficiency) (j-k)</b>	<b>4.80%</b>	<b>7.51%</b>
m) Total capital / total risk weighted assets	13.48%	16.07%
n) Minimum statutory ratio	12.00%	12.00%
<b>o) Excess / (deficiency) (m-n)</b>	<b>1.48%</b>	<b>4.07%</b>
<b>5 LIQUIDITY</b>		
a) Liquidity ratio	41.12%	47.62%
b) Minimum statutory ratio	20.00%	20.00%
<b>c) Excess / (deficiency) (a-b)</b>	<b>21.12%</b>	<b>27.62%</b>



### MESSAGE FROM DIRECTORS

These financial statements are extracts from the books of the institution as audited by PricewaterhouseCoopers and received unqualified opinion.

The complete set of audited financial statements, statutory and qualitative disclosures can be accessed in the institutions website [www.cbagroup.com](http://www.cbagroup.com). They may also be accessed at the institutions head office located at CBA Centre, Mara & Ragati Roads, Upper Hill.

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