



The Board of Directors of Absa Bank Kenya PLC is pleased to announce the unaudited group results for the period ended 30 June 2021

	June	Ba December	nk March	June	June	Gro December	oup March	June
	2020 Shs '000	2020 Shs '000	2021 Shs '000	2021 Shs '000	2020 Shs '000	2020 Shs '000	2021 Shs '000	2021 Shs '000
I Statement of financial position	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited
A Assets Cash balances (both local and foreign)	E 0(7740	5 020 260	6 020 420	E 43E 40E	E 0(7 740	5 020 260	6 020 420	5 425 405
2 Balances due from Central Bank of Kenya	5,067,749 20,938,548	5,829,269 12,430,538	6,038,429 9,727,440	5,425,405 16,372,581	5,067,749 20,938,548	5,829,269 12,430,538	6,038,429 9,727,440	5,425,405 16,372,581
3 Kenya Government and other securities held for dealing purposes4 Financial assets at fair value through profit and loss	41,857,346	36,375,211	44,182,908	44,206,563	41,857,346	36,375,211	44,182,908	44,206,563
5 Investment securities: a) Held to maturity:			_					
a. Kenya Government securities	-	-	-	-	-	-	-	-
b. Other securitiesb) Fair value through other comprehensive income (FVOCI)	- 91,574,036	- 89,164,217	- 82,129,680	- 76,636,504	- 92,013,288	- 89,681,995	- 82,557,903	- 77,064,445
a. Kenya Government securities b. Other securities	91,574,036	89,164,217	82,129,680	76,636,504	92,013,288	89,681,995	82,557,903	77,064,445
6 Deposits and balances due from local banking Institutions	1,716	2,718,500	1,500,000	1,736,301	1,716	2,718,500	1,500,000	1,736,301
7 Deposits and balances due from banking Institutions abroad8 Tax recoverable	3,319,536 1,904,867	2,929,648 773,099	1,340,063	3,394,934	3,319,536 2,027,389	2,929,648 993,112	1,340,063	3,394,934 -
 Loans and advances to customers(net) Balances due from banking institutions in the group 	201,948,138 9,412,380	208,854,694 2,933,836	218,265,767 3,769,442	218,872,997 12,856,186	201,948,138 8,867,613	208,854,694 2,675,696	218,265,767 3,769,442	218,872,997 12,856,186
11 Investment in associates 12 Investment in subsidiary companies	422,751	427,751	427,751	462,751	-	-	-	
13 Investment in joint Ventures	422,751	427,751	427,751	402,751	-	-	-	-
14 Investment properties 15 Property and equipment	- 3,228,565	- 2,855,402	- 2,853,543	- 2,593,536	- 3,228,748	- 2,855,555	- 2,854,058	- 2,594,893
16 Prepaid operating rental leases 17 Intangible assets	34,725 364,530	34,236 342,673	34,236 242,658	34,236 311,900	34,725 440,707	34,236 414,449	34,236 310,748	34,236 377,333
18 Deferred tax	2,424,391	3,141,054	3,785,649	3,824,036	2,456,432	3,187,961	3,836,533	3,883,601
19 Retirement benefit asset 20 Other assets	- 9,518,426	71,668 9,053,976	68,605 9,702,252		- 9,676,906	71,668 10,388,144	68,605 9,602,201	65,542 11,266,979
21 Total asset	392,017,704	377,935,772	384,068,423	397,890,870	391,878,841	379,440,676	384,088,333	398,151,996
B Liabilities 22 Balances due to Central Bank of Kenya								
23 Customers' deposits		253,630,105						
24 Deposits and balances due to Banking institutions (Local) 25 Deposits and balances due to Banking institutions (Foreign)	5,638,863 520,673	3,844,866 230,900	4,092,536 1,897,056	5,892,426 791,688	5,638,863 520,673	3,844,866 230,900	4,092,536 1,897,056	5,892,426 791,688
26 Other money market deposits 27 Borrowed funds	-	-	-	-	-	-	-	-
28 Balances due to banking institutions in the group	- 76,105,247	- 58,277,071	53,628,013	55,976,238	75,440,994	- 58,240,341	53,628,013	55,976,238
29 Tax payable 30 Dividends payable	-	-	708,326	1,104,821	-	-	550,916 -	958,486
31 Deferred tax liability 32 Retirement benefit liability	- 16,518	-	-	-	- 16,518	-	-	-
33 Other liabilities 34 Total liabilities	18,346,796		18,126,140	18,288,981	18,524,677	16,990,525	18,191,698	18,622,083
	550,542,110	332,966,489	557,065,950	547,717,251	540,007,554	332,930,737	333,431,702	540,104,050
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	2,715,768	2,715,768
36 Share premium/(discount) 37 Revaluation reserves	- 1,159,942	- 1,071,236	- 808,417	- 935,123	- 1,168,730	- 1,081,930	- 820,575	- 945,821
38 Retained earnings/(Accumulated losses)	37,595,951	40,999,674	43,281,614	46,312,702	38,902,864	42,523,636	44,943,600	48,095,551
39 Statutory loan loss reserve 40 Other reserves	- 203,925	- 182,605	- 176,688	- 210,026	- 203,925	- 182,605	- 176,688	210,026
41 Proposed dividend 42 Capital grants	-	-	-	-	-	-	-	-
43 Total shareholders' funds 44 Minority interest	41,675,586	44,969,283	46,982,487	50,173,619	42,991,287	46,503,939	48,656,631	51,967,166
45 Total liabilities and total shareholders funds	392,017,704	377,935,772	384,068,423	397,890,870	391,878,841	379,440,676	384,088,333	- 398,151,996
II Statement of comprehensive income								
1.0 Interest income 1.1 Loans and advances to customers	10,873,912	22,303,047	5,542,005	11,013,403	10,873,912	22,303,047	5,542,005	11,013,403
1.2 Government securities	4,297,956	8,924,100	2,032,097	4,072,230	4,318,682	8,970,618	2,044,265	4,096,807
1.3 Deposits and placements with banking institutions 1.4 Other interest income	124,985	166,428	11,954	80,173	124,985	166,428	12,499	80,173
1.5 Total interest income 2.0 Interest expenses	15,296,853	31,393,575	7,586,056	15,165,806	15,317,579	31,440,093	7,598,769	15,190,383
2.1 Customer deposits 2.2 Deposits and placements with banking institutions	3,193,841 748,476	6,038,015 1,892,645	1,451,183 169,285	2,979,974 189,506	3,173,109 748,476	5,984,154 1,892,644	1,431,788 169,285	2,937,460 189,506
2.3 Other interest expenses	91,575	182,041	33,729	67,613	91,575	182,041	33,937	68,327
2.4 Total interest expenses 3.0 Net interest income	4,033,892 11,262,961	8,112,701 23,280,874	1,654,197 5,931,859	3,237,093 11,928,713	4,013,160 11,304,419	8,058,839 23,381,254	1,635,010 5,963,759	3,195,293 11,995,090
4.0 Non - interest income 4.1 Fees and commissions income on loans & advances	695,772	1,257,897	447,972	877,574	695,772	1,257,897	447,972	877,574
4.2 Other fees and commissions	1,714,752	3,414,733	923,578	1,749,707	2,119,915	4,259,828	1,180,441	2,238,879
4.3 Foreign exchange trading income 4.4 Dividend income	2,061,768	4,447,966	933,057	2,072,787	2,061,767	4,447,966	933,057	2,072,787
4.5 Other income 4.6 Total non-interest income	634,051 5,106,343	1,184,513 10,305,109	294,100 2,598,707	663,347 5,363,416	631,633 5,509,087	1,174,613 11,140,304	290,359 2,851,829	655,865 5,845,105
5.0 Total operating income 6.0 Operating expenses	16,369,304		8,530,566			34,521,558	8,815,588	17,840,195
6.1 Loan loss provision	5,383,999	9,026,783	1,393,246	1,941,456	5,384,951	9,026,772	1,393,890	1,942,104
6.2 Staff costs 6.3 Directors emoluments	4,888,712 95,250	9,455,599 223,980	2,228,580 48,485	4,267,509 81,210	5,019,598 100,388	9,761,649 234,214	2,301,777 51,086	4,414,972 85,655
6.4 Rental charge 6.5 Depreciation on property and equipment	40,855 507,713	124,499 987,433	8,473 211,765	45,905 404,670	40,855 507,743	124,499 987,494	8,473 212,559	45,905 406,991
6.6 Amortisation charges	195,556	313,771	25,050	53,610	200,214	323,605	28,032	59,576
6.7 Other operating expenses 6.8 Total operating expenses	2,272,488 13,384,573		1,403,099 5,318,698	2,919,924 9,714,284		5,215,105 25,673,338	1,411,906 5,407,723	2,939,744 9,894,947
7.0 Profit before tax and exceptional items 8.0 Exceptional items	2,984,731 1,666,929	8,299,860 3,201,219	3,211,868	7,577,845	3,259,467 1,666,929	8,848,220 3,201,987	3,407,865	7,945,248
9.0 Profit after exceptional items 10 Current tax	1,317,802	5,098,641	3,211,868	7,577,845 (2,889,465)	1,592,538	5,646,233	3,407,865	7,945,248 (3,010,666)
11 Deferred tax	(525,959) (404,367)	402,530	(1,461,888) 531,959	624,648	(606,194) (397,352)	(1,910,289) 426,065	(1,524,490) 536,589	637,333
12 Profit after tax and exceptional items 13 Other comprehensive income	387,476	3,743,444	2,281,939	5,313,028	588,992	4,162,009	2,419,964	5,571,915
13.1 Gains/(losses) from translating the financial statements of foreign operations								
13.2 Fair value changes in FVOCI financial assets	- 1,153,166	- 1,136,914	- (375,456)	(194,447)	- 1,156,712	- 1,144,020	- (373,364)	(194,442)
13.3 Revaluation surplus on property, plant and equipment13.4 Share of other comprehensive income of associates	-	-	-	1	-	-	-	1
13.5 Income tax relating to components of other comprehensive income	(268,751)	(341,205)	112,637	58,334	(269,229)	(343,337)	112,009	58,333
14 Other comprehensive income for the year net of tax	884,415	795,709	(262,819)	(136,113)	887,483	800,683	(261,355)	(136,109)
15 Total comprehensive income for the year	1,271,891	4,539,153	2,019,120	5,176,915		4,962,692	2,158,609	5,435,806
Earnings per share (Shs) Dividends per share (Shs)	0.07	0.69	0.42	0.98	0.11	0.77	0.45	1.03

	Bank				
	June			June	
	2020	2020	2021	2021	
	Shs '000	Shs '000	Shs '000	Shs '000	
III Other disclosures	Unaudited	Audited	Unaudited	Unaudited	
1) Non-performing loans and advances					
a) Gross non-performing loans and advances	17,012,548	17,099,144	17,267,408	18,346,771	
b) Less: Interest in suspense	2,439,830	2,432,972	2,418,021	2,408,728	
c) Total non performing loans and advances	14,572,718	14,666,172	14,849,387	15,938,043	
d) Less: loan loss provisions	8,378,762	9,722,309	10,248,992	10,592,395	
e) Net non performing loans(c-d)	6,193,956	4,943,863	4,600,395	5,345,648	
f) Discounted value of securities	4,372,214	3,651,088	3,521,803	3,291,141	
g) Net NPLs (Excess)/Exposure (e-f)	1,821,742	1,292,775	1,078,592	2,054,507	
Insider loans and advances					
a) Directors ,shareholders and associates	38,233	37,019	36,371	35,725	
b) Employees	10,233,863	10,053,555	9,769,404	9,817,299	
c) Total insider loans and advances	10,272,096	10,090,574	9,805,775	9,853,024	
3) Off Balance sheet items	25 107 224	22.045.63.6	42 002 003	45 011 575	
a) Letters of credit ,guarantees, acceptances	25,197,336	32,065,910	43,882,881	45,011,575	
b) Forwards, swaps and options	119,490,552	93,379,388	85,958,439	97,781,958	
c) Other contingent liabilities	-	-	-	-	
d) Total Contingent liabilities 4) Capital Strength	144,687,888	125,445,298	129,841,320	142,793,533	
a) Core capital	40,117,982	43,715,442	44,856,413	46,370,849	
b) Minimum statutory capital	1,000,000	1,000,000	1,000,000	1,000,000	
c) Excess/(Deficiency)	39,117,982	42,715,442	43,856,413	45,370,849	
d) Supplementary capital	7,994,999	8,193,742	8,212,501	8,096,251	
e) Total capital	48,112,981	51,909,183	53,068,914	54,467,100	
f) Total risk weighted assets	291,125,988	297,314,183	311,724,625	314,494,821	
g) Core capital/total deposit liabilities	16.2%	17.3%	17.5%	17.7%	
h) Minimum statutory ratio	8.0%	8.0%	8.0%	8.0%	
i) Excess/(Deficiency)	8.2%	9.3%	9.5%	9.7%	
j) Core capital/total risk weighted assets	13.8%	14.7%	14.4%	14.7%	
 k) Minimum statutory ratio 	10.5%	10.5%	10.5%	10.5%	
l) Excess/(Deficiency)	3.3%	4.2%	3.9%	4.2%	
m) Total capital/total risk weighted assets	16.5%	17.5%	17.0%	17.3%	
n) Minimum statutory ratio	14.5%	14.5%	14.5%	14.5%	
o) Excess/(Deficiency)	2.0%	3.0%	2.5%	2.8%	
p) Adjusted Core Capital/Total Deposit					
Liabilities*	16.3%	17.5%	17.7%	17.8%	
q) Adjusted Core Capital/Total Risk	12.00/	14.000	3 4 50/	14.00/	
Weighted Assets*	13.9%	14.8%	14.5%	14.8%	
r) Adjusted Total Capital/Total Risk	16.7%	17.6%	17.1%	17.4%	
Weighted Assets* 5) Liquidity	10.7%	17.6%	17.1%	17.4%	
a) Liquidity ratio	39.1%	38.7%	38.3%	38.1%	
b) Minimum statutory ratio	20.0%	20.0%	20.0%	20.0%	
c) Excess/(Deficiency)	19.1%	18.7%	18.3%	18.1%	
*The adjusted capital ratios include the expecte CBK guidance note issued in April 2018 on imple					

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital Shs'000	Other reserves Shs'000	Retained profit Shs'000	Total equity Shs'000
Balance at 1 January 2021	2,715,768	1,264,535	42,523,636	46,503,939
Profit for the year	-	-	5,571,915	5,571,915
Other comprehensive loss for the year	-	(136,109)	-	(136,109)
Total comprehensive income for the year	-	(136,109)	5,571,915	5,435,806
Recognition of share-based payments	-	27,421	-	27,421
Balance at 30 June 2021	2,715,768	1,155,847	48,095,551	51,967,166
SUMMARY CONSOLIDATED STATEMENT OF C	ASH FLOWS			
		June 2020	Dec 2020	June 2021

	Unaudited Shs' 000	Audited Shs'000	Unaudited Shs'000
Net cash flows generated from operating activities	2,693,991	(2,251,643)	3,004,956
Net cash used in investing activities	(447,500)	(675,892)	(230,533)
Net cash used in financing activities	(3,663,382)	(4,075,382)	(193,325)
Net (decrease)/increase in cash and cash equivalents	(1,416,891)	(7,002,917)	2,581,098
Cash and cash equivalents at 1 January	20,131,596	20,131,596	13,128,679
Cash and cash equivalents at 30 June	18,714,705	13,128,679	15,709,777

Message from the Directors:

In the first half of 2021, we delivered a strong performance largely driven by growth in interest income particularly in the small and medium enterprises segment as we accelerated our efforts in supporting businesses to recover from the effects of the pandemic. The performance was also supported by a significant reduction in impairments related to improving macro-economic variables.

The outcomes of the first half of 2021 are a validation that our Growth, Transformation and Returns strategy is working and delivering value for our stakeholders.

On Growth: Revenue increased by 6% to KES 17.8 billion and customer assets increased by 8% to KES 219 billion with total assets at KES 398 billion.

On Transformation: The efficiency efforts paid off with operating expenses reducing by 3% resulting into a cost to income ratio of 45%.

On Returns: Return on equity increased to 22%. This was supported by the strong growth in profits and well managed

The evolving impact of the pandemic required us to re-visit our strategic priorities and we took decisive actions towards capital and liquidity preservation, supporting our customers through various interventions such as loan moratoriums and restructures, fee waivers for digital transactions, capacity building for SMEs among other Force-for-Cool initiatives. These decisions are paying off; our customer operations are resilient as we have seen with credit book quality and strength in our franchise.

Or business remains well positioned to help our clients manage through the uncertain times with the strong capital and liquidity levels well placed to help us capture opportunities for growth. With the improved efficiency levels, the bank will continue re-investing in digital transformation in order to improve customer experience. We would like to thank our customers, our staff and all stakeholders for their support as we continue to navigate the COVID-19 pandemic, whose impact is still unfolding and may remain with us for a long time. Given the continued uncertainty, the board has not recommended payment of an interim dividend.

The statement of financial position, the statement of comprehensive income and the disclosures presented above have been prepared from the financial records of the bank and its subsidiaries. These published statements are also available on the bank's website www.absabank.co.ke and at its headquarters on Waiyaki Way, Nairobi.

The board approved them on Thursday 26 August 2021 and signed on its behalf by:

Charles Muchene **Chairman**

Jeremy Awori Managing Director

Yusuf Omari Chief Financial Officer

Absa Bank Kenya PLC company registration no.C18208 is regulated by the Central Bank Of Kenya.