



Absa Bank Kenya PLC

The Board of Directors of Absa Bank Kenya PLC is pleased to announce the unaudited group results for the period ended 31 March 2024

	Bank			Group		
	March 2023 Shs '000 Unaudited	December 2023 Shs '000 Audited	March 2024 Shs '000 Unaudited	March 2023 Shs '000 Unaudited	December 2023 Shs '000 Audited	March 2024 Shs '000 Unaudited
I Statement of financial position						
A Assets						
1 Cash balances (both local and foreign)	13,151,558	12,692,202	7,534,115	13,151,558	12,692,202	7,534,115
2 Balances due from Central Bank of Kenya	13,856,697	16,906,714	16,816,547	13,856,697	16,906,714	16,816,547
3 Kenya Government and other securities held for dealing purposes	47,237,832	20,446,444	17,123,550	47,237,832	20,446,444	17,123,550
4 Financial assets at fair value through profit and loss	-	-	-	-	-	-
5 Investment securities:	-	-	-	-	-	-
a) Held to maturity:	-	-	-	-	-	-
a. Kenya Government securities	-	1,062,014	1,018,705	-	1,062,014	1,018,705
b. Other securities	-	-	-	-	-	-
b) Fair value through other comprehensive income (FVOCI)	86,651,020	73,273,648	67,252,130	87,026,795	73,644,453	67,589,141
a. Kenya Government securities	86,651,020	73,273,648	67,252,130	87,026,795	73,644,453	67,589,141
b. Other securities	-	-	-	-	-	-
6 Deposits and balances due from local banking institutions	1,259,224	329,506	1,850,268	1,259,224	329,506	1,850,268
7 Deposits and balances due from banking institutions abroad	4,643,518	1,391,125	6,882,995	4,643,518	1,391,125	6,882,995
8 Tax recoverable	-	-	-	-	-	-
9 Loans and advances to customers(net)	309,973,217	335,713,679	326,839,332	309,973,217	335,713,679	326,839,332
10 Balances due from banking institutions in the group	13,021,919	27,204,622	24,512,836	13,021,919	27,204,622	24,512,836
11 Investment in associates	-	-	-	-	-	-
12 Investment in subsidiary companies	462,751	462,751	462,751	-	-	-
13 Investment in joint ventures	-	-	-	-	-	-
14 Investment properties	-	-	-	-	-	-
15 Property and equipment	2,516,021	3,329,327	3,206,475	2,517,424	3,331,898	3,209,003
16 Prepaid operating rental leases	31,855	31,056	30,792	31,855	31,056	30,792
17 Intangible assets	467,517	658,914	821,444	518,594	702,881	862,622
18 Deferred tax	5,956,746	8,631,927	8,481,661	6,053,091	8,724,454	8,574,238
19 Retirement benefit asset	12,370	-	-	12,370	-	-
20 Other assets	15,575,575	18,167,109	15,284,079	15,299,990	17,614,460	14,831,864
21 Total assets	514,817,820	520,301,038	498,117,680	514,604,084	519,795,508	497,676,008
B Liabilities						
22 Balances due to Central Bank of Kenya	-	13,047,459	2,500,000	-	13,047,459	2,500,000
23 Customers' deposits	314,010,528	366,903,302	359,455,862	310,831,231	362,749,279	354,961,690
24 Deposits and balances due to banking institutions (local)	9,099,706	10,935,164	8,009,159	9,099,706	10,935,164	8,009,159
25 Deposits and balances due to banking institutions (foreign)	2,264,509	749,867	539,610	2,264,509	749,867	539,610
26 Other money market deposits	-	-	-	-	-	-
27 Borrowed funds	4,226,962	4,294,626	3,921,904	4,226,962	4,294,626	3,921,904
28 Balances due to banking institutions in the group	96,362,152	36,053,423	28,101,529	96,362,152	36,053,423	28,101,529
29 Tax payable	1,392,026	792,600	2,962,408	1,268,419	589,397	2,854,837
30 Dividends payable	-	-	-	-	-	-
31 Deferred tax liability	-	-	-	-	-	-
32 Retirement benefit liability	-	-	7,536	-	-	7,536
33 Other liabilities	22,597,096	22,100,236	21,711,484	22,570,096	22,181,083	21,756,351
34 Total liabilities	449,952,979	454,876,677	427,209,492	446,623,075	450,600,298	422,652,616
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	(1,588,960)	(4,721,011)	(4,878,151)	(1,614,041)	(4,757,700)	(4,926,949)
38 Retained earnings/(accumulated losses)	57,291,697	59,830,614	65,421,577	60,432,946	63,638,152	69,585,579
39 Statutory loan loss reserve	-	-	-	-	-	-
40 Other reserves	200,070	266,416	316,420	200,070	266,416	316,420
41 Proposed dividends	6,246,266	7,332,574	7,332,574	6,246,266	7,332,574	7,332,574
42 Capital grants	-	-	-	-	-	-
43 Total shareholders' funds	64,864,841	65,424,361	70,908,188	67,981,009	69,195,210	75,023,392
44 Minority interest	-	-	-	-	-	-
45 Total liabilities and total shareholders funds	514,817,820	520,301,038	498,117,680	514,604,084	519,795,508	497,676,008
II Statement of comprehensive income						
1.0 Interest income						
1.1 Loans and advances to customers	9,576,767	44,252,616	13,474,112	9,576,767	44,252,616	13,474,112
1.2 Government securities	2,406,459	9,133,662	2,188,535	2,417,509	9,178,475	2,199,708
1.3 Deposits and placements with banking institutions	149,196	832,141	574,220	149,196	832,141	574,220
1.4 Other interest income	-	-	-	-	-	-
1.5 Total interest income	12,132,422	54,218,419	16,236,867	12,143,472	54,263,232	16,248,040
2.0 Interest expenses						
2.1 Customer deposits	2,167,288	12,126,927	4,360,516	2,126,823	11,876,693	4,248,256
2.2 Deposits and placements with banking institutions	630,876	2,171,427	547,586	630,876	2,171,427	547,586
2.3 Other interest expenses	30,018	171,327	66,389	30,018	171,327	66,389
2.4 Total interest expenses	2,828,182	14,469,681	4,974,491	2,787,717	14,219,447	4,862,231
3.0 Net interest income	9,304,240	39,748,738	11,262,376	9,355,755	40,043,785	11,385,809
4.0 Non - interest income						
4.1 Fees and commissions income on loans & advances	329,731	1,543,039	408,463	329,731	1,543,039	408,463
4.2 Other fees and commissions	1,074,349	4,284,765	1,113,064	1,571,252	5,776,844	1,589,410
4.3 Foreign exchange trading income	2,203,917	6,510,041	2,149,245	2,203,915	6,510,005	2,149,313
4.4 Dividend income	-	-	-	-	-	-
4.5 Other income	404,554	715,564	935,895	400,077	697,630	931,403
4.6 Total non-interest income	4,012,551	13,053,409	4,606,667	4,504,975	14,527,518	5,078,589
5.0 Total operating income	13,316,791	52,802,147	15,869,043	13,860,730	54,571,303	16,464,398
6.0 Operating expenses						
6.1 Loan loss provision	2,400,869	9,244,514	2,404,122	2,400,944	9,244,453	2,404,111
6.2 Staff costs	2,626,165	11,484,234	2,933,738	2,681,124	11,725,426	2,988,254
6.3 Directors emoluments	29,205	187,249	45,940	31,510	196,468	48,245
6.4 Rental charge	33,938	127,400	19,911	34,073	127,801	20,026
6.5 Depreciation on property and equipment	209,554	850,732	227,714	209,626	851,035	227,879
6.6 Amortisation charges	28,544	127,426	41,717	31,333	138,583	44,506
6.7 Other operating expenses	2,031,727	8,520,836	2,222,246	2,050,194	8,609,446	2,251,916
6.8 Total operating expenses	7,360,002	30,542,391	7,895,388	7,438,804	30,893,212	7,984,937
7.0 Profit before tax and exceptional items	5,956,789	22,259,756	7,973,655	6,421,926	23,678,091	8,479,461
8.0 Exceptional items	-	-	-	-	-	-
9.0 Profit after exceptional items	5,956,789	22,259,756	7,973,655	6,421,926	23,678,091	8,479,461
10 Current tax	(1,929,381)	(8,338,018)	(2,168,341)	(2,072,159)	(8,758,969)	(2,312,547)
11 Deferred tax	100,516	1,454,737	(214,351)	102,720	1,448,207	(219,487)
12 Profit after tax and exceptional items	4,127,924	15,376,475	5,590,963	4,452,487	16,367,329	5,947,427
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	(73,140)	(4,488,127)	(213,616)	(87,575)	(4,518,950)	(230,901)
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	21,942	1,346,438	64,085	26,272	1,355,685	69,270
14 Other comprehensive income for the year net of tax	(51,198)	(3,141,689)	(149,531)	(61,303)	(3,163,265)	(161,631)
15 Total comprehensive income for the year	4,076,726	12,234,786	5,441,432	4,391,184	13,204,064	5,785,796
Earnings per share (Shs)	0.76	2.83	1.03	0.82	3.01	1.09
Dividends per share (Shs)	-	1.55	-	-	1.55	-

	Bank		
	March 2023 Shs '000 Unaudited	December 2023 Shs '000 Audited	March 2024 Shs '000 Unaudited
III Other disclosures			
1) Non-performing loans and advances			
a) Gross non-performing loans and advances	31,142,698	35,254,674	38,822,046
b) Less: Interest in suspense	4,521,938	5,831,630	6,128,131
c) Total non performing loans and advances	26,620,760	29,423,044	32,693,915
d) Less: loan loss provisions	15,368,861	17,373,643	18,060,133
e) Net non performing loans(c-d)	11,251,899	12,049,401	14,633,782
f) Discounted value of securities	8,891,882	9,297,549	10,705,598
g) Net NPLs (excess)/exposure (e-f)	2,360,017	2,751,852	3,928,184
2) Insider loans and advances			
a) Directors,shareholders and associates	33,243	55,981	53,437
b) Employees	10,226,224	10,372,279	10,462,970
c) Total insider loans and advances	10,259,467	10,428,260	10,516,407
3) Off balance sheet items			
a) Letters of credit, guarantees, acceptances	49,483,405	54,293,768	61,647,537
b) Forwards, swaps and options	158,956,906	103,427,258	102,743,088
c) Other contingent liabilities	-	-	-
d) Total Contingent liabilities	208,440,311	157,721,026	164,390,625
4) Capital strength			
a) Core capital	57,781,106	60,169,095	63,394,389
b) Minimum statutory capital	1,000,000	1,000,000	1,000,000
c) Excess/(deficiency)	56,781,106	59,169,095	62,394,389
d) Supplementary capital	16,646,233	19,729,013	16,523,153
e) Total capital	74,427,339	79,898,108	79,917,542
f) Total risk weighted assets	410,913,245	442,484,634	445,703,424
g) Core capital/total deposit liabilities	18.6%	16.7%	18.0%
h) Minimum statutory ratio	8.0%	8.0%	8.0%
i) Excess/(deficiency)	10.6%	8.7%	10.0%
j) Core capital/total risk weighted assets	14.1%	13.6%	14.2%
k) Minimum statutory ratio	10.5%	10.5%	10.5%
l) Excess/(deficiency)	3.6%	3.1%	3.7%
m) Total capital/total risk weighted assets	18.1%	18.1%	17.9%
n) Minimum statutory ratio	14.5%	14.5%	14.5%
o) Excess/(deficiency)	3.6%	3.6%	3.4%
p) Adjusted core capital/total deposit liabilities*	18.7%	-	-
q) Adjusted core capital/total risk weighted assets*	14.2%	-	-
r) Adjusted total capital/total risk weighted assets*	18.2%	-	-
5 Liquidity			
a) Liquidity ratio	28.6%	31.1%	33.5%
b) Minimum statutory ratio	20.0%	20.0%	20.0%
c) Excess/(deficiency)	8.6%	11.1%	13.5%

*The adjusted capital ratios include the expected credit loss provisions added back to capital in line with the CBK guidance note issued in April 2018 on implementation of IFRS9

Message from the Directors:

We are pleased to release our first quarter of 2024 results, which illustrate the Bank's progress in meeting its strategic objectives through diligent execution.

For the period, the Bank's revenue grew by 19% to Kshs.16.5 billion supported by robust growth in balance sheet. Customer deposits rose by 14% to Kshs.355 billion while customer assets increased by 5% to Kshs.327 billion. The Bank reported a 34% year-on-year growth in profit after tax to Kshs.5.9 billion improving our return-on-equity to 31.8%.

Under the Bank's refreshed strategy, a top priority is to transform Absa into a modern consumer financial services company. Through the roll out of new products, technologies, and relationship models, the Bank has witnessed the fastest growth in its customer numbers. The Bank has also continued to entrench itself as a market leader in Business Banking, undertaking significant growth campaigns focused on important economic sectors such as agriculture, trade and manufacturing. Additionally, Absa continues to be a leading bank in the corporate and investment banking segment in Kenya.

As a result of the Bank's strategic investments, underlying costs grew by 11% in the period. However, the Bank's cost-to-income ratio improved to 33.9% because of its efficiency efforts. Impairment increased marginally compared to the same period last year, in keeping with the Bank's prudence in risk management.

Looking ahead, we are aware of the challenges in our operating environment, but we are also mindful of the numerous opportunities that await us. As we navigate these uncharted waters, we are confident that the Bank's resilience, agility, and unshakable commitment to excellence will serve as guiding beacons, illuminating the road to long-term development and prosperity.

We would like to thank our customers, colleagues, shareholders and all our stakeholders for their continued support. We remain committed to continue living our purpose to empower Africa's tomorrow, together, one story at a time.