



AFRICAN BANKING CORPORATION LTD

P.O. Box 46452 - 00100, Nairobi.

Tel: (020) 4263000, 2223922, 2251540/1, 2226712

Email: talk2us@abcthebank.com Website: www.abcthebank.com

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31ST DECEMBER, 2018

I STATEMENT OF FINANCIAL POSITION		Bank 31 st Dec 2017 Audited Shs '000'	Bank 31 st Dec 2018 Audited Shs '000'	Group 31 st Dec 2017 Audited Shs '000'	Group 31 st Dec 2018 Audited Shs '000'
A ASSETS					
1 Cash (both Local & Foreign)	227,987	194,844	288,105	244,913	
2 Balances due from Central Bank of Kenya	2,117,602	1,413,445	2,250,472	1,523,900	
3 Kenya Government and other securities held for dealing purposes	-	-	-	-	
4 Financial Assets at fair value through profit and loss	-	-	-	-	
5 Investment Securities:					
a) Held to Maturity:	2,791,871	2,871,097	3,234,711	3,443,154	
a. Kenya Government securities	-	-	-	-	
b. Other securities	-	-	442,840	572,057	
b) Available for sale:	533,402	626,418	533,402	626,418	
a. Kenya Government securities	533,402	626,418	533,402	626,418	
b. Other securities	-	-	-	-	
6 Deposits and balances due from local banking institutions	884,749	1,745,124	892,527	1,749,529	
7 Deposits and balances due from banking institutions abroad	640,339	784,758	946,108	984,017	
8 Tax recoverable	6,154	-	19,970	-	
9 Loans and advances to customers (net)	15,382,987	17,248,429	15,905,885	17,786,770	
10 Balances due from banking institutions in the group	13,501	35,232	-	-	
11 Investments in associates	-	-	-	-	
12 Investments in subsidiary companies	885,405	890,935	-	-	
13 Investments in joint ventures	-	-	-	-	
14 Investment properties	-	-	-	-	
15 Property and equipment	494,716	461,437	547,890	506,631	
16 Prepaid lease rentals	-	-	-	-	
17 Intangible assets	129,680	119,070	212,027	206,180	
18 Deferred tax asset	21,260	81,495	41,763	114,533	
19 Retirement benefit asset	-	-	-	-	
20 Other assets	674,954	740,423	713,808	799,945	
21 TOTAL ASSETS	24,804,407	27,212,707	25,586,668	27,985,990	
B LIABILITIES					
22 Balances due to Central Bank of Kenya	-	-	-	-	
23 Customer deposits	19,700,816	21,514,053	20,390,948	22,183,298	
24 Deposits and balances due to local banking institutions	150,099	199,108	150,099	199,108	
25 Deposits and balances due to foreign banking institutions	253,187	260,849	284,329	261,158	
26 Other money market deposits	-	-	-	-	
27 Borrowed funds	1,142,417	1,094,163	1,142,417	1,094,163	
28 Balances due to banking institutions in the group	131,184	136,257	-	-	
29 Tax payable	-	222,520	-	209,782	
30 Dividends payable	-	-	-	-	
31 Deferred tax liability	-	-	-	-	
32 Retirement benefit liability	-	-	-	-	
33 Other liabilities	266,558	228,939	355,499	459,961	
34 TOTAL LIABILITIES	21,644,261	23,655,889	22,323,292	24,407,470	
C SHAREHOLDERS' FUNDS					
35 Paid up /Assigned capital	1,050,000	1,050,000	1,050,000	1,050,000	
36 Share premium/(discount)	-	-	-	-	
37 Revaluation reserves	(31,721)	(7,669)	(99,956)	(109,463)	
38 Retained earnings/Accumulated losses	2,040,087	2,514,487	2,041,677	2,498,095	
39 Statutory loan loss reserves	101,780	-	102,517	-	
40 Other Reserves	-	-	(93,706)	(121,189)	
41 Proposed dividends	-	-	-	-	
42 Capital grants	-	-	-	-	
43 TOTAL SHAREHOLDERS' FUNDS	3,160,146	3,556,818	3,000,532	3,317,443	
44 Minority Interest	-	-	262,844	261,077	
45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	24,804,407	27,212,707	25,586,668	27,985,990	
II STATEMENT OF COMPREHENSIVE INCOME					
1.0 INTEREST INCOME					
1.1 Loans and advances	2,406,340	2,603,166	2,506,383	2,707,658	
1.2 Government securities	370,125	379,205	407,573	419,332	
1.3 Deposits and placements with banking institutions	43,758	56,601	74,751	72,062	
1.4 Other Interest Income	-	-	-	1,731	
1.5 Total interest income	2,820,223	3,038,972	2,988,707	3,200,783	
2.0 INTEREST EXPENSE					
2.1 Customer deposits	1,564,086	1,716,434	1,596,061	1,736,651	
2.2 Deposits and placement from banking institutions	39,681	11,955	34,454	5,365	
2.3 Other interest expenses	136,699	132,770	136,699	132,770	
2.4 Total interest expenses	1,740,466	1,861,159	1,767,214	1,874,786	
3.0 NET INTEREST INCOME/(LOSS)	1,079,757	1,177,813	1,221,493	1,325,997	
4.0 NON-INTEREST INCOME					
4.1 Fees and commissions on loans and advances	266,981	263,424	283,028	280,420	
4.2 Other fees and commissions	200,207	187,729	219,774	206,514	
4.3 Foreign exchange trading income/(Loss)	43,678	57,656	48,746	62,226	
4.4 Dividend Income	-	-	-	-	
4.5 Other income	9,294	11,044	35,065	54,443	
4.6 Total Non-interest income	520,160	519,853	586,613	603,603	
5.0 TOTAL OPERATING INCOME	1,599,917	1,697,666	1,808,106	1,929,600	
6.0 OTHER OPERATING EXPENSES					
6.1 Loan loss provision	89,612	183,736	98,144	191,827	
6.2 Staff costs	691,235	726,113	793,709	823,439	
6.3 Directors' emoluments	83,758	77,197	90,514	84,342	
6.4 Rental charges	73,342	63,722	97,638	87,746	
6.5 Depreciation charge on property and equipment	56,979	55,196	66,681	65,191	
6.6 Amortisation charges	17,572	19,978	25,095	29,250	
6.7 Other operating expenses	384,843	414,125	459,808	482,667	
6.8 Total Other Operating Expenses	1,397,341	1,540,067	1,631,589	1,764,462	
7.0 Profit/(Loss) Before Tax and Exceptional Items	202,576	157,599	176,517	165,138	
8.0 Exceptional Items					
9.0 Profit/(Loss) After Exceptional Items	202,576	157,599	176,517	165,138	
10.0 Current Tax	61,661	11,730	56,288	(17,265)	
11.0 Deferred Tax	3,825	83,072	3,786	114,533	
12.0 Profit/(Loss) After Tax and Exceptional Items	137,090	62,797	116,443	67,870	
13.0 Minority Interest	-	-	(4,464)	1,601	
14.0 Profit/(Loss) after tax, exceptional items and Minority Interest	137,090	62,797	120,907	66,269	
15.0 Other Comprehensive Income					
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	(11,943)	(44,364)	
15.2 Fair value changes in available for sale financial assets	26,293	24,052	61,643	(11,998)	
15.3 Revaluation surplus on Property, plant and equipment	-	-	-	-	
15.4 Share of other comprehensive income of associates	-	-	-	-	
15.5 Income tax relating to components of other comprehensive income	-	-	-	-	
16.0 Other Comprehensive Income for the year net of tax	26,293	24,052	49,700	(56,362)	
17.0 Total comprehensive income for the year	163,383	86,849	166,143	11,508	
18.0 EARNINGS PER SHARE - BASIC & DILUTED	1.31	0.60	1.15	0.63	
19.0 DIVIDEND PER SHARE -DECLARED	-	-	-	-	
III OTHER DISCLOSURES					
1.0 NON-PERFORMING LOANS AND ADVANCES					
(a) Gross Non-performing loans and advances	3,534,602	4,232,101	3,541,472	4,251,743	
(b) Less: Interest in Suspense	631,870	710,670	632,252	714,009	
(c) Total Non-Performing Loans and Advances (a-b)	2,902,732	3,521,431	2,909,220	3,537,734	
(d) Less: Loan Loss Provision	356,087	660,533	362,635	667,947	
(e) Net Non-Performing Loans and Advances(c-d)	2,546,645	2,860,898	2,546,585	2,869,787	
(f) Discounted Value of Securities	2,517,850	2,860,898	2,517,850	2,869,787	
(g) Net NPLs Exposure (e-f)	28,795	-	28,735	-	
2.0 INSIDER LOANS AND ADVANCES					
(a) Directors, Shareholders and Associates	259,585	326,283	260,612	327,827	
(b) Employees	516,072	486,485	517,099	488,029	
(c) Total Insider Loans and Advances and other facilities	775,657	812,768	777,711	815,856	
3.0 OFF-BALANCE SHEET ITEMS					
(a) Letters of credit, guarantees, acceptances	1,244,665	1,156,584	1,473,895	1,248,625	
(b) Forwards, swaps and options	104,800	211,860	104,800	211,860	
(c) Other contingent liabilities	15,100	66,841	15,100	66,841	
(d) Total Contingent Liabilities	1,364,565	1,435,285	1,593,795	1,527,326	
4.0 CAPITAL STRENGTH					
(a) Core capital	2,487,710	2,956,579	-	-	
(b) Minimum Statutory Capital	1,000,000	1,000,000	-	-	
(c) Excess/(Deficiency) (a-b)	1,487,710	1,956,579	-	-	
(d) Supplementary Capital	418,447	416,667	-	-	
(e) Total Capital (a+d)	2,906,157	3,073,246	-	-	
(f) Total risk weighted assets	19,239,464	19,408,413	-	-	
(g) Core Capital/Total deposits Liabilities	12.53%	13.61%	-	-	
(h) Minimum statutory Ratio	8.00%	8.00%	-	-	
(i) Excess/(Deficiency) (g-h)	4.53%	5.61%	-	-	
(j) Core Capital / total risk weighted assets	12.93%	15.23%	-	-	
(k) Minimum Statutory Ratio	10.50%	10.50%	-	-	
(l) Excess (Deficiency) (j-k)	2.43%	4.73%	-	-	
(m) Total Capital/total risk weighted assets	15.11%	15.83%	-	-	
(n) Minimum statutory Ratio	14.50%	14.50%	-	-	
(o) Excess/(Deficiency) (m-n)	0.61%	1.33%	-	-	
(p) Adjusted Core Capital/Total Deposit Liabilities*	-	14.12%	-	-	
(q) Adjusted Core Capital/Total Risk Weighted Assets*	-	15.81%	-	-	
(r) Adjusted Total Capital/Total Risk Weighted Assets*	-	16.41%	-	-	
5.0 LIQUIDITY					
(a) Liquidity Ratio	33.95%	33.01%	-	-	
(b) Minimum Statutory Ratio	20.00%	20.00%	-	-	
(c) Excess (Deficiency) (a-b)	13.95%	13.01%	-	-	

The adjusted capital ratios include the expected credit loss provisions added back to capital in line with Central Bank of Kenya guidance note issued in April 2018 on implementation of IFRS 9.

The financial statements are extracts from the books of the institution as audited by Deloitte & Touche and received unqualified opinion. The complete set of audited financial statements, statutory and qualitative disclosures can be accessed on the institution's website www.abcthebank.com. They may also be accessed at the institution's head office located at ABC Bank House, Woodvale Grove, Westlands Nairobi.

SIGNED

SRIDHAR NATARAJAN
GROUP CHIEF EXECUTIVE OFFICER

JOSEPH K. MUIRURI
DIRECTOR