



**AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES
FOR THE YEAR ENDED 31st DECEMBER 2019**

I STATEMENT OF FINANCIAL POSITION				
	Bank	Bank	Group	Group
	31st Dec 2018	31st Dec 2019	31st Dec 2018	31st Dec 2019
	Audited	Audited	Audited	Audited
	Shs '000'	Shs '000'	Shs '000'	Shs '000'
A ASSETS				
1 Cash (both Local & Foreign)	-	-	-	-
2 Balances due from Central Bank of Kenya	1,413,445	1,905,542	1,523,900	1,966,361
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:				
a. Kenya Government securities	2,871,097	2,438,852	3,443,154	2,873,944
b. Other securities	2,871,097	2,438,852	2,871,097	2,438,852
b) Available for sale:				
a. Kenya Government securities	626,418	641,565	626,418	668,825
b. Other securities	626,418	641,565	626,418	641,565
6 Deposits and balances due from local banking institutions	1,745,124	1,548,732	1,749,529	1,450,690
7 Deposits and balances due from banking institutions abroad	784,758	787,779	984,017	1,217,934
8 Tax recoverable	-	6,465	-	20,028
9 Loans and advances to customers (net)	17,248,429	18,723,123	17,786,770	19,237,311
10 Balances due from banking institutions in the group	35,232	14,176	-	-
11 Investments in associates	-	-	-	-
12 Investments in subsidiary companies	890,935	890,935	-	-
13 Investments in joint ventures	-	-	-	-
14 Investment properties	-	-	-	-
15 Property and equipment	461,437	715,952	506,631	815,963
16 Prepaid lease rentals	-	-	-	-
17 Intangible assets	119,070	102,937	206,180	180,363
18 Deferred tax asset	81,495	108,520	114,533	108,520
19 Retirement benefit asset	-	-	-	-
20 Other assets	740,423	608,502	799,945	618,582
21 TOTAL ASSETS	27,212,707	28,680,487	27,985,990	29,395,753
B LIABILITIES				
22 Balances due to Central Bank of Kenya	-	-	-	-
23 Customer deposits	21,514,053	22,648,711	22,183,298	23,261,426
24 Deposits and balances due to local banking institutions	199,108	90,371	199,108	90,371
25 Deposits and balances due to foreign banking institutions	260,849	241,443	261,158	241,443
26 Other money market deposits	-	-	-	-
27 Borrowed funds	1,094,163	1,128,335	1,094,163	1,128,335
28 Balances due to banking institutions in the group	136,257	111,786	-	-
29 Tax payable	222,520	-	209,782	-
30 Dividends payable	-	-	-	-
31 Deferred tax liability	-	-	-	94
32 Retirement benefit liability	-	-	-	-
33 Other liabilities	228,939	770,358	459,961	1,010,667
34 TOTAL LIABILITIES	23,655,889	24,991,004	24,407,470	25,732,336
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	(7,669)	5,501	(109,463)	(90,063)
38 Retained earnings/Accumulated losses	2,514,487	1,986,802	2,498,095	1,945,345
39 Statutory loan loss reserves	-	647,180	-	647,180
40 Other Reserves	-	-	(121,189)	(133,349)
41 Proposed dividends	-	-	-	-
42 Capital grants	-	-	-	-
43 TOTAL SHAREHOLDERS' FUNDS	3,556,818	3,689,483	3,317,443	3,419,113
44 Minority Interest	-	-	261,077	244,304
45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	27,212,707	28,680,487	27,985,990	29,395,753
II STATEMENT OF COMPREHENSIVE INCOME				
1.0 INTEREST INCOME				
1.1 Loans and advances	2,603,166	2,720,292	2,707,658	2,831,001
1.2 Government securities	379,205	364,869	419,332	403,857
1.3 Deposits and placements with banking institutions	56,601	72,206	72,062	89,108
1.4 Other Interest Income	-	-	1,731	319
1.5 Total interest income	3,038,972	3,157,367	3,200,783	3,324,285
2.0 INTEREST EXPENSE				
2.1 Customer deposits	1,716,434	1,774,542	1,736,651	1,782,247
2.2 Deposits and placement from banking institutions	11,955	12,398	5,365	14,110
2.3 Other interest expenses	132,770	179,345	132,770	182,732
2.4 Total interest expenses	1,861,159	1,966,285	1,874,786	1,979,089
3.0 NET INTEREST INCOME/(LOSS)	1,177,813	1,191,082	1,325,997	1,345,196
4.0 NON-INTEREST INCOME				
4.1 Fees and commissions on loans and advances	263,424	219,069	280,420	238,356
4.2 Other fees and commissions	187,729	120,328	206,514	143,945
4.3 Foreign exchange trading income/(Loss)	57,656	80,345	62,226	92,534
4.4 Dividend Income	-	-	-	-
4.5 Other income	11,044	5,193	54,443	29,398
4.6 Total Non-interest income	519,853	424,935	603,603	504,233
5.0 TOTAL OPERATING INCOME	1,697,666	1,616,017	1,929,600	1,849,429
6.0 OTHER OPERATING EXPENSES				
6.1 Loan loss provision	183,736	61,402	191,827	56,825
6.2 Staff costs	726,113	742,146	823,439	840,833
6.3 Directors' emoluments	77,197	82,535	84,342	90,330
6.4 Rental charges	63,722	302	87,746	4,040
6.5 Depreciation charge on property and equipment	55,196	119,168	65,191	158,355
6.6 Amortisation charges	19,978	20,790	29,250	20,806
6.7 Other operating expenses	414,125	425,417	482,667	508,047
6.8 Total Other Operating Expenses	1,540,067	1,451,760	1,764,462	1,679,236
7.0 Profit/(loss) Before Tax and Exceptional Items	157,599	164,257	165,138	170,193
8.0 Exceptional Items	-	-	-	-
9.0 Profit/(Loss) After Exceptional Items	157,599	164,257	165,138	170,193
10.0 Current Tax	83,072	87,842	(17,265)	98,340
11.0 Deferred Tax	83,072	(43,080)	114,533	(11,495)
12.0 Profit/(Loss) After Tax and Exceptional Items	62,797	119,495	67,870	83,348
13.0 Minority Interest	-	-	1,601	(11,082)
14.0 Profit/(loss) after tax, exceptional items and Minority Interest	62,797	119,495	66,269	94,430
15.0 Other Comprehensive Income				
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	(44,364)	(12,160)
15.2 Fair value changes in available for sale financial assets	24,052	13,170	(11,998)	(2,230)
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	24,052	13,170	(56,362)	(14,390)
17.0 Total comprehensive income for the year	86,849	132,665	11,508	68,958
18.0 EARNINGS PER SHARE- BASIC & DILUTED	0.60	1.14	0.63	0.90
19.0 DIVIDEND PER SHARE -DECLARED				
III OTHER DISCLOSURES				
1.0 NON-PERFORMING LOANS AND ADVANCES				
(a) Gross Non-performing loans and advances	4,232,101	3,556,700	4,251,743	3,604,427
(b) Less: Interest in Suspense	710,670	737,774	714,009	737,774
(c) Total Non-Performing Loans and Advances (a-b)	3,521,431	2,818,926	3,537,734	2,866,653
(d) Less: Loan Loss Provision	660,533	653,915	667,947	665,570
(e) Net Non-Performing Loans and Advances(c-d)	2,860,898	2,165,011	2,869,787	2,201,083
(f) Discounted Value of Securities	2,860,898	2,086,502	2,869,787	2,122,574
(g) Net NPLs Exposure (e-f)	-	78,509	-	78,509
2.0 INSIDER LOANS AND ADVANCES				
(a) Directors, Shareholders and Associates	326,283	273,370	327,827	275,840
(b) Employees	486,485	465,882	488,029	468,352
(c) Total Insider Loans and Advances and other facilities	812,768	739,252	815,856	744,192
3.0 OFF-BALANCE SHEET ITEMS				
(a) Letters of credit/guarantees, acceptances	1,156,584	1,409,333	1,248,625	1,546,751
(b) Forwards, swaps and options	211,860	841,867	211,860	841,867
(c) Other contingent liabilities	66,841	424,907	66,841	424,907
(d) Total Contingent Liabilities	1,435,285	2,676,107	1,527,326	2,813,525
4.0 CAPITAL STRENGTH				
(a) Core capital	2,956,579	2,428,895	-	-
(b) Minimum Statutory Capital	1,000,000	1,000,000	-	-
(c) Excess/(Deficiency) (a-b)	1,956,579	1,428,895	-	-
(d) Supplementary Capital	116,667	647,180	-	-
(e) Total Capital (a+d)	3,073,246	3,076,075	-	-
(f) Total risk weighted assets	19,408,413	20,005,291	-	-
(g) Core Capital/Total deposits Liabilities	13.61%	10.69%	-	-
(h) Minimum statutory Ratio	8.00%	8.00%	-	-
(i) Excess/(Deficiency) (g-h)	5.61%	2.69%	-	-
(j) Core Capital / total risk weighted assets	15.23%	12.14%	-	-
(k) Minimum Statutory Ratio	10.50%	10.50%	-	-
(l) Excess (Deficiency) (j-k)	4.73%	1.64%	-	-
(m) Total Capital/total risk weighted assets	15.83%	15.38%	-	-
(n) Minimum statutory Ratio	14.50%	14.50%	-	-
(o) Excess/(Deficiency) (m-n)	1.33%	0.88%	-	-
(p) Adjusted Core Capital/Total Deposit Liabilities*	14.12%	11.13%	-	-
(q) Adjusted Core Capital/Total Risk Weighted Assets*	15.81%	12.63%	-	-
(r) Adjusted Total Capital/Total Risk Weighted Assets*	16.41%	15.87%	-	-
5.0 LIQUIDITY				
(a) Liquidity Ratio	33.01%	31.08%	-	-
(b) Minimum Statutory Ratio	20.00%	20.00%	-	-
(c) Excess (Deficiency) (a-b)	13.01%	11.08%	-	-

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

These financial statements are extracts from the books of the institution as audited by Grant Thornton 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

SIGNED
JOSEPH K. MUIRURI
DIRECTOR