



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 AS AT 31ST DECEMBER 2014

	Bank 31st Dec 2013 Audited Shs '000'	Bank 31st Dec 2014 Audited Shs '000'	Group 31st Dec 2013 Audited Shs '000'	Group 31st Dec 2014 Audited Shs '000'
I BALANCE SHEET				
A ASSETS				
1 Cash (both Local & Foreign)	170,580	168,556	186,527	203,012
2 Balances due from Central Bank of Kenya	1,072,816	941,488	1,112,225	1,006,260
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:	4,249,723	4,389,201	4,619,003	4,992,117
a. Kenya Government securities	3,968,110	4,154,524	3,968,110	4,154,524
b. Other securities	281,613	234,677	650,893	837,593
b) Available for sale:	630,276	550,954	630,276	550,954
a. Kenya Government securities	630,276	550,954	630,276	550,954
b. Other securities	-	-	-	-
6 Deposits and balances due from local banking institutions	299,384	46,564	309,875	52,939
7 Deposits and balances due from banking institutions abroad	535,302	44,107	1,003,663	170,364
8 Tax recoverable	12,295	80,302	27,131	96,130
9 Loans and advances to customers (net)	10,851,417	13,127,628	11,491,145	13,679,881
10 Balances due from banking institutions in the group	3,955	10,316	-	-
11 Investments in associates	-	-	-	-
12 Investments in subsidiary companies	821,358	885,405	-	-
13 Investments in joint ventures	-	-	-	-
14 Investment properties	-	-	-	-
15 Property and equipment	615,614	539,937	645,362	582,548
16 Prepaid lease rentals	-	-	1,940	-
17 Intangible assets	49,380	139,735	262,894	140,897
18 Deferred tax asset	5,941	31,501	7,324	36,860
19 Retirement benefit asset	-	-	-	-
20 Other assets	321,329	483,035	346,368	561,161
21 TOTAL ASSETS	19,639,370	21,438,729	20,643,733	22,073,123
B LIABILITIES				
22 Balances due to Central Bank of Kenya	-	-	-	-
23 Customer deposits	15,905,263	16,050,353	16,478,690	16,390,568
24 Deposits and balances due to local banking institutions	342,366	769,116	342,366	769,116
25 Deposits and balances due to foreign banking institutions	-	27,266	18,747	27,272
26 Other money market deposits	-	-	-	-
27 Borrowed funds	678,967	1,549,401	678,967	1,549,401
28 Balances due to banking institutions in the group	-	-	-	-
29 Tax payable	-	-	-	-
30 Dividends payable	-	84,000	-	-
31 Deferred tax liability	-	-	-	-
32 Retirement benefit liability	-	-	-	-
33 Other liabilities	262,834	336,043	338,725	489,035
34 TOTAL LIABILITIES	17,189,430	18,816,179	17,857,495	19,225,392
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	(6,713)	(8,248)	(6,713)	(111,823)
38 Retained earnings/Accumulated losses	1,307,319	1,480,589	1,296,122	1,482,128
39 Statutory loan loss reserves	99,334	100,209	107,039	108,557
40 Other Reserves	-	-	35,187	22,351
41 Proposed dividends	-	-	-	-
42 Capital grants	-	-	-	-
43 TOTAL SHAREHOLDERS' FUNDS	2,449,940	2,622,550	2,481,635	2,551,213
44 Minority Interest	-	-	304,603	296,518
45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	19,639,370	21,438,729	20,643,733	22,073,123
II PROFIT AND LOSS ACCOUNT				
1.0 INTEREST INCOME				
1.1 Loans and advances	1,763,882	1,970,644	1,885,740	2,108,120
1.2 Government securities	506,330	505,225	541,629	550,173
1.3 Deposits and placements with banking institutions	16,762	18,610	70,711	40,995
1.4 Other Interest Income	37,760	32,072	37,760	32,203
1.5 Total interest income	2,324,734	2,526,551	2,535,840	2,731,491
2.0 INTEREST EXPENSE				
2.1 Customer deposits	1,149,362	1,152,671	1,201,081	1,177,227
2.2 Deposits and placement from banking institutions	19,260	39,652	19,668	39,853
2.3 Other interest expenses	66,117	134,547	66,117	134,547
2.4 Total interest expenses	1,234,739	1,326,870	1,286,866	1,351,627
3.0 NET INTEREST INCOME/(LOSS)	1,089,995	1,199,681	1,248,974	1,379,864
4.0 NON-INTEREST INCOME				
4.1 Fees and commissions on loans and advances	87,569	108,506	100,435	116,983
4.2 Other fees and commissions	187,930	198,197	210,560	230,390
4.3 Foreign exchange trading income/(Loss)	130,297	133,086	134,941	138,395
4.4 Dividend Income	-	-	1,900	-
4.5 Other income	64,196	27,138	68,927	47,234
4.6 Total Non-Interest Income	469,992	466,927	516,763	533,002
5.0 TOTAL OPERATING INCOME	1,559,987	1,666,608	1,765,737	1,912,866
6.0 OTHER OPERATING EXPENSES				
6.1 Loan loss provision	11,979	131,635	48,942	161,948
6.2 Staff costs	528,771	616,927	607,660	715,825
6.3 Directors' emoluments	23,000	58,722	26,527	58,882
6.4 Rental charges	52,488	62,829	67,039	87,006
6.5 Depreciation charge on property and equipment	51,257	48,621	55,186	55,669
6.6 Amortisation charges	10,783	10,505	12,175	11,626
6.7 Other operating expenses	303,441	418,840	356,098	485,031
6.8 Total Other Operating Expenses	981,719	1,348,079	1,173,627	1,575,987
7.0 Profit/(loss) Before Tax and Exceptional Items	578,268	318,529	592,110	336,879
8.0 Exceptional Items	-	-	-	-
9.0 Profit/(Loss) After Exceptional Items	578,268	318,529	592,110	336,879
10.0 Current Tax	151,232	85,944	152,509	86,658
11.0 Deferred Tax	2,911	(25,560)	(2,562)	(19,126)
12.0 Profit/(Loss) After Tax and Exceptional Items	424,125	258,145	442,163	269,347
13.0 Minority Interest	-	-	31,426	(8,085)
14.0 Profit/(Loss) after tax, exceptional items and Minority Interest	424,125	258,145	410,737	277,432
15.0 Other Comprehensive Income				
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	78,227	(18,711)
15.2 Fair value changes in available for sale financial assets	(1,794)	(1,535)	(14,294)	(105,143)
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	(1,794)	(1,535)	63,933	(123,854)
17.0 Total comprehensive income for the year	422,331	256,610	506,096	145,493
18.0 EARNINGS PER SHARE - BASIC & DILUTED	4.04	2.46	4.14	2.52
19.0 DIVIDEND PER SHARE -DECLARED	0.80	0.80	0.80	0.80
III OTHER DISCLOSURES				
1.0 NON-PERFORMING LOANS AND ADVANCES				
(a) Gross Non-performing loans and advances	624,165	885,124	687,130	900,218
(b) Less: Interest in Suspense	143,293	204,785	143,293	206,964
(c) Total Non-Performing Loans and Advances (a-b)	480,872	680,339	543,837	693,254
(d) Less: Loan Loss Provision	134,566	180,973	159,442	187,666
(e) Net Non-Performing Loans and Advances(c-d)	346,306	499,366	384,395	505,588
(f) Discounted Value of Securities	346,306	499,366	384,395	505,588
(g) Net NPLs Exposure (e-f)	-	-	-	-
2.0 INSIDER LOANS AND ADVANCES				
(a) Directors, Shareholders and Associates	226,197	209,194	226,197	209,194
(b) Employees	200,144	283,052	200,298	283,052
(c) Total Insider Loans and Advances and other facilities	426,341	492,246	426,495	492,246
3.0 OFF-BALANCE SHEET ITEMS				
(a) Letters of credit, guarantees, acceptances	2,943,390	2,235,129	3,095,274	2,235,423
(b) Forwards, swaps and options	1,153,331	1,453,360	1,153,331	1,453,360
(c) Other contingent liabilities	415,249	809,389	415,249	809,389
(d) Total contingent Liabilities	4,511,970	4,497,878	4,663,854	4,498,172
4.0 CAPITAL STRENGTH				
(a) Core capital	1,773,989	1,928,212	1,773,989	1,928,212
(b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000
(c) Excess/(Deficiency)(a-b)	773,989	928,212	773,989	928,212
(d) Supplementary Capital	99,334	1,016,876	99,334	1,016,876
(e) Total Capital (a+d)	1,873,323	2,945,088	1,873,323	2,945,088
(f) Total risk weighted assets	12,428,995	17,095,614	12,428,995	17,095,614
(g) Core Capital/Total deposits Liabilities	11.2%	12.0%	11.2%	12.0%
(h) Minimum statutory Ratio	8.00%	10.50%	8.00%	10.50%
(i) Excess/(Deficiency) (g-h)	3.15%	1.51%	3.15%	1.51%
(j) Core Capital / total risk weighted assets	14.27%	11.28%	14.27%	11.28%
(k) Minimum Statutory Ratio	8.00%	10.50%	8.00%	10.50%
(l) Excess (Deficiency) (j-k)	6.27%	0.78%	6.27%	0.78%
(m) Total Capital/total risk weighted assets	15.07%	17.23%	15.07%	17.23%
(n) Minimum statutory Ratio	12.00%	14.50%	12.00%	14.50%
(o) Excess/(Deficiency) (m-n)	3.07%	2.73%	3.07%	2.73%
5.0 LIQUIDITY				
(a) Liquidity Ratio	38.0%	30.6%	38.0%	30.6%
(b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
(c) Excess (Deficiency) (a-b)	18.0%	10.6%	18.0%	10.6%

These 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 Groove, Westlands Nairobi.

Signed: **Sridhar Natarajan, GROUP CHIEF EXECUTIVE OFFICER**
Joseph K. Muiruri, DIRECTOR