



# AFRICAN BANKING CORPORATION LIMITED

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## AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 31<sup>ST</sup> DECEMBER 2015

I	BALANCE SHEET	Bank	Bank	Group	Group
		31 <sup>st</sup> Dec 2014 Audited Shs '000'	31 <sup>st</sup> Dec 2015 Audited Shs '000'	31 <sup>st</sup> Dec 2014 Audited Shs '000'	31 <sup>st</sup> Dec 2015 Audited Shs '000'
<b>A</b>	<b>ASSETS</b>				
1	Cash (both Local & Foreign)	168,556	181,083	203,012	224,355
2	Balances due from Central Bank of Kenya	941,488	903,947	1,006,260	1,006,547
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	4,389,201	3,398,545	4,992,117	3,848,018
	b. Other securities	4,154,524	3,241,430	4,154,524	3,241,430
	b) Available for sale:				
	a. Kenya Government securities	234,677	157,115	837,593	606,588
	b. Other securities	550,954	499,621	550,954	499,621
	c. Other securities	550,954	499,621	550,954	499,621
6	Deposits and balances due from local banking institutions	46,564	91,784	52,939	98,937
7	Deposits and balances due from banking institutions abroad	44,107	31,481	170,364	343,715
8	Tax recoverable	80,302	20,655	96,130	35,038
9	Loans and advances to customers (net)	13,127,628	14,828,522	13,679,881	15,292,071
10	Balances due from banking institutions in the group	10,316	11,479	-	-
11	Investments in associates	-	-	-	-
12	Investments in subsidiary companies	885,405	885,405	-	-
13	Investments in joint ventures	-	-	-	-
14	Investment properties	-	-	-	-
15	Property and equipment	539,937	498,770	582,548	532,416
16	Prepaid lease rentals	-	-	-	-
17	Intangible assets	139,735	132,362	140,897	132,719
18	Deferred tax asset	31,501	25,440	36,860	29,943
19	Retirement benefit asset	-	-	-	-
20	Other assets	483,055	549,203	561,161	574,364
21	<b>TOTAL ASSETS</b>	<b>21,438,729</b>	<b>22,058,297</b>	<b>22,073,123</b>	<b>22,617,744</b>
<b>B</b>	<b>LIABILITIES</b>				
22	Balances due to Central Bank of Kenya	-	1,098,624	-	1,098,624
23	Customer deposits	16,050,353	15,774,465	16,390,568	16,300,473
24	Deposits and balances due to local banking institutions	769,116	370,229	769,116	370,229
25	Deposits and balances due to foreign banking institutions	27,266	184,213	27,272	-
26	Other money market deposits	-	-	-	-
27	Borrowed funds	1,549,401	1,404,578	1,549,401	1,404,578
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	336,043	389,580	489,035	413,454
34	<b>TOTAL LIABILITIES</b>	<b>18,816,179</b>	<b>19,221,689</b>	<b>19,225,392</b>	<b>19,587,358</b>
<b>C</b>	<b>SHAREHOLDERS' FUNDS</b>				
35	Paid up /Assigned capital	1,050,000	1,050,000	1,050,000	1,050,000
36	Share premium/(discount)	-	-	-	-
37	Revaluation reserves	(8,248)	(60,908)	(111,823)	(136,555)
38	Retained earnings/Accumulated losses	1,480,589	1,733,365	1,482,128	1,742,052
39	Statutory loan loss reserves	100,209	114,151	108,557	120,957
40	Other Reserves	-	-	22,351	(30,322)
41	Proposed dividends	-	-	-	-
42	Capital grants	-	-	-	-
43	<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>2,622,550</b>	<b>2,836,608</b>	<b>2,551,213</b>	<b>2,746,132</b>
44	Minority Interest	-	-	296,518	284,254
45	<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>21,438,729</b>	<b>22,058,297</b>	<b>22,073,123</b>	<b>22,617,744</b>
<b>II</b>	<b>PROFIT AND LOSS ACCOUNT</b>				
<b>1.0</b>	<b>INTEREST INCOME</b>				
1.1	Loans and advances	1,970,644	2,287,672	2,108,120	2,396,824
1.2	Government securities	505,225	470,251	550,173	527,048
1.3	Deposits and placements with banking institutions	18,610	3,706	40,995	25,030
1.4	Other Interest Income	32,072	25,699	32,203	25,699
1.5	<b>Total interest income</b>	<b>2,526,551</b>	<b>2,787,328</b>	<b>2,731,491</b>	<b>2,974,601</b>
<b>2.0</b>	<b>INTEREST EXPENSE</b>				
2.1	Customer deposits	1,152,671	1,323,055	1,177,227	1,344,269
2.2	Deposits and placement from banking institutions	39,652	97,941	39,853	94,399
2.3	Other interest expenses	134,547	164,051	134,547	164,051
2.4	Total interest expenses	1,326,870	1,585,047	1,351,627	1,602,719
3.0	<b>NET INTEREST INCOME/(LOSS)</b>	<b>1,199,681</b>	<b>1,202,281</b>	<b>1,379,864</b>	<b>1,371,882</b>
<b>4.0</b>	<b>NON-INTEREST INCOME</b>				
4.1	Fees and commissions on loans and advances	108,506	166,062	116,983	168,798
4.2	Other fees and commissions	198,197	155,333	230,390	186,819
4.3	Foreign exchange trading income/(Loss)	133,086	60,245	138,395	64,225
4.4	Dividend Income	-	-	-	-
4.5	Other income	27,138	8,781	47,234	43,080
4.6	<b>Total Non-interest income</b>	<b>466,927</b>	<b>390,421</b>	<b>533,002</b>	<b>462,922</b>
5.0	<b>TOTAL OPERATING INCOME</b>	<b>1,666,608</b>	<b>1,592,702</b>	<b>1,912,866</b>	<b>1,834,804</b>
<b>6.0</b>	<b>OTHER OPERATING EXPENSES</b>				
6.1	Loan loss provision	131,635	77,742	161,948	88,088
6.2	Staff costs	616,927	585,803	715,825	685,120
6.3	Directors' emoluments	58,722	58,188	58,882	59,770
6.4	Rental charges	62,829	69,172	87,006	94,398
6.5	Depreciation charge on property and equipment	48,621	62,018	55,669	69,970
6.6	Amortisation charges	10,505	16,258	11,626	16,650
6.7	Other operating expenses	418,840	368,095	485,031	432,409
6.8	Total Other Operating Expenses	1,348,079	1,237,276	1,575,987	1,446,405
7.0	Profit/(loss) Before Tax and Exceptional Items	318,529	355,426,000	336,879	388,399
8.0	Exceptional Items	-	-	-	-
9.0	Profit/(Loss) After Exceptional Items	318,529	355,426,000	336,879	388,399
10.0	Current Tax	85,944	82,547	86,658	95,633
11.0	Deferred Tax	(25,560)	6,161	(19,126)	2,847
12.0	Profit/(Loss) After Tax and Exceptional Items	258,145	266,718	269,347	289,919
13.0	Minority Interest	-	-	(8,085)	10,357
14.0	Profit/(loss) after tax, exceptional items and Minority Interest	258,145	266,718	277,432	279,562
15.0	Other Comprehensive Income	-	-	-	-
15.1	Gains/(Losses) from translating the financial statements of foreign operations	-	-	(18,711)	(76,917)
15.2	Fair value changes in available for sale financial assets	(1,535)	(52,660)	(105,143)	(30,347)
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	(1,535)	(52,660)	(123,854)	(107,264)
17.0	<b>Total comprehensive income for the year</b>	<b>256,610</b>	<b>214,058</b>	<b>145,493</b>	<b>182,655</b>
18.0	<b>EARNINGS PER SHARE - BASIC &amp; DILUTED</b>	<b>2.52</b>	<b>2.54</b>	<b>2.57</b>	<b>2.66</b>
19.0	<b>DIVIDEND PER SHARE -DECLARED</b>	<b>0.80</b>	<b>0.80</b>	<b>0.80</b>	<b>0.80</b>
<b>III</b>	<b>OTHER DISCLOSURES</b>				
<b>1.0</b>	<b>NON-PERFORMING LOANS AND ADVANCES</b>				
(a)	Gross Non-performing loans and advances	885,124	2,676,858	900,218	2,694,737
(b)	Less: Interest in Suspense	204,785	513,773	206,964	514,280
(c)	Total Non-Performing Loans and Advances (a-b)	680,339	2,163,085	693,254	2,180,457
(d)	Less: Loan Loss Provision	180,973	195,996	187,666	202,720
(e)	Net Non-Performing Loans and Advances (c-d)	499,366	1,967,089	505,588	1,977,737
(f)	Discounted Value of Securities	499,366	1,967,089	505,588	1,977,737
(g)	Net NPLs Exposure (e-f)	-	-	-	-
<b>2.0</b>	<b>INSIDER LOANS AND ADVANCES</b>				
(a)	Directors, Shareholders and Associates	209,194	207,629	209,194	208,312
(b)	Employees	283,052	362,059	283,052	362,742
(c)	Total Insider Loans and Advances and other facilities	492,246	569,688	492,246	571,054
<b>3.0</b>	<b>OFF-BALANCE SHEET ITEMS</b>				
(a)	Letters of credit, guarantees, acceptances	2,235,129	901,587	2,235,423	1,126,545
(b)	Forwards, swaps and options	1,453,360	1,181,087	1,453,360	1,181,087
(c)	Other contingent liabilities	809,389	56,414	809,389	56,414
(d)	Total Contingent Liabilities	4,497,878	2,139,088	4,498,172	2,364,046
<b>4.0</b>	<b>CAPITAL STRENGTH</b>				
(a)	Core capital	1,928,212	2,180,988	-	-
(b)	Minimum Statutory Capital	1,000,000	1,000,000	-	-
(c)	Excess/(Deficiency) (a-b)	928,212	1,180,988	-	-
(d)	Supplementary Capital	1,016,876	830,818	-	-
(e)	Total Capital (a+d)	2,945,088	3,011,806	-	-
(f)	Total risk weighted assets	17,095,614	18,304,295	-	-
(g)	Core Capital/Total deposits Liabilities	12.0%	13.8%	-	-
(h)	Minimum statutory Ratio	8.0%	8.0%	-	-
(i)	Excess/(Deficiency) (g-h)	4.0%	5.8%	-	-
(j)	Core Capital / total risk weighted assets	11.28%	11.9%	-	-
(k)	Minimum Statutory Ratio	10.5%	10.5%	-	-
(l)	Excess (Deficiency) (j-k)	0.8%	1.4%	-	-
(m)	Total Capital/total risk weighted assets	17.23%	16.5%	-	-
(n)	Minimum statutory Ratio	14.5%	14.5%	-	-
(o)	Excess/(Deficiency) (m-n)	2.7%	2.0%	-	-
<b>5</b>	<b>LIQUIDITY</b>				
(a)	Liquidity Ratio	30.6%	21.4%	-	-
(b)	Minimum Statutory Ratio	20.0%	20.0%	-	-
(c)	Excess (Deficiency) (a-b)	10.6%	1.4%	-	-

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](http://www.abcthebank.com). They may also be accessed at the institution's head office located at ABC Bank House, Woodvale Grove, Westlands Nairobi.

**SIGNED**  
Shamuz Savani  
Group Managing Director

Joseph K. Muiruri  
Director