



# 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 31<sup>ST</sup> DECEMBER 2016

I STATEMENT OF FINANCIAL POSITION		Bank 31 <sup>st</sup> Dec 2015 Audited Shs '000'	Bank 31 <sup>st</sup> Dec 2016 Audited Shs '000'	Group 31 <sup>st</sup> Dec 2015 Audited Shs '000'	Group 31 <sup>st</sup> Dec 2016 Audited Shs '000'
<b>A ASSETS</b>					
1 Cash (both Local & Foreign)	181,083	155,946	224,355	204,601	
2 Balances due from Central Bank of Kenya	903,947	1,238,857	1,006,547	1,301,923	
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	3,398,545	2,920,747	3,848,018	3,391,142	
b. Other securities	3,241,430	2,920,747	3,241,430	2,920,747	
b) Available for sale:					
a. Kenya Government securities	157,115	-	606,588	470,395	
b. Other securities	499,621	504,209	499,621	504,209	
6 Deposits and balances due from local banking institutions	91,784	426,014	98,937	432,314	
7 Deposits and balances due from banking institutions abroad	31,481	804,091	343,715	978,614	
8 Tax recoverable	20,655	19,219	35,038	33,717	
9 Loans and advances to customers (net)	14,828,522	14,228,599	15,292,071	14,641,988	
10 Balances due from banking institutions in the group	11,479	12,731	-	-	
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	498,770	515,978	532,416	546,353	
16 Prepaid lease rentals	-	-	-	-	
17 Intangible assets	132,362	122,352	132,719	123,796	
18 Deferred tax asset	25,440	25,084	29,943	31,538	
19 Retirement benefit asset	-	-	-	-	
20 Other assets	549,203	563,119	574,364	674,773	
<b>21 TOTAL ASSETS</b>	<b>22,058,297</b>	<b>22,422,351</b>	<b>22,617,744</b>	<b>22,864,968</b>	
<b>B LIABILITIES</b>					
22 Balances due to Central Bank of Kenya	1,098,624	1,392,756	1,098,624	1,392,756	
23 Customer deposits	15,774,465	16,078,445	16,300,473	16,573,195	
24 Deposits and balances due to local banking institutions	370,229	-	370,229	7,603	
25 Deposits and balances due to foreign banking institutions	184,213	344,133	-	152,240	
26 Other money market deposits	-	-	-	-	
27 Borrowed funds	1,404,578	1,248,742	1,404,578	1,248,742	
28 Balances due to banking institutions in the group	-	-	-	-	
29 Tax payable	-	-	-	-	
30 Dividends payable	-	-	-	-	
31 Deferred tax liability	-	-	-	-	
32 Retirement benefit liability	-	-	-	-	
33 Other liabilities	389,580	361,512	413,454	393,199	
<b>34 TOTAL LIABILITIES</b>	<b>19,221,689</b>	<b>19,425,588</b>	<b>19,587,358</b>	<b>19,767,735</b>	
<b>C 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	(60,908)	(58,014)	(136,555)	(159,156)	
38 Retained earnings/Accumulated losses	1,733,365	1,920,510	1,742,052	1,938,517	
39 Statutory loan loss reserves	114,151	84,267	120,957	84,770	
40 Other Reserves	-	-	(30,322)	(82,517)	
41 Proposed dividends	-	-	-	-	
42 Capital grants	-	-	-	-	
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>2,836,608</b>	<b>2,996,763</b>	<b>2,746,132</b>	<b>2,831,614</b>	
44 Minority Interest	-	-	284,254	265,619	
<b>45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>22,058,297</b>	<b>22,422,351</b>	<b>22,617,744</b>	<b>22,864,968</b>	
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>					
<b>1.0 INTEREST INCOME</b>					
1.1 Loans and advances	2,287,672	2,620,574	2,396,824	2,715,634	
1.2 Government securities	470,251	392,726	527,048	446,295	
1.3 Deposits and placements with banking institutions	3,706	6,238	25,030	47,319	
1.4 Other interest income	25,699	2,610	25,699	2,923	
<b>1.5 Total interest income</b>	<b>2,787,328</b>	<b>3,022,148</b>	<b>2,974,601</b>	<b>3,212,171</b>	
<b>2.0 INTEREST EXPENSE</b>					
2.1 Customer deposits	1,323,055	1,689,614	1,344,269	1,712,712	
2.2 Deposits and placement from banking institutions	97,941	189,821	94,399	182,777	
2.3 Other interest expenses	164,051	150,284	164,051	150,284	
<b>2.4 Total interest expenses</b>	<b>1,585,047</b>	<b>2,029,719</b>	<b>1,602,719</b>	<b>2,045,773</b>	
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>1,202,281</b>	<b>992,429</b>	<b>1,371,882</b>	<b>1,166,398</b>	
<b>4.0 NON-INTEREST INCOME</b>					
4.1 Fees and commissions on loans and advances	166,062	225,455	168,798	232,536	
4.2 Other fees and commissions	155,333	203,470	186,819	225,911	
4.3 Foreign exchange trading income/(Loss)	60,245	81,837	64,225	86,425	
4.4 Dividend Income	-	-	-	-	
4.5 Other income	8,781	13,839	43,080	37,599	
<b>4.6 Total Non-interest income</b>	<b>390,421</b>	<b>524,601</b>	<b>462,922</b>	<b>582,471</b>	
<b>5.0 TOTAL OPERATING INCOME</b>	<b>1,592,702</b>	<b>1,517,030</b>	<b>1,834,804</b>	<b>1,748,869</b>	
<b>6.0 OTHER OPERATING EXPENSES</b>					
6.1 Loan loss provision	77,742	102,477	88,088	108,348	
6.2 Staff costs	585,803	656,733	685,120	752,972	
6.3 Directors' emoluments	58,188	64,437	59,770	69,445	
6.4 Rental charges	69,172	70,431	94,398	98,559	
6.5 Depreciation charge on property and equipment	62,018	54,821	69,970	62,327	
6.6 Amortisation charges	16,258	16,631	16,650	16,812	
6.7 Other operating expenses	368,095	329,592	432,409	396,986	
<b>6.8 Total Other Operating Expenses</b>	<b>1,237,276</b>	<b>1,295,142</b>	<b>1,446,405</b>	<b>1,505,149</b>	
<b>7.0 Profit/(Loss) Before Tax and Exceptional Items</b>	<b>355,426</b>	<b>221,888</b>	<b>388,399</b>	<b>243,720</b>	
8.0 Exceptional Items	-	-	-	-	
<b>9.0 Profit/(Loss) After Exceptional Items</b>	<b>355,426</b>	<b>221,888</b>	<b>388,399</b>	<b>243,720</b>	
10.0 Current Tax	82,547	64,271	95,633	75,856	
11.0 Deferred Tax	6,161	356	2,847	304	
<b>12.0 Profit/(Loss) After Tax and Exceptional Items</b>	<b>266,718</b>	<b>157,261</b>	<b>289,919</b>	<b>167,560</b>	
13.0 Minority Interest	-	-	10,357	7,282	
<b>14.0 Profit/(loss) after tax, exceptional items and Minority Interest</b>	<b>266,718</b>	<b>157,261</b>	<b>279,562</b>	<b>160,278</b>	
<b>15.0 Other Comprehensive Income</b>					
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	(76,917)	(76,220)	
15.2 Fair value changes in available for sale financial assets	(52,660)	2,894	(30,347)	(24,493)	
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	-	-	-	-	
15.6 Other Comprehensive Income for the year net of tax	(52,660)	2,894	(107,264)	(100,713)	
15.7 Total comprehensive income for the year	214,058	160,155	182,655	66,847	
<b>18.0 EARNINGS PER SHARE- BASIC &amp; DILUTED</b>	<b>2.54</b>	<b>1.50</b>	<b>2.66</b>	<b>1.53</b>	
<b>19.0 DIVIDEND PER SHARE -DECLARED</b>					
<b>III OTHER DISCLOSURES</b>					
<b>1.0 NON-PERFORMING LOANS AND ADVANCES</b>					
(a) Gross Non-performing loans and advances	2,676,858	2,840,434	2,694,737	2,851,350	
(b) Less: Interest in Suspense	513,773	557,552	514,280	558,406	
<b>(c) Total Non-Performing Loans and Advances (a-b)</b>	<b>2,163,085</b>	<b>2,282,882</b>	<b>2,180,457</b>	<b>2,292,944</b>	
(d) Less: Loan Loss Provision	195,996	235,850	202,720	238,079	
<b>(e) Net Non-Performing Loans and Advances(c-d)</b>	<b>1,967,089</b>	<b>2,047,032</b>	<b>1,977,737</b>	<b>2,054,865</b>	
(f) Discounted Value of Securities	1,967,089	1,980,973	1,977,737	1,988,806	
(g) Net NPLs Exposure (e-f)	-	66,059	-	66,059	
<b>2.0 INSIDER LOANS AND ADVANCES</b>					
(a) Directors, Shareholders and Associates	207,629	210,750	208,312	211,389	
(b) Employees	362,059	484,996	362,742	485,635	
<b>(c) Total Insider Loans and Advances and other facilities</b>	<b>569,688</b>	<b>695,746</b>	<b>571,054</b>	<b>697,024</b>	
<b>3.0 OFF-BALANCE SHEET ITEMS</b>					
(a) Letters of credit, guarantees, acceptances	901,587	1,136,405	1,126,545	1,238,008	
(b) Forwards, swaps and options	1,181,087	205,000	1,181,087	205,000	
(c) Other contingent liabilities	56,414	20,958	56,414	20,958	
<b>(d) Total Contingent Liabilities</b>	<b>2,139,088</b>	<b>1,362,363</b>	<b>2,364,046</b>	<b>1,463,966</b>	
<b>4.0 CAPITAL STRENGTH</b>					
(a) Core capital	2,180,988	2,368,133	-	-	
(b) Minimum Statutory Capital	1,000,000	1,000,000	-	-	
(c) Excess/(Deficiency) (a-b)	1,180,988	1,368,133	-	-	
(d) Supplementary Capital	830,818	600,934	-	-	
(e) Total Capital (a+d)	3,011,806	2,969,067	-	-	
(f) Total risk weighted assets	18,304,295	18,530,459	-	-	
(g) Core Capital/Total deposits Liabilities	13.83%	14.73%	-	-	
(h) Minimum statutory Ratio	8.00%	8.00%	-	-	
(i) Excess/(Deficiency) (g-h)	5.83%	6.73%	-	-	
(j) Core Capital / total risk weighted assets	11.92%	12.78%	-	-	
(k) Minimum Statutory Ratio	10.50%	10.50%	-	-	
(l) Excess (Deficiency) (j-k)	1.42%	2.28%	-	-	
(m) Total Capital/total risk weighted assets	16.45%	16.02%	-	-	
(n) Minimum statutory Ratio	14.50%	14.50%	-	-	
(o) Excess/(Deficiency) (m-n)	1.95%	1.52%	-	-	
<b>5.0 LIQUIDITY</b>					
(a) Liquidity Ratio	21.40%	27.13%	-	-	
(b) Minimum Statutory Ratio	20.00%	20.00%	-	-	
(c) Excess (Deficiency) (a-b)	1.40%	7.13%	-	-	

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 Groove, Westlands Nairobi.

**SIGNED Shamaz Savani**  
Group Managing Director

**Joseph K. Muiruri**  
Director