



# AFRICAN BANKING CORPORATION LTD.

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## UN-AUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 31<sup>ST</sup> MARCH 2019

	Bank			Group		
	31 <sup>st</sup> Mar 2018 Unaudited Shs '000'	31 <sup>st</sup> Dec 2018 Audited Shs '000'	31 <sup>st</sup> Mar 2019 Unaudited Shs '000'	31 <sup>st</sup> Mar 2018 Unaudited Shs '000'	31 <sup>st</sup> Dec 2018 Audited Shs '000'	31 <sup>st</sup> Mar 2019 Unaudited Shs '000'
<b>I STATEMENT OF FINANCIAL POSITION</b>						
<b>A ASSETS</b>						
1 Cash (both Local & Foreign)	236,166	194,844	211,287	288,875	244,913	262,119
2 Balances due from Central Bank of Kenya	1,467,055	1,413,445	1,239,947	1,757,559	1,523,900	1,388,249
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	2,873,590	2,871,097	3,123,835	3,369,678	3,443,154	3,674,658
b. Other securities	2,873,590	2,871,097	3,123,835	2,873,590	2,871,097	3,123,835
b) Available for sale:						
a. Kenya Government securities	539,539	626,418	641,543	539,539	626,418	641,543
b. Other securities	539,539	626,418	641,543	539,539	626,418	641,543
6 Deposits and balances due from local banking institutions	1,052,090	1,745,124	2,427,084	1,074,972	1,749,529	2,441,755
7 Deposits and balances due from banking institutions abroad	463,807	784,758	609,959	373,171	984,017	779,647
8 Tax recoverable	6,154	-	-	20,627	-	13,414
9 Loans and advances to customers (net)	14,155,737	17,248,429	15,242,194	14,643,622	17,786,770	15,750,472
10 Balances due from banking institutions in the group	13,619	35,232	-	-	-	-
11 Investments in associates	-	-	-	-	-	-
12 Investments in subsidiary companies	885,405	890,935	890,936	-	-	-
13 Investments in joint ventures	-	-	-	-	-	-
14 Investment properties	-	-	-	-	-	-
15 Property and equipment	492,646	461,437	668,382	542,593	506,631	710,925
16 Prepaid lease rentals	-	-	-	-	-	-
17 Intangible assets	124,758	119,070	113,916	202,836	206,180	180,060
18 Deferred tax asset	21,260	81,495	81,495	41,301	114,533	101,240
19 Retirement benefit asset	-	-	-	-	-	-
20 Other assets	2,408,258	740,423	2,975,674	2,431,678	799,945	2,938,060
<b>21 TOTAL ASSETS</b>	<b>24,740,084</b>	<b>27,212,707</b>	<b>28,261,644</b>	<b>25,286,451</b>	<b>27,985,990</b>	<b>28,882,142</b>
<b>B LIABILITIES</b>						
22 Balances due to Central Bank of Kenya	-	-	-	-	-	-
23 Customer deposits	19,552,723	21,514,053	21,303,406	20,165,776	22,183,298	21,931,017
24 Deposits and balances due to local banking institutions	146,697	199,108	197,055	146,697	199,108	197,055
25 Deposits and balances due to foreign banking institutions	134,988	260,849	312,056	145,159	261,158	290,636
26 Other money market deposits	-	-	-	-	-	-
27 Borrowed funds	1,142,488	1,094,163	2,111,925	1,142,488	1,094,163	2,133,757
28 Balances due to banking institutions in the group	253,000	136,257	137,918	-	-	-
29 Tax payable	15,374	222,520	232,210	16,807	209,782	234,513
30 Dividends payable	-	-	-	-	-	-
31 Deferred tax liability	-	-	-	-	-	-
32 Retirement benefit liability	-	-	-	-	-	-
33 Other liabilities	289,816	228,939	372,711	366,814	459,961	495,828
<b>34 TOTAL LIABILITIES</b>	<b>21,535,086</b>	<b>23,655,889</b>	<b>24,667,281</b>	<b>21,983,741</b>	<b>24,407,470</b>	<b>25,282,806</b>
<b>C SHAREHOLDERS' FUNDS</b>						
35 Paid up /Assigned capital	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000
36 Share premium/(discount)	-	-	-	-	-	-
37 Revaluation reserves	(22,741)	(7,669)	7,264	(80,126)	(109,463)	(94,530)
38 Retained earnings/Accumulated losses	2,085,965	2,514,487	2,537,099	2,085,664	2,498,095	2,515,983
39 Statutory loan loss reserves	91,774	-	-	91,769	-	-
40 Other Reserves	-	-	-	(108,202)	(121,189)	(132,854)
41 Proposed dividends	-	-	-	-	-	-
42 Capital grants	-	-	-	-	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>3,204,998</b>	<b>3,556,818</b>	<b>3,594,363</b>	<b>3,039,105</b>	<b>3,317,443</b>	<b>3,338,599</b>
44 Minority Interest	-	-	-	263,605	260,077	260,737
<b>45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>24,740,084</b>	<b>27,212,707</b>	<b>28,261,644</b>	<b>25,286,451</b>	<b>27,985,990</b>	<b>28,882,142</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>						
<b>1.0 INTEREST INCOME</b>						
1.1 Loans and advances	566,309	2,603,166	592,607	593,154	2,707,658	618,940
1.2 Government securities	82,777	379,205	87,553	90,042	419,332	99,964
1.3 Deposits and placements with banking institutions	12,465	56,601	19,240	20,144	72,062	24,099
1.4 Other Interest Income	-	-	-	-	1,731	-
<b>1.5 Total interest income</b>	<b>661,551</b>	<b>3,038,972</b>	<b>699,400</b>	<b>703,340</b>	<b>3,200,783</b>	<b>743,003</b>
<b>2.0 INTEREST EXPENSE</b>						
2.1 Customer deposits	421,827	1,716,434	430,865	428,486	1,736,651	434,771
2.2 Deposits and placement from banking institutions	2,496	11,955	3,776	2,749	5,365	4,201
2.3 Other interest expenses	32,362	132,770	31,012	32,362	132,770	31,012
<b>2.4 Total interest expenses</b>	<b>456,685</b>	<b>1,861,159</b>	<b>465,653</b>	<b>463,597</b>	<b>1,874,786</b>	<b>469,984</b>
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>204,866</b>	<b>1,177,813</b>	<b>233,747</b>	<b>239,743</b>	<b>1,325,997</b>	<b>273,019</b>
<b>4.0 NON-INTEREST INCOME</b>						
4.1 Fees and commissions on loans and advances	92,588	263,424	47,410	94,808	280,420	48,830
4.2 Other fees and commissions	29,522	187,729	26,774	41,254	206,514	36,900
4.3 Foreign exchange trading income/(Loss)	10,521	57,656	16,015	11,670	62,226	17,254
4.4 Dividend income	-	-	-	-	-	-
4.5 Other income	3,263	11,044	117	5,358	54,443	3,699
<b>4.6 Total Non-interest income</b>	<b>135,894</b>	<b>519,853</b>	<b>90,316</b>	<b>153,090</b>	<b>603,603</b>	<b>106,683</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>340,760</b>	<b>1,697,666</b>	<b>324,063</b>	<b>392,833</b>	<b>1,929,600</b>	<b>379,702</b>
<b>6.0 OTHER OPERATING EXPENSES</b>						
6.1 Loan loss provision	12,699	183,736	10,645	11,207	191,827	13,788
6.2 Staff costs	172,045	726,113	179,142	196,234	823,439	201,659
6.3 Directors' emoluments	15,735	77,197	16,766	17,063	84,342	18,023
6.4 Rental charges	14,435	63,722	14,500	22,231	87,746	21,429
6.5 Depreciation charge on property and equipment	14,120	55,196	12,929	16,518	65,191	14,912
6.6 Amortisation charges	4,922	19,978	5,154	7,079	29,250	8,079
6.7 Other operating expenses	55,558	414,125	52,625	70,952	482,667	72,278
<b>6.8 Total Other Operating Expenses</b>	<b>289,514</b>	<b>1,540,067</b>	<b>291,761</b>	<b>341,284</b>	<b>1,764,462</b>	<b>350,168</b>
<b>7.0 Profit/(loss) Before Tax and Exceptional Items</b>	<b>51,246</b>	<b>157,599</b>	<b>32,302</b>	<b>51,549</b>	<b>165,138</b>	<b>29,534</b>
8.0 Exceptional Items	-	-	-	-	-	-
9.0 Profit/(Loss) After Exceptional Items	51,246	157,599	32,302	51,549	165,138	29,534
10.0 Current Tax	15,374	11,730	9,690	4,909	(17,265)	11,993
11.0 Deferred Tax	-	85,072	-	-	114,533	-
<b>12.0 Profit/(Loss) After Tax and Exceptional Items</b>	<b>35,872</b>	<b>62,797</b>	<b>22,612</b>	<b>46,640</b>	<b>67,870</b>	<b>17,541</b>
13.0 Minority Interest	-	-	-	761	1,601	(340)
14.0 Profit/(loss) after tax, exceptional items and Minority Interest	35,872	62,797	22,612	45,879	66,269	17,881
<b>15.0 Other Comprehensive Income</b>						
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	(14,496)	(44,364)	(11,665)
15.2 Fair value changes in available for sale financial assets	8,980	24,052	14,933	19,830	(11,998)	14,933
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	-	-	-	-	-	-
<b>16.0 Other Comprehensive Income for the year net of tax</b>	<b>8,980</b>	<b>24,052</b>	<b>14,933</b>	<b>5,334</b>	<b>(56,362)</b>	<b>3,268</b>
<b>17.0 Total comprehensive income for the year</b>	<b>44,852</b>	<b>86,849</b>	<b>37,545</b>	<b>51,974</b>	<b>11,508</b>	<b>20,809</b>
<b>18.0 EARNINGS PER SHARE - BASIC &amp; DILUTED</b>	<b>0.34</b>	<b>0.60</b>	<b>0.22</b>	<b>0.44</b>	<b>0.63</b>	<b>0.17</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	3,597,377	4,232,101	4,250,922	3,600,859	4,251,743	4,277,286
(b) Less: Interest in Suspense	662,370	710,670	728,035	662,432	714,009	732,070
<b>(c) Total Non-Performing Loans and Advances (a-b)</b>	<b>2,935,007</b>	<b>3,521,431</b>	<b>3,522,887</b>	<b>2,938,427</b>	<b>3,537,734</b>	<b>3,545,216</b>
(d) Less: Loan Loss Provision	369,640	660,533	658,293	370,324	667,947	663,427
<b>(e) Net Non-Performing Loans and Advances (c-d)</b>	<b>2,565,367</b>	<b>2,860,898</b>	<b>2,864,594</b>	<b>2,568,103</b>	<b>2,869,787</b>	<b>2,881,789</b>
(f) Discounted Value of Securities	2,532,789	2,860,898	2,864,594	2,532,789	2,869,787	2,881,789
<b>(g) Net NPLs Exposure (e-f)</b>	<b>32,578</b>	<b>-</b>	<b>-</b>	<b>35,314</b>	<b>-</b>	<b>-</b>
<b>2.0 INSIDER LOANS AND ADVANCES</b>						
(a) Directors, Shareholders and Associates	255,756	326,283	312,839	258,002	327,827	314,116
(b) Employees	496,259	486,485	495,391	498,505	488,029	496,668
<b>(c) Total Insider Loans and Advances and other facilities</b>	<b>752,015</b>	<b>812,768</b>	<b>808,230</b>	<b>756,507</b>	<b>815,856</b>	<b>810,784</b>
<b>3.0 OFF-BALANCE SHEET ITEMS</b>						
(a) Letters of credit, guarantees, acceptances	1,398,068	1,156,584	768,834	1,610,055	1,248,625	828,192
(b) Forwards, swaps and options	76,400	211,860	352,478	76,400	211,860	352,478
(c) Other contingent liabilities	99,427	66,841	211,000	99,427	66,841	211,000
<b>(d) Total Contingent Liabilities</b>	<b>1,573,895</b>	<b>1,435,285</b>	<b>1,332,312</b>	<b>1,785,882</b>	<b>1,527,326</b>	<b>1,391,670</b>
<b>4.0 CAPITAL STRENGTH</b>						
(a) Core capital	2,515,652	2,956,579	2,967,885	2,515,652	2,956,579	2,967,885
(b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
(c) Excess/(Deficiency) (a-b)	1,515,652	1,956,579	1,967,885	1,515,652	1,956,579	1,967,885
(d) Supplementary Capital	358,441	116,667	66,667	-	-	-
<b>(e) Total Capital (a+d)</b>	<b>2,874,093</b>	<b>3,073,246</b>	<b>3,034,552</b>	<b>2,515,652</b>	<b>2,956,579</b>	<b>2,967,885</b>
(f) Total risk weighted assets	19,606,800	19,408,413	20,251,575	-	-	-
<b>(g) Core Capital/Total deposits Liabilities</b>	<b>12.77%</b>	<b>13.61%</b>	<b>13.80%</b>	<b>12.77%</b>	<b>13.61%</b>	<b>13.80%</b>
(h) Minimum statutory ratio	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
(i) Excess/(Deficiency) (g-h)	4.77%	5.61%	5.80%	4.77%	5.61%	5.80%
<b>(j) Core Capital / total risk weighted assets</b>	<b>12.83%</b>	<b>15.23%</b>	<b>14.66%</b>	<b>12.83%</b>	<b>15.23%</b>	<b>14.66%</b>
(k) Minimum Statutory Ratio	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
(l) Excess (Deficiency) (j-k)	2.33%	4.73%	4.16%	2.33%	4.73%	4.1