



Amazingly Better Choice

# AFRICAN BANKING CORPORATION LTD.

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AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31ST DECEMBER 2021

I STATEMENT OF FINANCIAL POSITION		BANK	BANK	GROUP	GROUP
		31st Dec 2020	31st Dec 2021	31st Dec 2020	31st Dec 2021
		Audited	Audited	Audited	Audited
		Shs '000'	Shs '000'	Shs '000'	Shs '000'
<b>A ASSETS</b>					
1	Cash (both Local & Foreign)	124,826	178,876	197,788	238,469
2	Balances due from Central Bank of Kenya	1,766,330	2,831,972	1,766,330	2,831,972
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	3,391,508	5,575,634	3,883,305	6,174,940
b.	Other securities	3,391,508	5,575,634	3,391,508	5,575,634
		-	-	491,797	599,306
b)	Available for sale:				
a.	Kenya Government securities	100,830	98,392	129,678	98,392
b.	Other securities	100,830	98,392	100,830	98,392
		-	-	28,848	-
6	Deposits and balances due from local banking institutions	2,872,746	1,453,929	2,886,330	1,459,736
7	Deposits and balances due from banking institutions abroad	1,017,528	1,315,925	1,374,040	1,629,244
8	Tax recoverable	18,429	6,383	34,535	20,335
9	Loans and advances to customers (net)	20,977,479	22,455,470	21,712,483	23,079,196
10	Balances due from banking institutions in the group	123,646	148,680	-	-
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	598,208	589,456	677,580	650,809
16	Prepaid lease rentals	-	-	-	-
17	Intangible assets	105,911	83,629	177,098	147,557
18	Deferred tax asset	177,930	263,326	177,930	263,326
19	Retirement benefit asset	-	-	-	-
20	Other assets	477,061	447,928	468,280	510,653
21	<b>TOTAL ASSETS</b>	<b>32,643,367</b>	<b>36,340,535</b>	<b>33,485,377</b>	<b>37,104,629</b>
<b>B LIABILITIES</b>					
22	Balances due to Central Bank of Kenya	-	-	-	-
23	Customer deposits	27,299,461	30,774,202	27,966,410	31,578,174
24	Deposits and balances due to local banking institutions	45,796	30,711	45,796	30,711
25	Deposits and balances due to foreign banking institutions	736,637	643,778	736,884	541,592
26	Other money market deposits	-	-	-	-
27	Borrowed funds	116,910	96,026	116,910	96,026
28	Balances due to banking institutions in the group	65,232	268,089	-	-
29	Tax payable	-	-	-	75
30	Dividends payable	-	-	-	-
31	Deferred tax liability	-	-	99	79
32	Retirement benefit liability	-	-	-	-
33	Other liabilities	563,050	608,227	787,688	852,529
34	<b>TOTAL LIABILITIES</b>	<b>28,827,086</b>	<b>32,421,033</b>	<b>29,653,787</b>	<b>33,099,186</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	72	(1,867)	(149,653)	(172,275)
38	Retained earnings/Accumulated losses	2,092,048	2,076,709	2,046,354	2,039,645
39	Statutory loan loss reserves	673,512	794,660	673,512	794,660
40	Other Reserves	-	-	(61,058)	(3,814)
41	Proposed dividends	-	-	-	-
42	Capital grants	-	-	-	-
43	<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>3,816,281</b>	<b>3,919,502</b>	<b>3,559,155</b>	<b>3,708,216</b>
44	Minority Interest	-	-	272,435	297,227
45	<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>32,643,367</b>	<b>36,340,535</b>	<b>33,485,377</b>	<b>37,104,629</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>					
1.0	<b>INTEREST INCOME</b>				
1.1	Loans and advances	2,686,710	2,468,987	2,803,240	2,607,915
1.2	Government securities	404,203	492,929	452,048	529,081
1.3	Deposits and placements with banking institutions	91,107	199,593	101,912	216,416
1.4	Other Interest Income	-	-	-	538
1.5	<b>Total interest income</b>	<b>3,182,020</b>	<b>3,161,509</b>	<b>3,357,200</b>	<b>3,353,950</b>
2.0	<b>INTEREST EXPENSE</b>				
2.1	Customer deposits	1,862,340	1,868,542	1,871,401	1,878,774
2.2	Deposits and placement from banking institutions	10,279	7,438	7,548	6,451
2.3	Other interest expenses	63,233	19,904	69,010	23,814
2.4	Total interest expenses	1,935,852	1,895,884	1,947,959	1,909,039
3.0	<b>NET INTEREST INCOME/(LOSS)</b>	<b>1,246,168</b>	<b>1,265,625</b>	<b>1,409,241</b>	<b>1,444,911</b>
4.0	<b>NON-INTEREST INCOME</b>				
4.1	Fees and commissions on loans and advances	207,413	194,779	229,829	204,624
4.2	Other fees and commissions	123,658	138,600	146,045	170,172
4.3	Foreign exchange trading income/(Loss)	59,619	113,476	69,819	120,453
4.4	Dividend Income	-	-	-	7,210
4.5	Other income	40,700	62,232	59,779	94,417
4.6	Total Non-interest income	431,390	509,087	505,472	596,876
5.0	<b>TOTAL OPERATING INCOME</b>	<b>1,677,558</b>	<b>1,774,712</b>	<b>1,914,713</b>	<b>2,041,787</b>
6.0	<b>OTHER OPERATING EXPENSES</b>				
6.1	Loan loss provision	153,387	215,444	158,469	238,395
6.2	Staff costs	706,833	768,540	801,027	866,957
6.3	Directors' emoluments	87,683	96,805	94,526	104,566
6.4	Rental charges	961	14,103	2,034	15,318
6.5	Depreciation charge on property and equipment	116,884	107,381	152,407	133,462
6.6	Amortisation charge	23,056	23,113	23,064	34,572
6.7	Other operating expenses	441,561	422,865	525,652	499,137
6.8	Total Other Operating Expenses	1,530,365	1,648,251	1,757,179	1,892,407
7.0	<b>Profit/(loss) Before Tax and Exceptional Items</b>	<b>147,193</b>	<b>126,461</b>	<b>157,534</b>	<b>149,380</b>
8.0	Exceptional Items	-	-	-	-
9.0	<b>Profit/(Loss) After Exceptional Items</b>	<b>147,193</b>	<b>126,461</b>	<b>157,534</b>	<b>149,380</b>
10.0	Current Tax	85,025	106,048	96,946	117,776
11.0	Deferred Tax	(69,410)	(65,396)	(69,404)	(65,416)
12.0	<b>Profit/(Loss) After Tax and Exceptional Items</b>	<b>131,578</b>	<b>105,809</b>	<b>129,992</b>	<b>117,320</b>
13.0	Minority Interest	-	-	2,651	2,881
14.0	<b>Profit/(loss) after tax, exceptional items and Minority Interest</b>	<b>131,578</b>	<b>105,809</b>	<b>127,341</b>	<b>114,439</b>
15.0	Other Comprehensive Income	-	-	-	-
15.1	Gains/(Losses) from translating the financial statements of foreign operations	-	-	72,291	57,244
15.2	Fair value changes in available for sale financial assets	(4,780)	(2,588)	(34,110)	(711)
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	<b>Other Comprehensive Income for the year net of tax</b>	<b>(4,780)</b>	<b>(2,588)</b>	<b>38,181</b>	<b>56,533</b>
17.0	<b>Total comprehensive income for the year</b>	<b>126,798</b>	<b>103,221</b>	<b>168,173</b>	<b>173,853</b>
18.0	<b>EARNINGS PER SHARE- BASIC &amp; DILUTED</b>	<b>1.25</b>	<b>1.01</b>	<b>1.21</b>	<b>1.09</b>
19.0	<b>DIVIDEND PER SHARE - DECLARED</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III OTHER DISCLOSURES</b>					
1.0	<b>NON-PERFORMING LOANS AND ADVANCES</b>				
(a)	Gross Non-performing loans and advances	3,424,863	4,664,631	3,469,439	4,671,643
(b)	Less: Interest in Suspense	746,824	738,857	746,824	738,857
(c)	Total Non-Performing Loans and Advances (a-b)	2,678,039	3,925,774	2,722,615	3,931,771
(d)	Less: Loan Loss Provision	760,528	966,282	772,315	968,680
(e)	Net Non-Performing Loans and Advances (c-d)	1,917,511	2,959,492	1,950,300	2,963,091
(f)	Discounted Value of Securities	1,738,272	2,489,640	1,771,061	2,493,239
(g)	Net NPLs Exposure (e-f)	179,239	469,852	179,239	469,852
2.0	<b>INSIDER LOANS AND ADVANCES</b>				
(a)	Directors, Shareholders and Associates	265,008	257,950	266,207	258,017
(b)	Employees	457,792	470,651	458,991	470,718
(c)	Total Insider Loans and Advances and other facilities	722,800	728,601	725,198	728,735
3.0	<b>OFF-BALANCE SHEET ITEMS</b>				
(a)	Letters of credit, guarantees, acceptances	1,903,324	2,224,042	1,949,136	2,306,756
(b)	Forwards, swaps and options	706,097	1,564,223	706,097	1,564,223
(c)	Other contingent liabilities	806,366	680,479	806,366	680,479
(d)	Total Contingent Liabilities	3,216,387	4,468,744	3,262,199	4,551,458
4.0	<b>CAPITAL STRENGTH</b>				
(a)	Core capital	2,534,141	2,518,802	2,534,141	2,518,802
(b)	Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000
(c)	Excess/(Deficiency) (a-b)	1,534,141	1,518,802	1,534,141	1,518,802
(d)	Supplementary Capital	673,512	794,660	673,512	794,660
(e)	Total Capital (a+d)	3,207,653	3,313,462	3,207,653	3,313,462
(f)	Total risk weighted assets	21,094,790	20,448,416	21,094,790	20,448,416
(g)	Core Capital/Total deposits Liabilities	9.10%	8.05%	9.10%	8.05%
(h)	Minimum statutory Ratio	8.00%	8.00%	8.00%	8.00%
(i)	Excess/(Deficiency) (g-h)	1.10%	0.05%	1.10%	0.05%
(j)	Core Capital / total risk weighted assets	12.01%	12.32%	12.01%	12.32%
(k)	Minimum Statutory Ratio	10.50%	10.50%	10.50%	10.50%
(l)	Excess (Deficiency) (j-k)	1.51%	1.82%	1.51%	1.82%
(m)	Total Capital/total risk weighted assets	15.21%	16.20%	15.21%	16.20%
(n)	Minimum statutory Ratio	14.50%	14.50%	14.50%	14.50%
(o)	Excess/(Deficiency) (m-n)	0.71%	1.70%	0.71%	1.70%
(p)	Adjusted Core Capital/Total Deposit Liabilities*	9.41%	8.31%	9.41%	8.31%
(q)	Adjusted Core Capital/Total Risk Weighted Assets*	12.42%	12.72%	12.42%	12.72%
(r)	Adjusted Total Capital/Total Risk Weighted Assets*	15.61%	16.61%	15.61%	16.61%
5.0	<b>LIQUIDITY</b>				
(a)	Liquidity Ratio	28.78%	30.32%	28.78%	30.32%
(b)	Minimum Statutory Ratio	20.00%	20.00%	20.00%	20.00%
(c)	Excess (Deficiency) (a-b)	8.78%	10.32%	8.78%	10.32%

\*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

JOSEPH K. MUIRURI  
DIRECTOR