



AFRICAN BANKING CORPORATION LTD.

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AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED AT 31st DECEMBER 2022

I STATEMENT OF FINANCIAL POSITION		BANK	BANK	GROUP	GROUP
		31st Dec 2021	31st Dec 2021	31st Dec 2021	31st Dec 2021
		Audited	Audited	Audited	Audited
		Shs '000	Shs '000	Shs '000	Shs '000
A ASSETS					
1	Cash (both Local & Foreign)	178,876	247,614	238,469	328,621
2	Balances due from Central Bank of Kenya	2,831,972	2,382,195	2,831,972	2,382,195
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.1	Kenya Government securities	5,575,634	7,227,872	6,174,940	7,497,839
a.2	Other securities	5,575,634	7,227,872	5,575,634	7,227,872
b)	Available for sale:				
b.1	Kenya Government securities	98,392	92,119	599,306	269,967
b.2	Other securities	98,392	92,119	98,392	174,749
6	Deposits and balances due from local banking institutions	1,453,929	611,590	1,459,736	82,630
7	Deposits and balances due from banking institutions abroad	1,315,925	577,019	1,629,244	1,137,178
8	Tax recoverable	6,383	64,566	20,335	80,968
9	Loans and advances to customers (net)	22,455,470	23,397,530	23,079,196	24,112,546
10	Balances due from banking institutions in the group	148,680	159,155	-	-
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	589,456	563,270	650,809	609,673
16	Prepaid lease rentals	-	-	-	-
17	Intangible assets	83,629	67,470	147,557	121,510
18	Deferred tax asset	263,326	367,825	263,326	367,825
19	Retirement benefit asset	-	-	-	-
20	Other assets	447,928	316,775	510,653	322,872
21	TOTAL ASSETS	36,340,535	36,965,935	37,104,629	37,748,371
B LIABILITIES					
22	Balances due to Central Bank of Kenya	-	1,499,173	-	1,499,173
23	Customer deposits	30,774,202	29,989,157	31,578,174	30,812,603
24	Deposits and balances due to local banking institutions	30,711	92,099	30,711	92,099
25	Deposits and balances due to foreign banking institutions	643,778	445,088	541,582	337,106
26	Other money market deposits	-	-	-	-
27	Borrowed funds	96,026	104,683	96,026	104,683
28	Balances due to banking institutions in the group	268,089	279,994	-	-
29	Tax payable	-	-	75	-
30	Dividends payable	-	-	-	-
31	Deferred tax liability	-	-	79	148
32	Retirement benefit liability	-	-	-	-
33	Other liabilities	608,227	396,987	852,529	616,766
34	TOTAL LIABILITIES	32,421,033	32,817,181	33,099,186	33,462,578
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	(1,867)	(8,359)	(172,275)	(202,787)
38	Retained earnings/Accumulated losses	2,076,709	2,317,166	2,039,645	2,285,560
39	Statutory loan loss reserves	794,660	789,947	794,660	800,342
40	Other Reserves	-	-	(3,814)	31,796
41	Proposed dividends	-	-	-	-
42	Capital grants	-	-	-	-
43	TOTAL SHAREHOLDERS' FUNDS	3,919,502	4,148,754	3,708,216	3,964,911
44	Minority Interest	-	-	297,227	320,882
45	TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	36,340,535	36,965,935	37,104,629	37,748,371
II STATEMENT OF COMPREHENSIVE INCOME					
1.0	INTEREST INCOME				
1.1	Loans and advances	2,468,987	2,558,557	2,607,915	2,689,203
1.2	Government securities	492,929	839,007	529,081	882,316
1.3	Deposits and placements with banking institutions	199,593	90,259	216,416	115,426
1.4	Other Interest Income	-	-	538	-
1.5	Total interest income	3,161,509	3,487,823	3,353,950	3,686,945
2.0	INTEREST EXPENSE				
2.1	Customer deposits	1,868,542	2,105,523	1,878,774	2,113,604
2.2	Deposits and placement from banking institutions	7,438	17,084	6,451	14,740
2.3	Other interest expenses	19,904	19,490	23,814	22,602
2.4	Total interest expenses	1,895,884	2,142,097	1,909,039	2,150,946
3.0	NET INTEREST INCOME/(LOSS)	1,265,625	1,345,726	1,444,911	1,535,999
4.0	NON-INTEREST INCOME				
4.1	Fees and commissions on loans and advances	194,779	218,878	204,624	233,078
4.2	Other fees and commissions	138,600	111,054	170,172	150,554
4.3	Foreign exchange trading income/(Loss)	113,476	307,803	120,453	320,299
4.4	Dividend Income	-	-	7,210	-
4.5	Other income	62,232	4,402	94,417	37,102
4.6	Total Non-interest income	509,087	642,137	596,876	741,033
5.0	TOTAL OPERATING INCOME	1,774,712	1,987,863	2,041,787	2,277,032
6.0	OTHER OPERATING EXPENSES				
6.1	Loan loss provision	215,444	207,177	238,395	223,501
6.2	Staff costs	768,540	773,865	868,957	873,960
6.3	Directors' emoluments	96,805	107,537	104,566	116,292
6.4	Rental charges	14,103	11,811	15,318	13,134
6.5	Depreciation charge on property and equipment	107,381	106,893	133,462	133,928
6.6	Amortisation charges	23,113	21,812	34,572	33,790
6.7	Other operating expenses	422,865	556,522	499,137	642,430
6.8	Total Other Operating Expenses	1,648,251	1,785,617	1,892,407	2,037,035
7.0	Profit/(loss) Before Tax and Exceptional Items	126,461	202,246	149,380	239,997
8.0	Exceptional Items	-	-	-	-
9.0	Profit/(Loss) After Exceptional Items	126,461	202,246	149,380	239,997
10.0	Current Tax	106,048	71,001	117,476	82,191
11.0	Deferred Tax	(85,396)	(104,499)	(85,416)	(104,430)
12.0	Profit/(Loss) After Tax and Exceptional Items	105,809	235,744	117,320	262,236
13.0	Minority Interest	-	-	2,881	10,639
14.0	Profit/(loss) after tax, exceptional items and Minority Interest	105,809	235,744	114,439	251,597
15.0	Other Comprehensive Income	-	-	-	-
15.1	Gains/(Losses) from translating the financial statements of foreign operations	-	-	57,244	35,610
15.2	Fair value changes in available for sale financial assets	(2,588)	(6,492)	(711)	(17,496)
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	(2,588)	(6,492)	56,533	18,114
17.0	Total comprehensive income for the year	103,221	229,252	173,853	280,350
18.0	EARNINGS PER SHARE- BASIC & DILUTED	1.01	2.25	1.09	2.40
19.0	DIVIDEND PER SHARE -DECLARED	-	-	-	-
III OTHER DISCLOSURES					
1.0	NON-PERFORMING LOANS AND ADVANCES				
(a)	Gross Non-performing loans and advances	4,664,631	5,074,711	4,671,643	5,137,446
(b)	Less: Interest in Suspense	738,857	789,853	739,872	800,583
(c)	Total Non-Performing Loans and Advances (a-b)	3,925,774	4,284,858	3,931,771	4,336,863
(d)	Less: Loan Loss Provision	966,282	1,176,211	968,680	1,201,669
(e)	Net Non-Performing Loans and Advances(c-d)	2,959,492	3,108,647	2,963,091	3,135,194
(f)	Discounted Value of Securities	2,489,640	2,894,937	2,493,239	2,921,484
(g)	Net NPLs Exposure (e-f)	469,852	213,710	469,852	213,710
2.0	INSIDER LOANS AND ADVANCES				
(a)	Directors, Shareholders and Associates	257,950	172,290	258,017	172,680
(b)	Employees	470,651	438,104	470,718	438,494
(c)	Total Insider Loans and Advances and other facilities	728,601	610,394	728,735	611,174
3.0	OFF-BALANCE SHEET ITEMS				
(a)	Letters of credit, guarantees, acceptances	2,224,042	2,627,588	2,306,756	2,676,070
(b)	Forwards, swaps and options	1,564,223	616,750	1,564,223	616,750
(c)	Other contingent liabilities	680,479	1,261,030	680,479	1,261,030
(d)	Total Contingent Liabilities	4,468,744	4,505,368	4,551,458	4,553,850
4.0	CAPITAL STRENGTH				
(a)	Core capital	2,518,802	2,759,259	-	-
(b)	Minimum Statutory Capital	1,000,000	1,000,000	-	-
(c)	Excess/(Deficiency) (a-b)	1,518,802	1,759,259	-	-
(d)	Supplementary Capital	794,660	789,947	-	-
(e)	Total Capital (a+d)	3,313,462	3,549,206	-	-
(f)	Total risk weighted assets	20,448,416	21,640,545	-	-
(g)	Core Capital/Total deposits Liabilities	8.05%	9.07%	-	-
(h)	Minimum statutory Ratio	8.00%	8.00%	-	-
(i)	Excess/(Deficiency) (g-h)	0.05%	1.07%	-	-
(j)	Core Capital / total risk weighted assets	12.32%	12.75%	-	-
(k)	Minimum Statutory Ratio	10.50%	10.50%	-	-
(l)	Excess (Deficiency) (j-k)	1.82%	2.25%	-	-
(m)	Total Capital/total risk weighted assets	16.20%	16.40%	-	-
(n)	Minimum statutory Ratio	14.50%	14.50%	-	-
(o)	Excess/(Deficiency) (m-n)	1.70%	1.90%	-	-
(p)	Adjusted Core Capital/Total Deposit Liabilities*	8.31%	9.35%	-	-
(q)	Adjusted Core Capital/Total Risk Weighted Assets*	12.72%	13.12%	-	-
(r)	Adjusted Total Capital/Total Risk Weighted Assets*	16.61%	16.77%	-	-
5.0	LIQUIDITY				
(a)	Liquidity Ratio	30.32%	20.98%	-	-
(b)	Minimum Statutory Ratio	20.00%	20.00%	-	-
(c)	Excess (Deficiency) (a-b)	10.32%	0.98%	-	-

*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
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GROUP CHIEF EXECUTIVE OFFICER

JOSEPH K. MUIRURI
DIRECTOR