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# AFRICAN BANKING CORPORATION LTD.

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## AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDING 31<sup>ST</sup> DECEMBER 2023

I STATEMENT OF FINANCIAL POSITION	Bank	Bank	Group	Group
	31st Dec 2022 Audited Shs '000'	31st Dec 2023 Audited Shs '000'	31st Dec 2022 Audited Shs '000'	31st Dec 2023 Audited Shs '000'
<b>A ASSETS</b>				
1 Cash (both Local & Foreign)	247,614	202,896	328,621	305,369
2 Balances due from Central Bank of Kenya	2,382,195	2,096,227	2,382,195	2,096,027
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:	7,227,872	7,376,511	7,497,839	7,783,194
a. Kenya Government securities	7,227,872	7,376,511	7,227,872	7,380,528
b. Other securities	-	-	269,967	402,666
b) Available for sale:	92,119	83,996	174,749	126,306
a. Kenya Government securities	92,119	83,996	92,119	83,996
b. Other securities	-	-	82,630	42,310
6 Deposits and balances due from local banking institutions	611,590	79,218	612,395	79,380
7 Deposits and balances due from banking institutions abroad	577,019	1,068,018	1,137,178	1,720,530
8 Tax recoverable	64,566	48,710	80,968	68,657
9 Loans and advances to customers (net)	23,397,530	28,493,545	24,112,546	29,451,766
10 Balances due from banking institutions in the group	159,155	72,822	-	-
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	563,270	520,967	609,673	612,395
16 Prepaid lease rentals	-	-	-	-
17 Intangible assets	67,470	55,214	121,510	109,245
18 Deferred tax asset	367,825	473,580	367,825	473,580
19 Retirement benefit asset	-	-	-	-
20 Other assets	316,775	313,510	322,872	315,393
<b>21 TOTAL ASSETS</b>	<b>36,965,935</b>	<b>41,775,949</b>	<b>37,748,371</b>	<b>43,141,842</b>
<b>B LIABILITIES</b>				
22 Balances due to Central Bank of Kenya	1,499,173	2,605,610	1,499,173	2,605,610
23 Customer deposits	29,999,157	32,658,505	30,812,603	33,528,637
24 Deposits and balances due to local banking institutions	92,089	710,893	92,089	710,895
25 Deposits and balances due to foreign banking institutions	445,088	784,558	337,106	784,558
26 Other money market deposits	-	-	-	-
27 Borrowed funds	104,683	132,816	104,683	132,816
28 Balances due to banking institutions in the group	279,994	157,754	-	-
29 Tax payable	-	-	-	-
30 Dividends payable	-	-	148	1,060
31 Deferred tax liability	-	-	-	-
32 Retirement benefit liability	-	-	-	-
33 Other liabilities	396,987	336,646	616,766	638,616
<b>34 TOTAL LIABILITIES</b>	<b>32,817,181</b>	<b>37,386,784</b>	<b>33,462,578</b>	<b>38,402,192</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	(8,359)	(16,601)	(202,787)	(306,227)
38 Retained earnings/Accumulated losses	2,317,166	2,637,354	2,285,590	2,597,405
39 Statutory loan loss reserves	789,947	718,412	800,342	732,472
40 Other Reserves	-	-	31,796	264,821
41 Proposed dividends	-	-	-	-
42 Capital grants	-	-	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>4,148,754</b>	<b>4,389,165</b>	<b>3,964,911</b>	<b>4,336,471</b>
44 Minority Interest	-	-	320,882	403,179
<b>45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>36,965,935</b>	<b>41,775,949</b>	<b>37,748,371</b>	<b>43,141,842</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>				
<b>1.0 INTEREST INCOME</b>				
1.1 Loans and advances	2,558,557	3,574,795	2,689,203	3,721,400
1.2 Government securities	838,007	893,513	882,316	944,109
1.3 Deposits and placements with banking institutions	90,259	52,238	115,426	86,515
1.4 Other Interest Income	-	-	-	517
<b>1.5 Total Interest Income</b>	<b>3,487,823</b>	<b>4,520,546</b>	<b>3,686,945</b>	<b>4,752,541</b>
<b>2.0 INTEREST EXPENSE</b>				
2.1 Customer deposit	2,105,523	2,476,145	2,115,356	2,486,943
2.2 Deposits and placements from banking institutions	17,084	273,520	12,987	270,908
2.3 Other interest expenses	19,460	14,907	15,442	15,442
<b>2.4 Total Interest Expenses</b>	<b>2,142,067</b>	<b>2,764,572</b>	<b>2,150,946</b>	<b>2,773,293</b>
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>1,345,726</b>	<b>1,755,974</b>	<b>1,535,999</b>	<b>1,979,248</b>
<b>4.0 NON-INTEREST INCOME</b>				
4.1 Fees and commissions on loans and advances	218,878	19,475	233,078	33,639.00
4.2 Other fees and commissions	111,054	110,084	150,554	159,195.00
4.3 Foreign exchange trading income/(Loss)	307,803	185,072	320,299	192,340.00
4.4 Dividend Income	-	-	-	-
4.5 Other income	4,402	3,155	37,102	45,039.00
<b>4.6 Total Non-Interest Income</b>	<b>642,137</b>	<b>317,786</b>	<b>741,033</b>	<b>430,213</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>1,987,863</b>	<b>2,073,760</b>	<b>2,277,032</b>	<b>2,409,461</b>
<b>6.0 OTHER OPERATING EXPENSES</b>				
6.1 Loan loss provision	207,177	216,507	223,501	265,988
6.2 Staff costs	773,865	811,354	873,960	929,872
6.3 Directors' emoluments	107,537	127,997	116,292	136,430
6.4 Rental charges	11,811	7,037	13,134	12,083
6.5 Depreciation charge on property and equipment	106,893	94,163	133,928	123,050
6.6 Amortisation charges	21,812	18,515	33,790	31,658
6.7 Other operating expenses	556,522	599,706	642,430	710,012
<b>6.8 Total Other Operating Expenses</b>	<b>1,785,617</b>	<b>1,875,279</b>	<b>2,037,035</b>	<b>2,209,093</b>
<b>7.0 Profit/(loss) Before Tax and Exceptional Items</b>	<b>202,246</b>	<b>198,481</b>	<b>239,997</b>	<b>200,368</b>
8.0 Exceptional Items	-	-	-	-
<b>9.0 Profit/(Loss) After Exceptional Items</b>	<b>202,246</b>	<b>198,481</b>	<b>239,997</b>	<b>200,368</b>
10.0 Current Tax	71,001	55,583	82,191	69,120
11.0 Deferred Tax	(104,499)	(105,755)	(104,430)	(104,843)
<b>12.0 Profit/(Loss) After Tax and Exceptional Items</b>	<b>235,744</b>	<b>248,653</b>	<b>262,236</b>	<b>230,991</b>
13.0 Minority Interest	-	-	10,639	(5,884)
<b>14.0 Profit/(loss) after tax, exceptional items and Minority Interest</b>	<b>235,744</b>	<b>248,653</b>	<b>251,597</b>	<b>241,975</b>
<b>15.0 Other Comprehensive Income</b>				
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	35,610	233,025
15.2 Fair value changes in available for sale financial assets	(6,492)	(8,242)	(17,496)	(15,259)
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>(6,492)</b>	<b>(8,242)</b>	<b>18,114</b>	<b>217,766</b>
<b>17.0 Total comprehensive income for the year</b>	<b>229,252</b>	<b>240,411</b>	<b>280,350</b>	<b>453,857</b>
<b>18.0 EARNINGS PER SHARE - BASIC &amp; DILUTED</b>	<b>2.25</b>	<b>2.37</b>	<b>2.40</b>	<b>2.30</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	5,074,711	6,024,031	5,137,446	6,071,339
(b) Less: Interest in Suspense	789,853	798,950	800,583	801,902
<b>(c) Total Non-Performing Loans and Advances (a-b)</b>	<b>4,284,858</b>	<b>5,225,081</b>	<b>4,336,863</b>	<b>5,269,437</b>
(d) Less: Loan Loss Provision	1,176,211	1,347,220	1,201,669	1,365,608
<b>(e) Net Non-Performing Loans and Advances (c-d)</b>	<b>3,108,647</b>	<b>3,877,861</b>	<b>3,135,194</b>	<b>3,903,829</b>
(f) Discounted Value of Securities	2,894,937	3,337,144	2,921,484	3,363,312
<b>(g) Net NPLs Exposure (e-f)</b>	<b>213,710</b>	<b>540,717</b>	<b>213,710</b>	<b>540,717</b>
<b>2.0 INSIDER LOANS AND ADVANCES</b>				
(a) Directors, Shareholders and Associates	172,290	239,713	172,680	240,484
(b) Employees	438,104	374,972	438,494	375,743
<b>(c) Total Insider Loans and Advances and other facilities</b>	<b>610,394</b>	<b>614,685</b>	<b>611,174</b>	<b>616,227</b>
<b>3.0 OFF-BALANCE SHEET ITEMS</b>				
(a) Letters of credit, guarantees, acceptances	2,627,588	2,055,632	2,676,070	2,097,418
(b) Forwards, swaps and options	616,750	1,390,944	616,750	1,390,944
(c) Other contingent liabilities	1,261,030	1,543,737	1,261,030	1,543,737
<b>(d) Total Contingent Liabilities</b>	<b>4,505,368</b>	<b>4,990,313</b>	<b>4,553,850</b>	<b>5,032,099</b>
<b>4.0 CAPITAL STRENGTH</b>				
<b>(a) Core Capital</b>	<b>2,759,259</b>	<b>3,079,447</b>		
(b) Minimum Statutory Capital	1,000,000	1,000,000		
<b>(c) Excess/(Deficiency) [(a-b)]</b>	<b>1,759,259</b>	<b>2,079,447</b>		
(d) Supplementary Capital	789,947	718,412		
<b>(e) Total Capital (a+d)</b>	<b>3,549,206</b>	<b>3,797,859</b>		
<b>(f) Total risk weighted assets</b>	<b>21,640,545</b>	<b>24,666,582</b>		
<b>(g) Core Capital/Total deposits Liabilities</b>	<b>9.07%</b>	<b>9.34%</b>		
(h) Minimum statutory Ratio	8.00%	8.00%		
<b>(i) Excess/(Deficiency) [(g-h)]</b>	<b>1.07%</b>	<b>1.34%</b>		
<b>(j) Core Capital / total risk weighted assets</b>	<b>12.75%</b>	<b>12.48%</b>		
(k) Minimum Statutory Ratio	10.50%	10.50%		
<b>(l) Excess (Deficiency) [(j-k)]</b>	<b>2.25%</b>	<b>1.98%</b>		
<b>(m) Total Capital/total risk weighted assets</b>	<b>16.40%</b>	<b>15.40%</b>		
(n) Minimum statutory Ratio	14.50%	14.50%		
<b>(o) Excess/(Deficiency) [(m-n)]</b>	<b>1.90%</b>	<b>0.90%</b>		
<b>5.0 LIQUIDITY</b>				
<b>(a) Liquidity Ratio</b>	<b>20.98%</b>	<b>12.40%</b>		
(b) Minimum Statutory Ratio	20.00%	20.00%		
<b>(c) Excess (Deficiency) [(a-b)]</b>	<b>0.98%</b>	<b>-7.60%</b>		

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](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**  
**SRIDHAR NATARAJAN**  
GROUP CHIEF EXECUTIVE OFFICER

**JOSEPH K. MUIRURI**  
DIRECTOR