AFRICAN BANKING CORPORATION LTD.

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QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30TH SEPTEMBER 2015

I BALANCE SHEET

		BANK					GROUP				
		Bank 30th Sept 2014 Unaudited Shs '000'	Bank 31st Dec 2014 Audited Shs '000'	Bank 31st Mar 2015 Unaudited Shs '000'	Bank 30th Jun 2015 Unaudited Shs '000'	Bank 30th Sept 2015 Unaudited Shs '000'	Group 30th Sept 2014 Unaudited Shs '000'	Group 31st Dec 2014 Audited Shs '000'	Group 31st Mar 2015 Unaudited Shs '000'	Group 30th June 2015 Unaudited Shs '000'	Group 30th Sept 2015 Unaudited Shs '000'
	A ASSETS										
1	Cash (both Local & Foreign)	169,671	168,556	172,123	152,523	141,067	199,165	203,012	198,790	201,590	180,428
2	Balances due from Central Bank of Kenya	733,635	941,488	692,915	1,026,996	803,677	733,635	1,006,260	744,289	1,065,387	866,341
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:	**4,832,511**	**4,389,201**	**4,346,728**	**4,008,793**	**3,715,772**	**5,260,518**	**4,992,117**	**4,922,935**	**4,514,529**	**4,207,313**
	a. Kenya Government securities	4,566,399	4,154,524	4,102,526	3,797,584	3,498,044	4,566,399	4,154,524	4,102,526	3,797,584	3,498,044
	b. Other securities	266,112	234,677	244,202	211,209	217,728	694,119	837,593	820,409	716,945	709,269
	b) Available for sale:	**397,586**	**550,954**	**829,158**	**806,540**	**485,747**	**397,586**	**550,954**	**829,158**	**806,540**	**485,747**
	a. Kenya Government securities	397,586	550,954	829,158	806,540	485,747	397,586	550,954	829,158	806,540	485,747
	b. Other securities	-	-	-	-	-	-	-	-	-	-
6	Deposits and balances due from local banking institutions	272,703	46,564	80,977	79,480	106,501	286,758	52,939	90,187	85,004	106,650
7	Deposits and balances due from banking institutions abroad	693,987	44,107	198,098	38,179	117,674	887,055	170,364	349,055	240,538	394,259
8	Tax recoverable	12,295	80,302	80,302	80,302	80,302	14,915	96,130	94,354	94,536	81,899
9	Loans and advances to customers (net)	12,107,723	13,127,628	12,945,731	13,526,969	13,807,808	12,684,981	13,679,881	13,501,549	14,085,325	14,309,624
10	Balances due from banking institutions in the group	8,935	10,316	10,579	10,999	11,207	-	-	-	-	-
11	Investments in associates	-	-	-	-	-	-	-	-	-	-
12	Investments in subsidiary companies	841,358	885,405	885,405	885,405	885,405	-	-	-	-	-
13	Investments in joint ventures	-	-	-	-	-	-	-	-	-	-
14	Investment properties	-	-	-	-	-	-	-	-	-	-
15	Property and equipment	620,570	539,937	525,726	512,049	502,504	664,538	582,548	564,607	548,938	536,466
16	Prepaid lease rentals	-	-	-	-	-	-	-	-	-	-
17	Intangible assets	60,165	139,735	138,636	139,131	135,039	272,161	140,897	139,022	139,647	135,433
18	Deferred tax asset	5,941	31,501	31,501	31,501	31,501	9,818	36,860	33,125	33,135	33,078
19	Retirement benefit asset	-	-	-	-	-	-	-	-	-	-
20	Other assets	861,227	483,035	869,986	680,935	933,961	915,051	561,161	976,146	733,529	983,274
21	**TOTAL ASSETS**	**21,618,307**	**21,438,729**	**21,807,865**	**21,979,802**	**21,758,165**	**22,326,181**	**22,073,123**	**22,443,217**	**22,548,698**	**22,320,512**
	B LIABILITIES										
22	Balances due to Central Bank of Kenya	-	-	-	-	-	-	-	-	-	-
23	Customer deposits	16,371,905	16,050,353	16,451,190	16,820,736	16,779,715	16,648,092	16,390,568	16,816,733	17,226,592	17,315,052
24	Deposits and balances due to local banking institutions	563,325	769,116	510,117	388,354	-	563,325	769,116	510,117	388,354	-
25	Deposits and balances due to foreign banking institutions	-	27,266	148,423	76,192	167,692	-	27,272	148,423	16,752	-
26	Other money market deposits	-	-	-	-	-	-	-	-	-	-
27	Borrowed funds	1,566,857	1,549,401	1,494,354	1,479,147	1,429,263	1,566,857	1,549,401	1,494,354	1,479,147	1,429,263
28	Balances due to banking institutions in the group	-	-	-	-	-	-	-	-	-	-
29	Tax payable	66,870	-	32,790	54,324	82,601	69,765	-	36,427	57,702	89,933
30	Dividends payable	-	84,000	-	-	-	-	-	-	-	-
31	Deferred tax liability	-	-	-	-	-	-	-	-	-	-
32	Retirement benefit liability	-	-	-	-	-	-	-	-	-	-
33	Other liabilities	438,733	336,043	482,118	455,518	548,927	530,502	489,035	569,343	488,250	567,019
34	**TOTAL LIABILITIES**	**19,007,690**	**18,816,179**	**19,118,992**	**19,274,271**	**19,008,198**	**19,378,541**	**19,225,392**	**19,575,397**	**19,656,797**	**19,401,267**
	C SHAREHOLDERS' FUNDS										
35	Paid up /Assigned capital	1,050,000	1,050,000	1,050,000	1,050,000	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	(2,067)	(8,248)	(18,436)	(52,023)	(73,569)	(2,067)	(111,823)	(122,011)	(159,010)	(173,206)
38	Retained earnings/Accumulated losses	1,463,350	1,480,589	1,557,100	1,607,345	1,673,327	1,454,029	1,482,128	1,561,652	1,614,163	1,684,485
39	Statutory loan loss reserves	99,334	100,209	100,209	100,209	100,209	105,107	108,557	105,767	105,912	105,227
40	Other Reserves	-	-	-	-	-	19,886	22,351	(11,183)	(7,533)	(28,197)
41	Proposed dividends	-	-	-	-	-	-	-	-	-	-
42	Capital grants	-	-	-	-	-	-	-	-	-	-
43	**TOTAL SHAREHOLDERS' FUNDS**	**2,610,617**	**2,622,550**	**2,688,873**	**2,705,531**	**2,749,967**	**2,626,955**	**2,551,213**	**2,584,225**	**2,603,532**	**2,638,309**
44	Minority Interest						320,685	296,518	283,595	288,369	280,936
45	**TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS**	**21,618,307**	**21,438,729**	**21,807,865**	**21,979,802**	**21,758,165**	**22,326,181**	**22,073,123**	**22,443,217**	**22,548,698**	**22,320,512**

II PROFIT AND LOSS ACCOUNT

1.0	**INTEREST INCOME**										
1.1	Loans and advances	1,422,930	1,970,644	519,024	1,054,480	1,669,969	1,527,153	2,108,120	545,454	1,109,212	1,751,780
1.2	Government securities	374,404	505,225	121,035	244,880	366,456	404,828	550,173	136,860	276,018	408,074
1.3	Deposits and placements with banking institutions	16,916	18,610	1,139	2,189	3,573	35,390	40,995	3,349	8,537	18,151
1.4	Other Interest Income	24,585	32,072	7,085	13,770	20,287	24,615	32,203	7,085	13,770	20,304
1.5	**Total interest income**	**1,838,835**	**2,526,551**	**648,283**	**1,315,319**	**2,060,285**	**1,991,986**	**2,731,491**	**692,748**	**1,407,537**	**2,198,309**
2.0	**INTEREST EXPENSE**										
2.1	Customer deposits	864,223	1,152,671	293,129	594,839	928,048	883,409	1,177,227	297,777	605,089	943,734
2.2	Deposits and placement from banking institutions	30,172	39,652	6,378	17,663	33,829	30,354	39,853	7,038	18,327	34,589
2.3	Other interest expenses	90,607	134,547	41,322	83,108	123,782	90,607	134,547	41,322	83,108	123,782
2.4	**Total interest expenses**	**985,002**	**1,326,870**	**340,829**	**695,610**	**1,085,659**	**1,004,370**	**1,351,627**	**346,137**	**706,524**	**1,102,105**
3.0	**NET INTEREST INCOME/(LOSS)**	**853,833**	**1,199,681**	**307,454**	**619,709**	**974,626**	**987,616**	**1,379,864**	**346,611**	**701,013**	**1,096,204**
4.0	**NON-INTEREST INCOME**										
4.1	Fees and commissions on loans and advances	76,413	108,506	15,043	56,584	124,429	83,859	116,983	16,412	59,363	128,637
4.2	Other fees and commissions	146,668	198,197	51,953	75,255	112,886	151,608	230,390	63,830	96,211	139,698
4.3	Foreign exchange trading income/(Loss)	105,480	133,086	25,414	50,582	62,655	109,363	138,395	27,028	53,817	66,919
4.4	Dividend Income	-	-	-	-	-	6,680	-	-	-	-
4.5	Other income	19,915	27,138	1,601	1,718	(9,981)	49,556	47,234	5,247	10,586	17,601
4.6	**Total Non-interest income**	**348,476**	**466,927**	**94,011**	**184,139**	**289,989**	**401,066**	**533,002**	**112,517**	**219,977**	**352,855**
5.0	**TOTAL OPERATING INCOME**	**1,202,309**	**1,666,608**	**401,465**	**803,848**	**1,264,615**	**1,388,682**	**1,912,866**	**459,128**	**920,990**	**1,449,059**
6.0	**OTHER OPERATING EXPENSES**										
6.1	Loan loss provision	58,108	131,635	10,000	45,044	127,044	91,962	161,948	12,639	50,158	136,677
6.2	Staff costs	462,322	616,927	142,072	292,750	447,318	534,052	715,825	164,986	340,149	517,908
6.3	Directors' emoluments	33,625	58,722	13,359	26,585	42,852	33,625	58,882	13,359	26,585	42,852
6.4	Rental charges	42,570	62,829	15,033	33,795	50,664	58,908	87,006	21,098	45,916	69,604
6.5	Depreciation charge on property and equipment	33,136	48,621	17,832	32,385	47,518	38,105	55,669	19,777	36,306	53,101
6.6	Amortisation charges	8,315	10,505	2,617	7,992	12,084	9,153	11,626	2,706	8,178	12,367
6.7	Other operating expenses	341,334	418,840	91,252	184,218	261,797	393,781	485,031	107,845	218,212	313,997
6.8	**Total Other Operating Expenses**	**979,410**	**1,348,079**	**292,165**	**622,769**	**989,277**	**1,159,586**	**1,575,987**	**342,410**	**725,504**	**1,146,506**
7.0	**Profit/(loss) Before Tax and Exceptional Items**	**222,899**	**318,529**	**109,300**	**181,079**	**275,338**	**229,096**	**336,879**	**116,718**	**195,486**	**302,553**
8.0	Exceptional Items	-	-	-	-	-	-	-	-	-	-
9.0	**Profit/(Loss) After Exceptional Items**	**222,899**	**318,529**	**109,300**	**181,079**	**275,338**	**229,096**	**336,879**	**116,718**	**195,486**	**302,553**
10.0	Current Tax	66,870	85,944	32,790	54,324	82,601	69,765	86,658	34,682	57,845	92,511
11.0	Deferred Tax	-	(25,560)	-	-	-	-	(19,126)	-	-	-
12.0	**Profit/(Loss) After Tax and Exceptional Items**	**156,029**	**258,145**	**76,510**	**126,755**	**192,737**	**159,331**	**269,347**	**82,036**	**137,641**	**210,042**
13.0	Minority Interest						1,424	(8,085)	2,512	5,606	7,685
14.0	**Profit/(loss) after tax, exceptional items and Minority Interest**	**156,029**	**258,145**	**76,510**	**126,755**	**192,737**	**157,907**	**277,432**	**79,524**	**132,035**	**202,357**
15.0	**Other Comprehensive Income**										
15.1	Gains/(Losses) from translating the financial statements of foreign operations						(15,301)	(18,711)	(18,242)	(21,218)	(73,816)
15.2	Fair value changes in available for sale financial assets	(4,646)	(1,535)	(10,188)	(43,775)	(65,321)	(4,646)	(105,143)	(10,188)	(43,775)	(65,321)
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**	**(4,646)**	**(1,535)**	**(10,188)**	**(43,775)**	**(65,321)**	**(19,947)**	**(123,854)**	**(28,430)**	**(64,993)**	**(139,137)**
17.0	**Total comprehensive income for the year**	**151,383**	**256,610**	**66,322**	**82,980**	**127,416**	**139,384**	**145,493**	**53,606**	**72,648**	**70,905**
18.0	**EARNINGS PER SHARE- BASIC & DILUTED**	1.49	2.52	0.73	1.21	1.84	1.52	2.57	0.78	1.31	2.00
19.0	**DIVIDEND PER SHARE -DECLARED**	-	0.80	-	-	-	-	0.80	-	-	-

III OTHER DISCLOSURES

1.0	**NON-PERFORMING LOANS AND ADVANCES**										
	(a) Gross Non-performing loans and advances	929,404	885,124	1,356,464	1,357,215	2,629,721	1,002,190	900,218	1,362,739	1,363,275	2,647,654
	(b) Less: Interest in Suspense	186,554	204,785	337,536	395,081	426,722	206,058	206,964	337,987	395,706	427,600
	(c)Total Non-Performing Loans and Advances (a-b)	**742,850**	**680,339**	**1,018,928**	**962,134**	**2,202,999**	**796,132**	**693,254**	**1,024,752**	**967,569**	**2,220,054**
	(d) Less: Loan Loss Provision	130,854	180,973	181,094	141,585	221,657	179,362	187,666	183,663	146,518	231,600
	(e) Net Non-Performing Loans and Advances(c-d)	**611,996**	**499,366**	**837,834**	**820,549**	**1,981,342**	**616,770**	**505,588**	**841,089**	**821,051**	**1,988,454**
	(f) Discounted Value of Securities	611,996	499,366	837,834	820,549	1,981,342	616,770	505,588	841,089	821,051	1,988,454
	(g) Net NPLs Exposure (e-f)	-	-	-	-	-	-	-	-	-	-
2.0	**INSIDER LOANS AND ADVANCES**										
	(a) Directors, Shareholders and Associates	213,487	209,194	202,932	200,983	196,321	213,487	209,194	202,932	201,517	197,080
	(b) Employees	258,016	283,052	244,891	270,800	322,438	258,016	283,052	244,891	271,334	323,197
	(c)Total Insider Loans and Advances and other facilities	**471,503**	**492,246**	**447,823**	**471,783**	**518,759**	**471,503**	**492,246**	**447,823**	**472,851**	**520,277**
3.0	**OFF-BALANCE SHEET ITEMS**										
	(a)Letters of credit,guarantees, acceptances	2,200,234	2,235,129	2,331,539	1,951,848	1,857,205	2,202,090	2,235,423	2,389,885	2,159,155	2,068,895
	(b) Forwards, swaps and options	1,974,544	1,453,360	2,539,663	2,477,959	2,265,811	1,974,544	1,453,360	2,539,663	2,477,959	2,265,811
	(c)Other contingent liabilities	826,096	809,389	290,576	242,547	753,296	826,096	809,389	290,576	242,547	753,296
	(d)Total Contingent Liabilities	**5,000,874**	**4,497,878**	**5,161,778**	**4,672,354**	**4,876,312**	**5,002,730**	**4,498,172**	**5,220,124**	**4,879,661**	**5,088,002**
4.0	**CAPITAL STRENGTH**										
	(a)Core capital	**1,852,006**	**1,928,212**	**1,966,132**	**1,991,591**	**2,024,582**					
	(b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000					
	(c)Excess/(Dificiency)(a-b)	**852,006**	**928,212**	**966,132**	**991,591**	**1,024,582**					
	(d) Supplementary Capital	1,025,337	1,016,876	967,987	916,876	866,876					
	(e) Total Capital (a+d)	**2,877,343**	**2,945,088**	**2,934,119**	**2,908,467**	**2,891,458**					
	(f)Total risk weighted assets	**17,042,805**	**17,095,614**	**18,373,684**	**18,594,226**	**18,921,715**					
	(g) Core Capital/Total deposits Liabilities	**11.3%**	**12.0%**	**12.0%**	**11.8%**	**12.1%**					
	(h) Minimum statutory Ratio	8.0%	8.0%	8.0%	8.0%	8.0%					
	(I) Excess/(Deficiency) (g-h)	**3.3%**	**4.0%**	**4.0%**	**3.8%**	**4.1%**					
	(j) Core Capital / total risk weighted assets	**10.87%**	**11.28%**	**10.7%**	**10.7%**	**10.7%**					
	(k) Minimum Statutory Ratio	8.0%	10.5%	10.5%	10.5%	10.5%					
	(l) Excess (Deficiency) (j-k)	**2.9%**	**0.8%**	**0.2%**	**0.2%**	**0.2%**					
	(m) Total Capital/total risk weighted assets	**16.88%**	**17.23%**	**16.0%**	**15.6%**	**15.3%**					
	(n) Minimum statutory Ratio	12.0%	14.5%	14.5%	14.5%	14.5%					
	(o) Excess/(Deficiency) (m-n)	**4.9%**	**2.7%**	**1.5%**	**1.1%**	**0.8%**					
5.0	**LIQUIDITY**										
	(a) Liquidity Ratio	**37.0%**	**30.6%**	**32.6%**	**31.1%**	**29.5%**					
	(b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%	20.0%					
	(c) Excess (Deficiency) (a-b)	**17.0%**	**10.6%**	**12.6%**	**11.1%**	**9.5%**					

The financial statements are extracts from the books of the institution. The complete set of quarterly 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

SHAMAZ SAVANI
GROUP MANAGING DIRECTOR

JOSEPH K.MUIRURI
DIRECTOR