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UNAUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30™ JUNE 2014

| | BANK | | | | | | | | | |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|-----------------------------------------------|------------------------------------------------|--------------------------------------------------|---------------------------------------------------|------------------------------------------------|-------------------------------------------------|---------------------------------------------------|--|
| 1 | BALANCE SHEET | Bank 30th June 2013 Unaudited Shs '000' | Bank 31st Dec 2013 Audited Shs '000' | Bank 31# Mar 2014 Unaudited Shs '000' | Bank 30th June 2014 Unaudited Shs '000' | Group 30th June 2013 Unaudited Shs '000' | Group 31st Dec 2013 Audited Shs '000' | Group 31# Mar 2014 Unaudited Shs '000' | Group 30th June 2014 Unaudited Shs '000' | |
| A 1 2 3 | ASSETS Cash (both Local & Foreign) Balances due from Central Bank of Kenya Kenya Government and other securities held for dealing purposes | 153,912 1,728,023 | 170,580 1,072,816 | 152,990 1,461,717 - | 145,716 852,370 | 181,934 1,770,255 | 186,527 1,112,225 - | 178,949 1,489,338 - | 174,370 894,654 | |
| 4 5 | Financial Assets at fair value through profit and loss Investment Securities: a) Held to Maturity: a. Kenya Government securities b. Other securities | 3,855,542 3,550,462 305,080 | 4,249,723 3,968,110 281,613 | 4,118,688 3,828,573 290,115 | 4,901,360 4,643,215 258,145 | 4,254,226 3,550,462 703,764 | 4,619,003 3,968,110 650,893 | 4,406,432 3,828,573 577,859 | 5,247,491 4,643,215 604,276 | |
| | b) Available for sale: a. Kenya Government securities b. Other securities | 897,106 897,106 | 630,276 630,276 | 333,947 333,947 | 577,602 577,602 | 897,106 897,106 | 630,276 630,276 | 333,947 333,947 | 577,602 577,602 | |
| 6 7 8 | Deposits and balances due from local banking institutions Deposits and balances due from banking institutions abroad Tax recoverable | 116,532 682,939 26,805 | 299,384 535,302 12,295 | 737,535 384,875 12,295 | 572,755 232,877 12,295 | 137,537 1,128,595 28,812 | 309,875 1,003,663 27,131 | 759,881 609,250 28,394 | 595,644 514,522 28,754 | |
| 9 10 11 | Loans and advances to customers (net) Balances due from banking institutions in the group Investments in associates | 10,100,714 3,800 | 10,851,417 3,955 | 10,783,907 4,052 | 11,124,698 4,105 | 10,626,186 | 11,491,145 - - | 11,347,322 - - | 11,653,562 - - | |
| 12 13 14 | Investments in subsidiary companies Investments in joint ventures Investment properties | 818,158 | 821,358 | 821,358 - - | 841,358 | - | - | - | | |
| 15 16 17 | Property and equipment Prepaid lease rentals Intangible assets | 556,790 - 54,780 | 615,614 - 49,380 | 612,918 - 57,615 | 614,602 | 567,173 - 281,315 | 645,362 1,940 262,894 | 647,182 - 270,177 | 650,808 - 273,176 | |
| 18 19 20 21 | Deferred tax asset Retirement benefit asset Other assets TOTAL ASSETS | 8,852 - 490,106 19,494,059 | 5,941 - 321,329 19,639,370 | 5,941 - 744,058 20,231,896 | 5,941 - 786,732 20,733,310 | 8,852 - 553,224 20,435,215 | 7,324 - 346,368 20,643,733 | 9,846 - 779,281 20,859,999 | 9,819 - 830,759 21,451,161 | |
| B 22 | LIABILITIES Balances due to Central Bank of Kenya | _ | - | - | _ | - | | - | _ | |
| 23 24 25 | Customer deposits Deposits and balances due to local banking institutions Deposits and balances due to foreign banking institutions | 15,131,465 585,373 - | 15,905,263 342,366 - | 16,391,387 349,579 113 | 15,778,282 356,556 | 15,652,003 585,373 - | 16,478,690 342,366 18,747 | 16,654,798 349,579 113 | 16,040,009 356,556 | |
| 26 27 28 29 | Other money market deposits Borrowed funds Balances due to banking institutions in the group Tax payable | 755,064 8,628 | 678,967 - | 588,173 | 1,622,400 - 51,374 | 755,064 - | 678,967 - | 588,173 - 35,150 | 1,622,400 | |
| 30 31 32 | ıax payable Dividends payable Deferred tax liability Retirement benefit liability | 73,593 - - | - | 31,324 | 51,574 | 73,593 - - | - | 35,150 | 51,374 | |
| 33 34 | Other liabilities TOTAL LIABILITIES | 651,612 17,205,735 | 262,834 17,189,430 | 340,631 17,701,207 | 378,483 18,187,095 | 782,578 17,848,611 | 338,725 17,857,495 | 400,407 18,028,220 | 510,295 18,580,634 | |
| C 35 36 | SHAREHOLDERS' FUNDS Paid up / Assigned capital Share premium/(discount) | 1,050,000 | 1,050,000 | 1,050,000 | 1,050,000 | 1,050,000 | 1,050,000 | 1,050,000 | 1,050,000 | |
| 37 38 39 40 | Revaluation reserves Retained earnings/Accumulated losses Statutory Ioan loss reserves Other Reserves | 76 1,144,226 94,022 | (6,713) 1,307,319 99,334 | 944 1,380,411 99,334 | (30,312) 1,427,193 99,334 | 76 1,138,318 99,422 22,233 | (6,713) 1,296,122 107,039 35,187 | 944 1,343,667 105,593 38,177 | (30,312) 1,409,781 104,623 20,018 | |
| 41 42 43 | Other Reserves Proposed dividends Capital grants TOTAL SHAREHOLDERS' FUNDS | 2,288,324 | 2,449,940 | 2,530,689 | 2,546,215 | 22,233 - - - 2,310,049 | 2,481,635 | 2,538,381 | 20,018 - - - 2,554,110 | |
| 44 45 | Minority Interest TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS | 19,494,059 | 19,639,370 | 20,231,896 | 20,733,310 | 276,555 20,435,215 | 304,603 20,643,733 | 293,398 20,859,999 | 316,417 21,451,161 | |
| 1.0 | PROFIT AND LOSS ACCOUNT INTEREST INCOME Loans and advances | 858,772 | 1,763,882 | 463,097 | 941,247 | 904,017 | 1,885,740 | 498,901 | 1,012,594 | |
| 1.1 1.2 1.3 1.4 | Covernment securities Deposits and placements with banking institutions Other Interest Income | 274,625 9,071 19,409 | 506,330 16,762 37,760 | 117,051 4,153 8,503 | 239,620 12,266 16,620 | 283,264 44,719 19,424 | 541,629 70,711 37,760 | 125,478 14,127 8,789 | 257,612 25,958 16,635 | |
| 1.5 2.0 | Total interest income INTEREST EXPENSE | 1,161,877 | 2,324,734 | 592,804 287,358 | 1,209,753 | 1,251,424 616.604 | 2,535,840 | 647,294 297,809 | 1,312,799 | |
| 2.1 2.2 2.3 2.4 | Customer deposits Deposits and placement from banking institutions Other interest expenses Total interest expenses | 593,253 8,637 34,856 636,746 | 1,149,362 19,260 66,117 1,234,739 | 10,259 13,817 311,434 | 577,073 18,472 46,684 642,229 | 9,001 34,856 660,461 | 1,201,081 19,668 66,117 1,286,866 | 10,341 13,817 321,967 | 592,073 18,612 46,684 657,369 | |
| 3.0 4.0 | NET INTEREST INCOME/(LOSS) NON-INTEREST INCOME | 525,131 | 1,089,995 | 281,370 | 567,524 | 590,963 | 1,248,974 | 325,327 | 655,430 | |
| 4.1 4.2 4.3 | Fees and commissions on loans and advances Other fees and commissions Foreign exchange trading income/(Loss) | 42,360 95,704 65,703 | 87,569 187,930 130,297 | 22,925 43,456 39,547 | 47,770 96,800 75,652 | 50,075 97,513 67,632 | 100,435 210,560 134,941 | 24,811 46,233 40,614 | 51,723 101,162 78,209 | |
| 4.4 4.5 4.6 | Dividend Income Other income Total Non-interest income | 52,625 256,392 | 64,196 469,992 | 16,149 122,077 | 17,305 237,527 | 64,227 279,447 | 1,900 68,927 516,763 | 22,920 134,578 | 45,473 276,567 | |
| 5.0 6.0 6.1 | TOTAL OPERATING INCOME OTHER OPERATING EXPENSES Loan loss provision | 781,523 26,347 | 1,559,987 11,979 | 403,447 18,578 | 805,051 28,008 | 870,410 35,408 | 1,765,737 48,942 | 459,905 66,624 | 931,997 64,556 | |
| 6.2 6.3 6.4 | Staff costs Directors' emoluments Rental charges | 268,501 10,900 23,168 | 528,771 23,000 52,488 | 146,583 7,200 14,196 | 305,214 20,720 28,380 | 306,938 11,099 29,045 | 607,660 26,527 67,039 | 167,568 7,200 18,947 | 354,916 20,720 38,880 | |
| 6.5 6.6 6.7 | Depreciation charge on property and equipment Amortisation charges Other operating expenses | 26,648 5,283 175,367 | 51,257 10,783 303,441 | 11,421 2,700 98,355 | 22,437 5,514 223,532 | 28,603 6,025 194,556 | 55,186 12,175 356,098 | 12,543 2,978 116,382 | 25,330 6,071 259,162 | |
| 6.8 7.0 8.0 9.0 | Total Other Operating Expenses Profit/(loss) Before Tax and Exceptional Items Exceptional Items | 536,214 245,309 | 981,719 578,268 | 299,033 104,414 | 633,805 171,246 | 611,673 258,736 | 1,173,627 592,110 | 392,242 67,664 | 769,635 162,362 | |
| 10.0 11.0 12.0 | Profit/(Loss) After Exceptional Items Current Tax Deferred Tax Profit/(Loss) After Tax and Exceptional Items | 245,309 73,593 | 578,268 151,232 2,911 | 104,414 31,324 - | 171,246 51,374 - | 258,736 78,572 - 180,164 | 592,110 152,509 (2,562) | 67,664 31,324 | 162,362 51,374 - 110,988 | |
| 13.0 14.0 15.0 | Minority Interest Profit (loss) after tax, exceptional items and Minority Interest Other Comprehensive Income | 171,716 171,716 | 424,125 424,125 | 73,090 73,090 | 119,872 - 119,872 | 3,378 1 76,786 | 442,163 7,822 434,341 | 36,340 (11,205) 47,545 | (2,844) 113,832 | |
| 15.1 15.2 15.3 | Gains/(Losses) from translating the financial statements of foreign operations Fair value changes in available for sale financial assets Revaluation surplus on Property, Plant and equipment | 4,995 | (1,794) | 7,657 | (23,599) | 22,233 4,995 | 78,227 (14,294) | 2,990 7,657 | (15,169) (23,599) | |
| 15.4 15.5 16.0 | Share of other comprehensive income of associates Income tax relating to components of other comprehensive income Other Comprehensive Income Other Comprehensive Income for the year net of tax | - - 4,995 | - (1,794) | - - 7,657 | (23,599) | - - 27,228 | - - 63,933 | - - 10,647 | (38,768) | |
| 17.0 18.0 | Total comprehensive income for the year EARNINGS PER SHARE- BASIC & DILUTED | 176,711 1.64 | 422,331 4 | 80,747 1 | 96,273 1.14 | 207,392 1.72 | 506,096 4.14 | 46,987 0.35 | 72,220 1.06 | |
| 19.0 III | OTHER DISCLOSURES | - | 0.80 | | - | - | 0.80 | - | - | |
| 1.0 | NON-PERFORMING LOANS AND ADVANCES (a) Gross Non-performing loans and advances (b) Less: Interest in Suspense | 453,856 113,838 | 624,165 143,293 | 676,940 163,996 | 989,243 186,515 | 524,304 134,219 | 687,130 143,293 | 826,448 176,270 | 1,073,884 201,553 | |
| | (c) Total Non-Performing Loans and Advances (a-b) (d) Less: Loan Loss Provision (e) Net Non-Performing Loans and Advances(c-d) | 340,018 94,198 245,820 | 480,872 134,566 346,306 | 512,944 112,868 400,076 | 802,728 134,596 668,132 | 390,085 116,842 273,243 | 543,837 159,442 384,395 | 650,178 181,490 468,688 | 872,331 186,284 686,047 | |
| 2.0 | (f) Discounted Value of Securities (g) Net NPLs Exposure (e-f) INSIDER LOANS AND ADVANCES | 245,820 | 346,306 - | 400,076 - | 668,132 | 273,243 | 384,395 - | 468,688 | 686,047 | |
| | (a) Directors, Shareholders and Associates (b) Employees (c) Total Insider Loans and Advances and other facilities | 235,799 196,281 432,081 | 226,197 200,144 426,341 | 219,334 198,879 418,213 | 220,686 216,722 437,407 | 240,684 196,475 437,160 | 226,197 200,298 426,495 | 219,334 199,012 418,346 | 220,686 216,722 437,407 | |
| 3.0 | OFF-BALANCE SHEET ITEMS (a) Letters of credit,guarantees, acceptances (b) Forwards, swaps and options | 2,710,864 1,190,076 | 2,943,390 1,153,331 | 2,063,315 1,672,052 | 1,950,178 2,395,003 | 2,714,064 1,190,076 | 3,095,274 1,153,331 | 2,202,532 1,672,052 | 1,966,753 2,395,003 | |
| 40 | (c) Other contingent liabilities (d) Total Contingent Liabilities | 946,583 4,847,523 | 415,249 4,511,970 | 493,433 4,228,800 | 101,890 4,447,071 | 946,583 4,850,723 | 415,249 4,663,854 | 493,433 4,368,017 | 101,890 4,463,646 | |
| 4.0 | CAPITAL STRENGTH (a) Core capital (b) Minimum Statutory Capital (c) Excess/(Difficiency)(a-b) | 1,525,038 1,000,000 525,038 | 1,773,989 1,000,000 773,989 | 1,810,536 1,000,000 810,536 | 1,833,927 1,000,000 833,927 | 1,525,038 1,000,000 525,038 | 1,773,989 1,000,000 773,989 | 1,810,536 1,000,000 810,536 | 1,833,927 1,000,000 833,927 | |
| | (d) Supplementary Capital (e) Total Capital (a+d) (f) Total risk weighted assets | 94,022 1,619,060 12,284,781 | 99,334 1,873,323 12,428,995 | 99,334 1,909,870 15,509,001 | 1,016,298 2,850,225 15,837,767 | 94,022 1,619,060 12,284,781 | 99,334 1,873,323 12,428,995 | 99,334 1,909,870 15,509,001 | 1,016,298 2,850,225 15,837,767 | |
| | (b) Total list weighted assets (g) Core Capital/Total deposits Liabilities (h) Minimum statutory Ratio (b) Excess/(Deficiency) (g-h) | 10.1% 8.0% 2.1% | 11.2% 8.0% 3.2% | 11.0% 8.0% 3.0% | 11.6% 8.0% 3.6% | 10.08% 8.0% 2.1% | 11.2% 8.0% 3.2% | 11.05% 8.0% 3.0% | 11.6% 8.0% 3.6% | |
| | (i) Core Capital / total risk weighted assets (k) Minimum Statutory Ratio (l) Excess (Deficiency) (j-k) | 12.4% 8.0% 4.4% | 14.27% 8.0% 6.3% | 11.67% 8.0% 3.7% | 11.6% 8.0% 3.6% | 12.4% 8.0% 4.4% | 14.3% 8.0% 6.3% | 11.7% 8.0% 3.7% | 11.6% 8.0% 3.6% | |
| | (m) Total Capital/total risk weighted assets (n) Minimum statutory Ratio (o) Excess/(Deficiency) (m-n) | 13.2% 12.0% 1.2% | 15.07% 12.0% 3.1% | 12.31% 12.0% 0.3% | 18.0% 12.0% 6.0% | 13.2% 12.0% 1.2% | 15.1% 12.0% 3.1% | 12.3% 12.0% 0.3% | 18.0% 12.0% 6.0% | |
| 14 14.1 14.2 | LIQUIDITY (a) Liquidity Ratio (b) Minimum Statutory Ratio | 42.10% 20.0% | 38.0% 20.0% | 38.0% 20.0% | 40.6% 20.0% | 42.1% 20.0% | 38.0% 20.0% | 38.0% 20.0% | 40.6% 20.0% | |
| 14.3 | (c) Excess (Deficiency) (a-b) | 22.1% | 18.0% | 18.0% | 20.6% | 22.1% | 18.0% | 18.0% | 20.6% | |
| The fin | 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 | | | | | | | | | |

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 MANAGING DIRECTOR