

AFRICAN BANKING CORPORATION LTD.

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UNAUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30TH SEPTEMBER 2013

1	BALANCE SHEET	Bank 30th Sept 2012 Unaudited Shs '000'	Bank 31st Dec 2012 Audited Shs '000'	Bank 31st Mar 2013 Unaudited Shs '000'	Bank 30th June 2013 Unaudited Shs '000'	Bank 30th Sept 2013 Unaudited Shs '000'	Group 30th Sept 2012 Unaudited Shs '000'	Group 31st Dec 2012 Audited Shs '000'	Group 31st Mar 2013 Unaudited Shs '000'	Group 30th June 2013 Unaudited Shs '000'	Group 30th Sept 2013 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	150,509 1,088,930	171,683 1,572,266	144,173 1,233,341	153,912 1,728,023	142,287 767,761	150,518 1,088,930 -	215,514 1,572,266	173,063 1,269,075	181,934 1,770,255	156,869 813,666
5	Financial Assets at fair value through profit and loss Investment Securities: a) Held to Maturity: a. Kenya Government securities b. Other securities	3,582,124 3,219,244 362,880	3,901,037 3,572,430 328,607	3,649,223 3,310,696 338,527	3,855,542 3,550,462 305,080	3,907,694 3,593,198 314,496	3,582,124 3,219,244 362,880	3,952,452 3,623,845 328,607	3,800,072 3,461,545 338,527	4,254,226 3,550,462 703,764	4,373,698 3,593,198 780,500
	b) Available for sale: a. Kenya Government securities	1,468,061 1,468,061	1,609,883 1,609,883	1,898,564 1,898,564	897,106 897,106	1,117,132 1,117,132	1,468,061 1,468,061	1,609,883 1,609,883	1,898,564 1,898,564	897,106 897,106	1,117,132 1,117,132
6	b. Other securities Deposits and balances due from local banking institutions Deposits and balances due from banking institutions abroad	30,606 690,418	86,166 458,064	42,812 748,438	116,532 682,939	39,328 586,193	33,114 690,418	93,796 987,724	825,676 748,438	137,537 1,128,595	47,166 880,421
8 9 10	Tax recoverable Loans and advances to customers (net) Balances due from banking institutions in the group	16,880 8,500,295 9,613	26,805 9,789,658 3,597	26,805 9,368,461 3,800	26,805 10,100,714 3,800	26,805 9,973,220 3,955	18,633 8,500,295 2,314	28,665 10,133,792	28,763 9,723,498	28,812 10,626,186	28,853 10,595,171
11 12	Investments in associates Investments in subsidiary companies	177,482 234,828	612,519	818,158	818,158	841,358	185,598	- -	-	-	-
13 14 15	Investments in joint ventures Investment properties Property and equipment	- 481,812	470,376	493,117	- 556,790	- 588,421	- - 483,345	- 481,200	504,222	- 567,173	- - 598,007
16 17	Prepaid lease rentals Intangible assets	33,605	57,611	57,288	54,780	52,980	286,271	283,781	283,029	281,315	279,261
18 19 20	Deferred tax asset Retirement benefit asset Other assets	- 566.035	8,852 - 302,262	8,852 - 511.948	8,852 - 490,106	8,852 - 750.917	5,342 - 607.754	4,762 - 334.000	4,762 - 566.990	8,852 - 553,224	8,852 - 843,707
21 B	TOTAL ASSETS LIABILITIES	17,031,198	19,070,779	19,004,980	19,494,059	18,806,903	17,102,717	19,697,835	19,826,152	20,435,215	19,742,803
22	Balances due to Central Bank of Kenya Customer deposits	14,129,904	15,255,406	- 15,667,541	15,131,465	14,947,912	14,085,800	15,529,235	16,135,429	15,652,003	- 15,494,904
24 25 26	Deposits and balances due to local banking institutions Deposits and balances due to foreign banking institutions Other money market deposits	50,035	609,039	16,688	585,373	350,243 147	50,035	652,025	59,356 -	585,373	350,243 147
27 28	Borrowed funds Balances due to banking institutions in the group	310,809	759,919	737,210 42,824	755,064 8,628	663,040	310,809	759,919	737,210	755,064	663,040
29 30 31	Tax payable Dividends payable Deferred tax liability	111,877 - 3,114	-	30,712	73,593	114,741	111,877 - -	7,083	30,712	73,593	122,909
32	Retirement benefit liability Other liabilities	360,095	334,806	396,681	651,612	346,847	406,425	385,431	482,698	782,578	414,768
34 C	TOTAL LIABILITIES SHAREHOLDERS' FUNDS	14,965,834	16,959,170	16,891,656	17,205,735	16,422,930	14,964,946	17,333,693	17,445,405	17,848,611	17,046,011
35 36	Paid up /Assigned capital Share premium/(discount)	1,050,000	1,050,000	1,050,000	1,050,000 - 76	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000 - 76	1,050,000
37 38 39	Revaluation reserves Retained earnings/Accumulated losses Statutory loan loss reserves	27,666 919,918 67,780	(4,919) 972,506 94,022	(74,865) 1,044,167 94,022	1,144,226 94,022	(287) 1,240,238 94,022	27,666 962,136 67,780	(4,919) 961,531 102,736	(74,865) 1,036,646 94,022	1,138,318 99,422	(287) 1,236,062 100,239
40 41 42	Other Reserves Proposed dividends Capital grants	-	-	-	-	-	-	(18,383)	-	22,233	32,210
43 44	TOTAL SHAREHOLDERS' FUNDS Minority Interest	2,065,364	2,111,609	2,113,324	2,288,324	2,383,973	2,107,582 30,189	2,090,965 273,177	2,105,803 274,944	2,310,049 276,555	2,418,224 278,568
45	TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS PROFIT AND LOSS ACCOUNT	17,031,198	19,070,779	19,004,980	19,494,059	18,806,903	17,102,717	19,697,835	19,826,152	20,435,215	19,742,803
1.0 1.1	INTEREST INCOME Loans and advances	1,260,288	1,713,948	415,005 140,724	858,772	1,293,349 397,159	1,260,288	1,739,705	433,232	904,017	1,373,360 419,584
1.2 1.3 1.4	Government securities Deposits and placements with banking institutions Other Interest Income	284,008 40,159 33,246	420,939 46,165 43,629	140,724 5,559 9,919	274,625 9,071 19,409	397,159 13,274 28,825	284,008 40,159 33,276	422,236 59,425 43,688	143,042 22,308 10,242	283,264 44,719 19,424	419,584 58,242 28,854
1.5	Total interest income	1,617,701	2,224,681	571,206	1,161,877	1,732,607	1,617,731	2,265,054	608,823	1,251,424	1,880,041
2.0 2.1 2.2	INTEREST EXPENSE Customer deposits Deposits and placement from banking institutions	987,555 4,272	1,325,631 7,668	308,398 3,792	593,253 8,637	866,431 13,410	986,867 4,272	1,330,726 7,668	318,002 3,983	616,604 9,001	904,841 13,798
2.3 2.4	Other interest expenses Total interest expenses	4,557 996,384	16,070 1,349,369	17,423 329,612	34,856 636,746	50,492 930,333	4,557 995,696	16,070 1,354,464	17,462 339,448	34,856 660,461	50,492 969,131
3.0 4.0	NET INTEREST INCOME/(LOSS) NON-INTEREST INCOME	621,317	875,312	241,593	525,131	802,274	622,035	910,590	269,376	590,963	910,910
4.1	Fees and commissions on loans and advances Other fees and commissions	75,103 127,157	96,158 174,933	30,691 53,812	42,360 95,704	42,360 156,275	75,103 127,157	96,158 183,040	33,528 54,970	50,075 97,513	53,078 160,963
4.3 4.4 4.5	Foreign exchange trading income/(Loss) Dividend Income Other income	126,397 315 66,354	160,494 315 74,699	32,906 - 11,759	65,703 - 52,625	100,984 - 53,058	126,397 315 81,655	161,864 315 48,702	33,586 - 19,544	67,632 - 64,227	104,454 2,000 67,217
4.6 5.0	Total Non-interest income TOTAL OPERATING INCOME	395,326 1,016,643	506,599 1,381,911	129,168 370,761	256,392 781,523	352,677 1,154,951	410,627 1,032,662	490,079 1,400,669	141,627 411,003	279,447 870,410	387,712 1,298,621
6.0 6.1 6.2	OTHER OPERATING EXPENSES Loan loss provision	52,377	24,219	29,000 125,602	26,347	27,201 398,809	52,377	31,113	33,962	35,408	46,984 457,610
6.2 6.3 6.4	Staff costs Directors' emoluments Rental charges	310,269 16,950 32,678	436,162 23,250 49,964	125,602 5,100 11,372	268,501 10,900 23,168	398,809 16,520 34,809	319,355 16,950 34,361	466,037 23,410 54,474	144,321 5,199 14,220	306,938 11,099 29,045	457,610 16,823 44,638
6.5	Depreciation charge on property and equipment Amortisation charges	20,358 5,556	30,987 7,973	12,707 2,684	26,648 5,283	39,042 8,083	20,611 6,074	32,590 9,211	13,689 3,075	28,603 6,025	41,994 9,112
6.7 6.8 7.0	Other operating expenses Total Other Operating Expenses Profit/(loss) Before Tax and Exceptional Items	205,529 643,717 372,926	252,111 824,666 557,245	81,923 268,389 102,373	175,367 536,214 245,309	248,018 772,482 382,469	208,165 657,893 374,769	258,295 875,130 525,539	88,945 303,409 107,594	194,556 611,673 258,736	278,629 895,789 402,832
8.0 9.0	Exceptional Items Profit/(Loss) After Exceptional Items	372,926	557,245	102,373	245,309	382,469	374,769	525,539	107,594	258,736	402,832
11.0	Current Tax Deferred Tax Profit/(Loss) After Tax and Exceptional Items	111,877 - 261,049	130,402 2,960 423,883	30,712 - 71,661	73,593 - 171,716	114,741 267,728	111,877 - 262,892	147,363 (2,467) 380,643	30,712 76,882	78,572 - 180,164	122,909 - 279,923
13.0 14.0	Minority Interest Profit/(loss) after tax, exceptional items and Minority Interest	261,049	423,883	71,661	171,716	267,728	(648) 263,540	(1,638) 382,281	1,767 75,115	3,378 176,786	5,391 274,532
15.1 15.2	Other Comprehensive Income Gains/(Losses) from translating the financial statements of foreign operations Fair value changes in available for sale financial assets	-	69,639	(4,919)	4,995	4,995	4,632	(30,808) 69,639	17,646 (4,919)	22,233 4,995	32,210 4,632
15.3 15.4	Revaluation surplus on Property, plant and equipment Share of other comprehensive income of associates	-	-	-	-	-	-	-	-	-	- -
116.0	Income tax relating to components of other comprehensive income Other Comprehensive Income for the year net of tax Total comprehensive income for the year EARNINGS PER SHARE- BASIC & DILUTED	261,049	69,639 493,522	(4,919) 66,742	4,995 176,711	4,995 272,723	4,632 267,524	38,831 419,474	12,727 89,609	27,228 207,392	36,842 316,765
19.0	DIVIDEND PER SHARE -DECLARED	2.49	4.04 0.80	0.68	1.64	2.55	2.50	3.63 0.80	0.73	1.72	2.67
1.0	OTHER DISCLOSURES NON-PERFORMING LOANS AND ADVANCES (a) Grees Non-performing loans and advances	400.050	400 400	105 555	450.050	E74 404	400.050	400 400	A00 350	E04 00 1	649.700
	(a) Gross Non-performing loans and advances (b) Less: Interest in Suspense (c)Total Non-Performing Loans and Advances (a-b)	430,352 92,150 338,202	433,403 98,308 335,095	435,555 109,490 326,065	453,856 113,838 340,018	571,121 132,808 438,313	430,352 92,150 338,202	433,403 98,308 335,095	498,758 125,164 373,594	524,304 134,219 390,085	643,783 157,026 486,757
	(d) Less: Loan Loss Provision (e) Net Non-Performing Loans and Advances(c-d) (f) Discounted Value of Securities	136,609 201,593 201,593	130,326 204,769 204,769	130,326 195,739 195,739	94,198 245,820	104,452 333,861 333,861	136,609 201,593 201,593	130,326 204,769 204,769	152,272 221,322 221,322	116,842 273,243 273,243	141,882 344,875 344,875
	(g) Net NPLs Exposure (e-f)	201,593	204,/69	190,739	245,820	333,861	201,593	204,709	221,322	213,243	344,875
2.0	INSIDER LOANS AND ADVANCES (a) Directors, Shareholders and Associates (b) Employees	40,356 143,476	39,769 161,650	37,351 172,358	235,799 196,281	235,512 203,077	40,356 143,476	39,769 161,650	43,242 172,454	240,684 196,475	239,692 203,373
	(c)Total Insider Loans and Advances and other facilities	183,832	201,419	209,709	432,081	438,589	183,832	201,419	215,696	437,160	443,065
3.0	OFF-BALANCE SHEET ITEMS (a)Letters of credit,guarantees, acceptances (b) Forwards, swaps and options	2,911,721 355,974	2,926,305 695,190	3,154,505 1,047,932	2,710,864 1,190,076	2,914,460 1,095,930	2,911,721 355,974	2,926,305 695,190	3,157,650 1,047,932	2,714,064 1,190,076	2,969,580 1,095,930
	(c)Other contingent liabilities (d)Total Contingent Liabilities	855,653 4,123,348	305,819 3,927,314	441,701 4,644,138	946,583 4,847,523	777,155 4,787,545	855,653 4,123,348	305,819 3,927,314	441,701 4,647,283	946,583 4,850,723	777,155 4,842,665
4.0	CAPITAL STRENGTH (a)Core capital	1,661,912	1,644,815	1,475,008	1,525,038	1,573,044	1,661,912	1,644,815	1,475,008	1,525,038	1,573,044
	(b) Minimum Statutory Capital (c)Excess/(Dificiency)(a-b) (d) Supplementary Capital	700,000 961,912 67,780	1,000,000 644,815 94,022	1,000,000 475,008 94,022	1,000,000 525,038 94,022	1,000,000 573,044 94,022	700,000 961,912 67,780	1,000,000 644,815 94,022	1,000,000 475,008 94,022	1,000,000 525,038 94,022	1,000,000 573,044 94,022
	(e) Total Capital (a+d) (f)Total risk weighted assets	1,729,692 11,069,359	1,738,837 12,078,548	1,569,030 11,490,652	1,619,060 12,284,781	1,667,066 12,332,844	1,729,692 11,069,359	1,738,837 12,078,548	1,569,030 11,490,652	1,619,060 12,284,781	1,667,066 12,332,844
	(g) Core Capital/Total deposits Liabilities (h) Minimum statutory Ratio (l) Excess/(Deficiency) (g-h)	11.8% 8.0% 3.8%	10.8% 8.0% 2.8%	9.4% 8.0% 1.4%	10.1% 8.0% 2.1%	10.5% 8.0% 2.5%	11.8% 8.0% 3.8%	10.8% 8.0% 2.8%	9.4% 8.0% 1.4%	10.1% 8.0% 2.1%	10.5% 8.0% 2.5%
	(j) Core Capital / total risk weighted assets (k) Minimum Statutory Ratio	15.0% 8.0%	13.6% 8.0%	12.8% 8.0%	12.4% 8.0%	12.8% 8.0%	15.0% 8.0%	13.6% 8.0%	12.8% 8.0%	12.4% 8.0%	12.8% 8.0%
	(I) Excess (Deficiency) (j-k) (m) Total Capital/total risk weighted assets (n) Minimum statutory Ratio	7.0% 15.6% 12.0%	5.6% 14.4% 12.0%	4.8% 13.7% 12.0%	4.4% 13.2% 12.0%	4.8% 13.5% 12.0%	7.0% 15.6% 12.0%	5.6% 14.4% 12.0%	4.8% 13.7% 12.0%	4.4% 13.2% 12.0%	4.8% 13.5% 12.0%
14	(o) Excess/(Deficiency) (m-n)	3.6%	2.4%	1.7%	1.2%	1.5%	3.6%	2.4%	1.7%	1.2%	1.5%
14.1 14.2	(a) Liquidity Ratio (b) Minimum Statutory Ratio	46.10% 20.0%	42.50% 20.0%	45.70% 20.0%	42.10% 20.0%	37.91% 20.0%	46.10% 20.0%	42.50% 20.0%	45.70% 20.0%	42.10% 20.0%	37.91% 20.0%
14.3	(c) Excess (Deficiency) (a-b)	26.1%	22.5%	25.7%	22.1%	17.9%	26.1%	22.5%	25.7%	22.1%	17.9%
AUTH	AUTHORIZATION: The above financial statements and disclosures are extracts of unaudited financial records of the bank.										

MESSAGE FROM THE DIRECTORS: 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 Mezzanine Floor, ABC Bank Koinange Street.