

AFRICAN BANKING CORPORATION LTD. P. O. Box 46452 - 00100, Nairobi. Tel: (020) 4263000, 2223922, 2251540/1, 2226712 Email: talk2us@abcthebank.com Website: www.abcthebank.com

UNAUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30th JUNE 2012

	BALANCE SHEET	Bank 30th June, 2011 Unaudited Shs '000'	Bank 31st Dec, 2011 Audited Shs '000'	Bank 31st Mar, 2012 Unaudited Shs '000'	Bank 30th June 2012 Unaudited Shs '000'	Group 30th June, 2011 Unaudited Shs '000'	Group 31st Dec, 2011 Audited Shs '000'	Group 31st Mar 2012 Unaudited Shs '000'	Group 30th June 2012 Unaudited Shs '000'
1 1.1 1.2	ASSETS Cash (both Local & Foreign) Balances due from Central Bank of Kenya Kenya Government securities	150,879 603,901 3,176,473	167,704 682,773 2,601,282	172,528 585,437 3,089,141	155,469 1,067,996 3,808,993	150,883 603,901 3,176,473	167,708 682,773 2,601,282	172,535 585,437 3,089,141	155,470 1,067,996 3,808,993
1.1 1.2 1.3 1.4 1.5 1.6	Foreign Currency Treasury Bills & Bonds Deposits and balances due from local banking institutions Deposits and balances due from banking institutions abroad	279,303 138,205	89,542 405,080	300,546 308,978	134,533 434,674	285,955 138,205	96,980 405,080	307,252 308,978	152,535 434,674
1.7 1.8 1.9 1.10	Kenya Government and other securities held for dealing purposes Tax recoverable Loans and advances to customers (net) Investment securities	6,100,506 381,890	16,880 7,073,553 375,483	16,880 7,448,532 386,946	16,880 7,713,304 352,016	2,339 6,100,506 381,890	18,562 7,073,553 375,483	18,603 7,448,532 386,946	18,633 7,713,304 352,016
1.11 1.12 1.13	Balances due from group companies Investments in associates Investments in subsidiary companies	4,197 177,482 217,850	8,390 177,482 217,850	8,390 177,482 217,850	9,212 177,482 217,850	1,314 172,442	1,611 174,058	1,611 178,908	1,913 182,348
1.14 1.15 1.16	Investments in joint ventures Investment properties Property and equipment	393,323	428,313	- 445,701	- - 454,674	395,279	- - 430,074	447,382	- - 456,272
1.17 1.18 1.19 1.20	Prepaid lease rentals Intangible assets Deferred tax asset Retirement benefit asset	21,134	24,911	30,306	35,075	272,560 3,163	277,899 5,007	283,310 5,342	287,908 5,342
1.21 1.22	Other assets TOTAL ASSETS	340,361 11,985,504	237,652 12,506,895	379,270 13,567,987	458,081 15,036,239	377,752 12,062,662	256,017 12,566,087	399,654 13,633,631	483,193 15,120,597
2 2.1 2.2 2.3 2.4 2.5 2.6 2.7 2.8 2.9 2.10 2.11	LIABILITIES Balances due to Central Bank of Kenya Customer deposits Deposits and balances due to local banking institutions	9,848,187	10,471,279 50,055	11,386,423	12,575,110 37,868	9,811,099	10,442,446 50,055	11,361,914	12,512,663 37,868
2.4 2.5 2.6	Deposits and balances due to foreign banking institutions Other money market deposits Borrowed funds	425	-	-	109,332	425 - -	-	-	109,332
2.7 2.8 2.9	Balances due to group companies Tax payable Dividends payable	71,592	- - - 2 444	30,926	70,758	71,592	-	30,926	70,758
2.10 2.11 2.12 2.13	Deferred tax liability Retirement benefit liability Other liabilities TOTAL LIABILITIES	6,734 - 272,621 10,199,559	3,114 - 280,360 10,804,808	3,114 - 373,972 11,794,435	3,114 - 320,737 13,116,919	6,734 - 315,001 10,204,851	300,931 10,793,432	394,645 11,787,485	397,862 13,128,483
3	SHAREHOLDERS' FUNDS 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
3.1 3.2 3.3 3.4	Share premium Revaluation reserves Retained earnings	143,318 536,479	(74,558) 658,865	(74,558) 730,330	(17,879) 819,419	143,318 576,806	(74,558) 698,206	(74,558) 771,999	(17,879) 861,634
3.5 3.6 3.7 3.8	Statutory loan reserves Proposed dividends Capital grants TOTAL SHAREHOLDERS' FUNDS	56,148 - - - 1,785,945	67,780 - - 1,702,087	67,780 - - 1,773,552	67,780 - - 1,919,320	56,148 - 31,539 1,857,811	67,780 - 31,227 1,772,655	67,780 30,925 1,846,146	67,780 - 30,579 1,992,114
3.9	TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	11,985,504	12,506,895	13,567,987	15,036,239	12,062,662	12,566,087	13,633,631	15,120,597
4	PROFIT AND LOSS ACCOUNT INTEREST INCOME Loans and advances	397,381	949,468	396,112	833,931	397,381	949,468	396,112	833,931
4.1 4.2 4.3 4.4 4.5	Government securities Deposits and placements with banking institutions Other Interest income Total interest income	128,746 2,869 22,799 551,795	265,866 5,689 45,976 1,266,999	72,449 5,805 11,462 485,828	166,703 22,920 22,382 1,045,936	128,746 2,869 23,489 552,485	265,866 5,689 45,991 1,267,014	72,449 5,805 11,477 485,843	166,703 22,920 22,396 1,045,950
5.1 5.2 5.3 5.4 5.5	INTEREST EXPENSE Customer deposits Deposits and placement from banking institutions	204,841 750	499,897 14,483	286,571 699	633,969 2,197	204,841 750	498,810 14,483	286,319 699	633,601 2,197
5.3 5.4 5.5	Other interest expenses Total interest expenses NET INTEREST INCOME	205,592 346,203	514,381 752,618	287,302 198,526	636,198 409,738	205,592 346,893	513,294 753,720	287,050 198,793	635,830 410,120
6 6.1 6.2 6.3	OTHER OPERATING INCOME Fees and commissions on loans and advances Other fees and commissions	25,359 85,924	64,710 175,890	28,727 40,413	53,233 85,699	25,359 85,924	64,710 175,890	28,727 40,413	53,233 85,699
6.3 6.4 6.5 6.6	Foreign exchange trading income Dividend Income Other income Total non-interest income	53,232 226 49,570	144,636 371 77,437 463,044	40,732 315 3,305 113,492	89,094 315 15,323 243,664	53,232 226 61,145 225,886	144,636 371 94,295 479,902	40,732 315 9,325 119,512	89,094 315 26,172 254,513
6.7 7	TOTAL OPERATING INCOME OPERATING EXPENSES	214,311 560,514	1,215,662	312,018	653,402	572,779	1,233,622	318,305	664,633
7.1 7.2 7.3	Loan loss provision Staff costs Directors' emoluments	8,524 152,923 10,920	11,603 333,141 23,180 40,757	23,699 91,866 5,040	45,805 195,748 11,040	8,524 163,532 10,920	11,603 350,765 23,180	23,699 94,397 5,040	45,805 201,314 11,040
7.1 7.2 7.3 7.4 7.5 7.6 7.7 7.8	Rental charges Depreciation charge on property and equipment Amortisation charges Charges charges	18,451 12,810 2,894	26,191 6,003	10,686 6,858 1,679 69,803	21,993 13,673 3,588	19,415 13,030 3,135 129,385	42,732 26,608 6,681 264,048	11,223 6,947 1,859 70,723	23,139 13,846 3,939 132,012
7.7 7.8 7.9 7.10	Other operating expenses Total operating expenses Profit before tax and exceptional items Exceptional items	127,026 333,548 226,966	259,321 700,196 515,466	209,631 102,387	130,247 422,094 231,308	347,941 224,838	725,617 508,005	213,888 104,417	431,095 233,538
7.11 7.12 7.13	Profit after exceptional items Current tax Deferred tax	226,966 71,592	515,466 145,693 (3,619)	102,387 30,926	231,308 70,758	224,838 71,592	508,005 146,617 (8,578)	104,417 30,926	233,538 70,758
7.14 8	Profit after tax and exceptional items EARNINGS PER SHARE- BASIC & DILUTED	155,374 1.48	373,392 3.53	71,461 0.68	160,550 1.53	153,246 1.46	369,966 3.53	73,491 0.70	162,780 1.55
9	DIVIDEND PER SHARE -DECLARED OTHER DISCLOSURES	-	0.80	-	-	-	0.80	-	-
10 10.1	NON-PERFORMING LOANS AND ADVANCES (a) Gross Non-performing loans and advances	291,475	280,010	307,373	415,483	291,475	280,010	307,373	415,483
10.2 10.3 10.4 10.5	(b) Less Interest in Suspense (c)Total Non-Performing Loans and Advances (a-b) (d) Less Loan Loss Provision (e) Net Non-Performing Loans and Advances(c-d)	78,698 212,777 170,493 42,284	71,705 208,305 134,794 73,511	75,910 231,463 133,987 97,476	80,131 335,352 138,036 197,316	78,698 212,777 170,493 42,284	71,705 208,305 134,794 73,511	75,910 231,463 133,987 97,476	80,131 335,352 138,036 197,316
10.6 10.7	(e) Net Non-Performing Loans and Advances(c-d) (f) Discounted Value of Securities (g) Net NPLs Exposure (e-f)	42,284	73,511	97,476	197,316	42,284	73,511	97,476	197,316
11 11.1 11.2 11.3	INSIDER LOANS AND ADVANCES (a) Directors, Shareholders and Associates (b) Employees (c)Total Insider Loans and Advances and other facilities	206,242 64,126 270,368	191,255 96,832 288,087	39,164 94,659 133,823	40,103 115,183 155,286	206,242 64,126 270,368	191,255 96,832 288,087	39,164 94,659 133,823	40,103 115,183 155,286
12 12.1 12.2 12.3	OFF-BALANCE SHEET ITEMS (a)Letters of credit, guarantees, acceptances (b)Other contingent liabilities (c)Total Contingent Liabilities	2,358,916 1,855,330 4,214,246	2,262,999 760,353 3,023,352	2,758,463 1,461,764 4,220,227	2,663,489 1,713,282 4,376,771	2,358,916 1,855,330 4,214,246	2,262,999 760,353 3,023,352	2,758,463 1,461,764 4,220,227	2,663,489 1,713,282 4,376,771
13 13.1 13.2 13.3	CAPITAL STRENGTH (a)Core capital (b) Minimum Statutory Capital (c)Excess (a-b)	1,331,310 500,000 831,310	1,531,383 700,000 831,383	1,567,118 700,000 867,118	1,611,662 700,000 911,662	1,331,310 500,000 831,310	1,531,383 700,000 831,383	1,567,118 700,000 867,118	1,611,662 700,000 911,662
13.3 13.4 13.5 13.6	(c)Excess (a-b) (d) Supplementary Capital (e) Total Capital (a+d) (f)Total risk weighted assets	56,148 1,387,458 8,654,989	67,780 1,599,163 9,085,928	67,780 1,634,898 9,800,142	67,780 1,679,442 9,805,533	56,148 1,387,458 8,654,989	67,780 1,599,163 9,085,928	67,780 1,634,898 9,800,142	67,780 1,679,442 9,805,533
13.7 13.8 13.9	(f)Total risk weighted assets (g) Core Capital/Total deposits Liabilities (h) Minimum statutory Ratio (i) Excess (i) Core Capital Listal risk weighted assets	13.52% 8.0% 5.5%	14.62% 8.0% 6.6%	13.76% 8.0% 5.8%	12.82% 8.0% 4.8%	13.52% 8.0% 5.5%	14.62% 8.0% 6.6%	13.76% 8.0% 5.8%	12.82% 8.0% 4.8%
13.10 13.11 13.12 13.13	(f) Core Capital / total risk weighted assets (k) Minimum Statutory Ratio (f) Excess (i-k) (m) Total Capital/total risk weighted assets	15.4% 8.0% 7.4% 16.0%	16.9% 8.0% 8.9% 17.6%	16.0% 8.0% 8.0% 16.7%	16.4% 8.0% 8.4% 17.1%	15.4% 8.0% 7.4% 16.0%	16.9% 8.0% 8.9% 17.6%	16.0% 8.0% 8.0% 16.7%	16.4% 8.0% 8.4% 17.1%
13.14 13.15	(n) Minimum statutory Ratio (o) Excess (m-n)	12.0% 4.0%	12.0% 5.6%	12.0% 4.7%	17.1% 12.0% 5.1%	12.0% 4.0%	12.0% 5.6%	12.0% 4.7%	17.1% 12.0% 5.1%
14 14.1 14.2	LIQUIDITY (a) Liquidity Ratio (b) Minimum Statutory Ratio	43.44% 20.0%	34.64% 20.0%	38.02% 20.0%	41.60% 20.0%	43.44% 20.0%	34.64% 20.0%	38.02% 20.0%	41.60% 20.0%

| 14.1 | (a) Liquidity Ratio | 43.44% | 34.64% | 38.02% | 41.60% | 43.44% | 14.2 | (b) Minimum Statutory Ratio | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0%