

# AFRICAN BANKING CORPORATION LTD.

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## UNAUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30<sup>TH</sup> JUNE 2017

	Bank			Group				
	30 <sup>th</sup> Jun 2016 Unaudited Shs '000'	31 <sup>st</sup> Dec 2016 Audited Shs '000'	31 <sup>st</sup> Mar 2017 Unaudited Shs '000'	30 <sup>th</sup> Jun 2017 Unaudited Shs '000'	30 <sup>th</sup> Jun 2016 Unaudited Shs '000'	31 <sup>st</sup> Dec 2016 Audited Shs '000'	31 <sup>st</sup> Mar 2017 Unaudited Shs '000'	30 <sup>th</sup> Jun 2017 Unaudited Shs '000'
<b>I STATEMENT OF FINANCIAL POSITION</b>								
<b>A ASSETS</b>								
1 Cash (both Local & Foreign)	181,507	155,946	186,141	184,184	231,953	204,601	254,718	221,441
2 Balances due from Central Bank of Kenya	3,398,270	1,238,857	1,304,344	2,015,560	3,454,108	1,301,923	1,377,968	2,099,028
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:								
a. Kenya Government securities	2,921,914	2,920,747	2,906,885	2,929,689	3,518,298	3,391,142	3,324,858	3,662,865
b. Other securities	2,921,914	2,920,747	2,906,885	2,929,689	2,921,914	2,920,747	2,906,885	2,929,689
b) Available for sale:								
a. Kenya Government securities	500,375	504,209	510,578	532,847	500,375	504,209	510,578	532,847
b. Other securities	500,375	504,209	510,578	532,847	500,375	504,209	510,578	532,847
6 Deposits and balances due from local banking institutions	92,138	426,014	371,149	350,301	98,212	432,314	455,181	350,493
7 Deposits and balances due from banking institutions abroad	65,609	804,091	565,171	633,392	298,766	978,614	692,323	658,462
8 Tax recoverable	20,655	19,219	19,219	19,219	35,383	33,717	33,982	32,524
9 Loans and advances to customers (net)	14,096,987	14,228,599	13,656,946	13,560,930	14,450,667	14,641,988	14,097,299	14,002,752
10 Balances due from banking institutions in the group	12,370	12,731	12,912	12,985	-	-	-	-
11 Investments in associates	-	-	-	-	-	-	-	-
12 Investments in subsidiary companies	885,405	885,405	885,405	885,405	-	-	-	-
13 Investments in joint ventures	-	-	-	-	-	-	-	-
14 Investment properties	-	-	-	-	-	-	-	-
15 Property and equipment	517,904	515,978	512,251	516,610	548,547	546,353	542,693	545,318
16 Prepaid lease rentals	-	-	-	-	-	-	-	-
17 Intangible assets	125,286	122,352	119,036	118,386	125,515	123,796	119,818	119,121
18 Deferred tax asset	25,440	25,084	25,084	25,084	32,563	31,538	32,027	34,323
19 Retirement benefit asset	-	-	-	-	-	-	-	-
20 Other assets	1,195,629	563,119	1,603,414	1,921,342	1,254,025	674,773	1,773,129	2,091,594
<b>21 TOTAL ASSETS</b>	<b>24,039,489</b>	<b>22,422,351</b>	<b>22,678,535</b>	<b>23,705,934</b>	<b>24,548,412</b>	<b>22,864,968</b>	<b>23,214,574</b>	<b>24,350,768</b>
<b>B LIABILITIES</b>								
22 Balances due to Central Bank of Kenya	3,326,546	1,329,756	1,632,546	18,566,792	3,326,546	1,392,756	-	-
23 Customer deposits	15,891,610	16,078,445	17,686,762	18,566,792	16,239,661	16,573,195	18,145,368	19,120,110
24 Deposits and balances due to local banking institutions	-	-	-	84,105	7,603	-	-	-
25 Deposits and balances due to foreign banking institutions	185,080	344,133	330,462	266,582	152,240	216,290	142,086	142,086
26 Other money market deposits	-	-	-	-	-	-	-	-
27 Borrowed funds	1,324,988	1,248,742	1,201,280	1,173,143	1,324,988	1,248,742	1,201,280	1,173,143
28 Balances due to banking institutions in the group	-	-	-	-	-	-	-	-
29 Tax payable	45,744	-	18,428	30,713	49,813	-	21,112	30,713
30 Dividends payable	-	-	-	-	-	-	-	-
31 Deferred tax liability	-	-	-	-	-	-	-	-
32 Retirement benefit liability	-	-	-	-	-	-	-	-
33 Other liabilities	321,994	361,512	394,649	571,843	356,876	393,199	487,315	677,719
<b>34 TOTAL LIABILITIES</b>	<b>21,095,962</b>	<b>19,425,588</b>	<b>19,631,581</b>	<b>20,609,073</b>	<b>21,381,989</b>	<b>19,767,735</b>	<b>20,071,635</b>	<b>21,143,771</b>
<b>C SHAREHOLDERS' FUNDS</b>								
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
36 Share premium/(discount)	-	-	-	-	-	-	-	-
37 Revaluation reserves	(60,727)	(58,014)	(80,820)	(29,583)	(136,374)	(159,156)	(162,112)	(116,375)
38 Retained earnings/Accumulated losses	1,840,103	1,920,510	1,963,507	1,992,176	1,858,333	1,938,517	1,979,291	2,000,155
39 Statutory loan loss reserves	114,151	84,267	84,267	84,268	117,687	84,770	84,267	84,268
40 Other Reserves	-	-	-	-	(15,261)	(82,517)	(75,170)	(75,170)
41 Proposed dividends	-	-	-	-	-	-	-	-
42 Capital grants	-	-	-	-	-	-	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>2,943,527</b>	<b>2,996,763</b>	<b>3,046,954</b>	<b>3,096,861</b>	<b>2,874,385</b>	<b>2,831,614</b>	<b>2,876,276</b>	<b>2,942,878</b>
44 Minority Interest	-	-	-	-	292,038	265,619	266,663	264,119
<b>45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>24,039,489</b>	<b>22,422,351</b>	<b>22,678,535</b>	<b>23,705,934</b>	<b>24,548,412</b>	<b>22,864,968</b>	<b>23,214,574</b>	<b>24,350,768</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>								
<b>1.0 INTEREST INCOME</b>								
1.1 Loans and advances	1,393,628	2,620,574	501,191	1,017,216	1,441,394	2,715,634	524,920	1,066,752
1.2 Government securities	202,338	392,726	96,832	195,149	228,009	446,295	118,747	218,777
1.3 Deposits and placements with banking institutions	31	6,238	10,483	15,986	23,423	47,319	8,711	24,351
1.4 Other Interest Income	2,610	2,610	-	-	3,820	2,923	301	-
<b>1.5 Total interest income</b>	<b>1,598,607</b>	<b>3,022,148</b>	<b>608,506</b>	<b>1,228,351</b>	<b>1,696,646</b>	<b>3,212,171</b>	<b>644,679</b>	<b>1,309,880</b>
<b>2.0 INTEREST EXPENSE</b>								
2.1 Customer deposits	843,590	1,689,614	362,061	748,314	854,426	1,717,712	369,068	763,287
2.2 Deposits and placement from banking institutions	111,468	189,821	30,830	32,888	106,843	182,777	22,061	24,662
2.3 Other interest expenses	76,180	150,284	36,954	71,464	76,180	150,284	36,954	71,464
<b>2.4 Total interest expenses</b>	<b>1,031,238</b>	<b>2,029,719</b>	<b>429,845</b>	<b>852,666</b>	<b>1,037,449</b>	<b>2,045,773</b>	<b>428,083</b>	<b>859,413</b>
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>567,369</b>	<b>992,429</b>	<b>178,661</b>	<b>375,685</b>	<b>659,197</b>	<b>1,166,398</b>	<b>216,596</b>	<b>450,467</b>
<b>4.0 NON-INTEREST INCOME</b>								
4.1 Fees and commissions on loans and advances	61,266	225,455	94,430	145,358	64,777	232,536	96,197	150,696
4.2 Other fees and commissions	92,166	203,470	30,332	133,749	105,946	225,911	37,883	149,910
4.3 Foreign exchange trading income/(Loss)	39,326	81,837	21,091	30,854	41,534	86,425	22,656	33,583
4.4 Dividend Income	27	-	-	41	27	-	-	41
4.5 Other income	(6,090)	13,839	117	234	7,029	37,599	6,218	11,654
<b>4.6 Total Non-interest income</b>	<b>186,695</b>	<b>524,601</b>	<b>145,970</b>	<b>310,236</b>	<b>219,313</b>	<b>582,471</b>	<b>162,954</b>	<b>345,884</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>754,064</b>	<b>1,517,030</b>	<b>324,631</b>	<b>685,921</b>	<b>878,510</b>	<b>1,748,869</b>	<b>379,550</b>	<b>796,351</b>
<b>6.0 OTHER OPERATING EXPENSES</b>								
6.1 Loan loss provision	82,351	102,477	11,020	70,393	84,660	108,348	132,282	78,474
6.2 Staff costs	309,572	656,733	159,962	323,281	360,170	752,972	185,013	374,694
6.3 Directors' emoluments	28,025	64,457	14,864	36,613	28,155	69,445	15,411	38,367
6.4 Rental charges	32,949	70,431	19,288	34,765	47,700	98,259	27,672	51,552
6.5 Depreciation charge on property and equipment	27,269	54,821	14,811	29,190	31,144	62,327	16,794	34,335
6.6 Amortisation charges	8,454	16,631	4,302	8,591	8,580	16,812	4,345	8,677
6.7 Other operating expenses	112,962	329,592	38,959	80,709	144,141	396,986	53,180	117,530
<b>6.8 Total Other Operating Expenses</b>	<b>601,582</b>	<b>1,295,142</b>	<b>263,206</b>	<b>583,542</b>	<b>704,550</b>	<b>1,505,149</b>	<b>315,697</b>	<b>703,629</b>
<b>7.0 Profit/(loss) Before Tax and Exceptional Items</b>	<b>152,482</b>	<b>221,888</b>	<b>61,425</b>	<b>102,379</b>	<b>173,960</b>	<b>243,720</b>	<b>63,853</b>	<b>92,722</b>
8.0 Exceptional Items	-	-	-	-	-	-	-	-
9.0 Profit/(Loss) After Exceptional Items	152,482	221,888	61,425	102,379	173,960	243,720	63,853	92,722
10.0 Current Tax	45,744	64,271	18,428	30,713	49,895	75,856	22,035	32,584
11.0 Deferred Tax	-	356	-	-	-	304	-	-
<b>12.0 Profit/(Loss) After Tax and Exceptional Items</b>	<b>106,738</b>	<b>157,261</b>	<b>42,997</b>	<b>71,666</b>	<b>124,065</b>	<b>167,560</b>	<b>41,818</b>	<b>60,138</b>
13.0 Minority Interest	-	-	-	-	7,784	7,282	1,044	(1,500)
<b>14.0 Profit/(Loss) after tax, exceptional items and Minority Interest</b>	<b>106,738</b>	<b>157,261</b>	<b>42,997</b>	<b>71,666</b>	<b>116,281</b>	<b>160,278</b>	<b>40,774</b>	<b>61,638</b>
<b>15.0 Other Comprehensive Income</b>								
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-	15,061	(76,220)	7,347	7,358
15.2 Fair value changes in available for sale financial assets	181	2,894	7,194	28,431	181	(24,493)	7,194	28,431
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>181</b>	<b>2,894</b>	<b>7,194</b>	<b>28,431</b>	<b>15,242</b>	<b>(100,113)</b>	<b>14,541</b>	<b>35,789</b>
<b>17.0 Total comprehensive income for the year</b>	<b>106,919</b>	<b>160,155</b>	<b>50,191</b>	<b>100,097</b>	<b>139,307</b>	<b>66,847</b>	<b>56,359</b>	<b>95,927</b>
<b>18.0 EARNINGS PER SHARE - BASIC &amp; DILUTED</b>	<b>1.02</b>	<b>1.50</b>	<b>0.41</b>	<b>0.68</b>	<b>1.18</b>	<b>1.53</b>	<b>0.40</b>	<b>0.57</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	2,821,502	2,840,434	2,914,586	3,243,135	2,839,822	2,851,350	2,933,430	3,265,049
(b) Less: Interest in Suspense	554,838	557,552	581,889	601,122	555,799	558,406	582,940	602,725
<b>(c) Total Non-Performing Loans and Advances (a-b)</b>	<b>2,266,664</b>	<b>2,282,882</b>	<b>2,332,697</b>	<b>2,642,013</b>	<b>2,284,023</b>	<b>2,292,944</b>	<b>2,350,490</b>	<b>2,662,324</b>
(d) Less: Loan Loss Provision	215,681	235,805	243,770	308,913				