

AFRICAN BANKING CORPORATION LTD.

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UNAUDITED OUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30™ SEPTEMBER 2017

	BANK UNAUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30 <sup>TH</sup> SEPTEMBER 2017											
	STATEMENT OF FINANCI	IAL POSITION	30th Sept	31st Dec	Bank 31st Mar	30th Jun	30th Sept	30th Sept	31st Dec	Group 31st Mar	30th Jun	30th Sept
A	ASSETS		2016 Unaudited Shs '000'	2016 Audited Shs '000'	2017 Unaudited Shs '000'	2017 Unaudited Shs '000'	2017 Unaudited Shs '000'	2016 Unaudited Shs '000'	2016 Audited Shs '000'	2017 Unaudited Shs '000'	2017 Unaudited Shs '000'	2017 Unaudited Shs '000'
3 4	Cash ( both Local & Foreign) Islances due from Central Bank of Kenya Kenya Government and other securities held for dealing purposes Financial Assets at fair value through profit and loss		165,917 1,118,697 -	155,946 1,238,857 -	186,141 1,304,344 -	184,184 2,015,560 -	191,261 1,363,753 -	210,867 1,201,935 -	204,601 1,301,923 -	254,718 1,377,968 -	221,441 2,099,028 -	242,870 1,740,654 -
5	Investment Securities: a) Held to Maturity: a. Kenya Government securities b. Other securities		<b>2,899,563</b> 2,899,563	<b>2,920,747</b> 2,920,747	<b>2,906,885</b> 2,906,885	<b>2,929,689</b> 2,929,689	<b>2,795,428</b> 2,795,428	<b>3,430,976</b> 2,899,563 531,413	3,391,142 2,920,747 470,395	<b>3,324,858</b> 2,906,885 417,973	3,662,865 2,929,689 733,176	<b>3,236,537</b> 2,795,428 441,109
	b) Available for sale: a. Kenya Government securities b. Other securities		<b>519,538</b> 519,538	<b>504,209</b> 504,209	<b>510,578</b> 510,578	<b>532,847</b> 532,847	<b>531,977</b> 531,977	<b>519,538</b> 519,538	<b>504,209</b> 504,209	<b>510,578</b> 510,578	<b>532,847</b> 532,847	<b>531,977</b> 531,977
6 7 8	Deposits and balances due from local banking institutions Deposits and balances due from banking institutions abroad ax recoverable		105,414 222,980 20,655	426,014 804,091 19,219	371,149 565,171 19,219	350,301 633,392 19,219	994,850 383,484 19,219	118,984 413,340 35,187	432,314 978,614 33,717	455,181 692,323 33,982	350,493 658,462 32,524	1,012,734 444,690 32,539
11	oans and advances to customers (net) alances due from banking institutions in the group ivestments in associates ivestments in subsidiary companies		13,637,212 12,530 - 885,405	14,228,599 12,731 - 885,405	13,656,946 12,912 - 885,405	13,560,930 12,985 - 885,405	14,041,139 13,275 - 885,405	14,060,068	14,641,988	14,097,299	14,002,752	14,496,244
13 14 15	nvestments in joint ventures nvestment properties roperty and equipment		509,764	515,978	512,251	516,610	516,261	- - 538,000	- 546,353	542,693	545,318	- - 544,143
16 17 18 19	Prepaid lease rentals Intangible assets Deferred tax asset		121,803 25,440	122,352 25,084	119,036 25,084	118,386 25,084	114,008 25,084	121,975 32,383	123,796 31,538	119,818 32,027	119,121 34,323	115,395 25,084
20 21	ketirement benefit asset ther assets OTAL ASSETS IABILITIES		1,400,681 <b>21,645,599</b>	563,119 <b>22,422,351</b>	1,603,414 <b>22,678,535</b>	1,921,342 <b>23,705,934</b>	1,795,675 <b>23,670,819</b>	1,588,794 <b>22,272,047</b>	674,773 <b>22,864,968</b>	1,773,129 <b>23,214,574</b>	2,091,594 <b>24,350,768</b>	2,000,311 <b>24,423,178</b>
22 23 24	Balances due to Central Bank Customer deposits Deposits and balances due to	local banking institutions	1,397,054 15,321,123	-	17,686,762	-	149,654	1,397,054 15,790,918 95,796	7,603	-	19,120,110	149,654
26 27	eposits and balances due to foreign banking institutions ther money market deposits orrowed funds alances due to banking institutions in the group ax payable eferred tax liability		245,040 - 1,347,737	344,133 - 1,248,742	330,462 1,201,280	266,582 - 1,173,143	267,861 - 1,194,545	251 - 1,347,737	152,240 - 1,248,742	216,290 - 1,201,280	1,173,143	143,365 - 1,224,607
29 30			60,747	-	18,428	30,713	45,073 - -	68,171 - -	-	21,112	30,713	45,073
32 33 34	Retirement benefit liability Other liabilities TOTAL LIABILITIES	etirement benefit liability ther liabilities DTAL LIABILITIES		361,512 <b>19,425,588</b>	394,649 <b>19,631,581</b>	571,843 <b>20,609,073</b>	281,575 <b>20,541,046</b>	373,968 <b>19,073,895</b>	393,199 <b>19,767,735</b>	487,315 <b>20,071,635</b>	677,719 <b>21,143,771</b>	394,224 <b>21,151,659</b>
35	SHAREHOLDERS' FUNDS Paid up /Assigned capital Share premium/(discount) Revaluation reserves		1,050,000	1,050,000	1,050,000	1,050,000 - (29,583)	1,050,000 - (30,176)	1,050,000	1,050,000 - (159,156)	1,050,000	1,050,000	1,050,000
38 39 40	Retained earnings/Accumulate Statutory loan loss reserves Other Reserves	ed losses	(41,228) 1,875,109 114,151	1,920,510 84,267	1,963,507 84,267	1,992,176 84,268	2,025,681 84,268	(125,363) 1,897,959 118,547 (37,708)	1,938,517 84,770 (82,517)	1,979,291 84,267 (75,170)	(116,375) 2,000,155 84,268 (75,170)	(85,118) 2,032,343 84,268 (75,056)
42 43	Proposed dividends Capital grants TOTAL SHAREHOLDERS' FU Minority Interest	UNDS	2,998,032	2,996,763	3,046,954	3,096,861	3,129,773	<b>2,903,435</b> 294,717	<b>2,831,614</b> 265,619	<b>2,876,276</b> 266,663	<b>2,942,878</b> 264,119	3,006,437 265,082
45	TOTAL LIABILITIES AND SHA		21,645,599	22,422,351	22,678,535	23,705,934	23,670,819		22,864,968			
1.0 1.1	NTEREST INCOME  oans and advances  Government securities		2,095,317 295,664	2,620,574 392,726	501,191 96,832	1,017,216 195,149	1,547,379 294,547	2,165,458 338,354	2,715,634 446,295	524,920 110,747	1,066,752 218,777	1,625,076 323,135
1.3 1.4	Deposits and placements with Other Interest Income	banking institutions	1,918 2,610 <b>2,395,509</b>	6,238 2,610 <b>3,022,148</b>	10,483	15,986 - 1,228,351	27,464 1,869,390	31,336 4,279 <b>2,539,427</b>	47,319 2,923 <b>3,212,171</b>	8,711 301 <b>644,679</b>	24,351 1,309,880	49,781 163 <b>1,998,155</b>
<b>2.0</b> 2.1	INTEREST EXPENSE Customer deposits Deposits and placement from the	banking institutions	1,288,081 151,730	1,689,614 189,821	362,061 30,830	748,314 32,888	1,126,918 37,488	1,305,939 143,413	1,712,712 182,777	369,068 22,061	763,287 24,662	1,151,583 29,388
2.3 2.4 <b>3.0</b>	Other interest expenses Total interest expenses NET INTEREST INCOME/(LO	-	113,570 <b>1,553,381</b> <b>842,128</b>	150,284 <b>2,029,719</b> <b>992,429</b>	36,954 <b>429,845</b> <b>178,661</b>	71,464 <b>852,666</b> <b>375,685</b>	105,770 <b>1,270,176</b> <b>599,214</b>	113,570 <b>1,562,922</b> <b>976,505</b>	150,284 <b>2,045,773</b>	36,954 <b>428,083</b> <b>216,596</b>	71,464 <b>859,413</b> <b>450,467</b>	105,770 <b>1,286,741</b> <b>711,414</b>
4.1 4.2 4.3	NON-INTEREST INCOME Fees and commissions on loans and advances Other fees and commissions Foreign exchange trading income/(Loss) Dividend Income Other income Total Non-interest income TOTAL OPERATING INCOME		84,825 135,877 48,650 73	225,455 203,470 81,837	94,430 30,332 21,091	145,358 133,749 30,854 41	211,540 165,331 38,824 252	90,029 153,838 52,038 73	232,536 225,911 86,425	96,197 37,883 22,656	150,696 149,910 33,583 41	218,989 186,119 42,663 252
4.5 4.6 <b>5.0</b>			(5,973) <b>263,452</b> <b>1,105,580</b>	13,839 <b>524,601</b> <b>1,517,030</b>	117 145,970 324,631	234 310,236 685,921	351 416,298 1,015,512	19,119 <b>315,097</b> <b>1,291,602</b>	37,599 <b>582,471</b> <b>1,748,869</b>	6,218 <b>162,954</b> <b>379,550</b>	11,654 <b>345,884</b> <b>796,351</b>	19,119 <b>467,142</b> <b>1,178,556</b>
6.1 6.2	OTHER OPERATING EXPENSION Loan loss provision Staff costs Directors' emoluments	SES	101,876 475,301 41,992	102,477 656,733 64,457	11,020 159,962 14,864	70,393 323,281 36,613	79,456 498,205 62,284	105,015 550,001 42,181	108,348 752,972 69,445	13,282 185,013 15,411	78,474 374,694 38,367	85,038 576,748 64,751
6.4 6.5	Rental charges Depreciation charge on proper Amortisation charges	ty and equipment	48,808 40,201 12,401	70,431 54,821 16,631	19,288 14,811 4,302	34,765 29,190 8,591	46,512 43,106 12,969	70,293 45,891 12,541	98,259 62,327 16,812	27,672 16,794 4,345	51,552 34,335 8,677	71,923 48,832 13,103
6.7 6.8 <b>7.0</b>	lther operating expenses otal Other Operating Expenses rofit/(loss) Before Tax and Exceptional Items		182,510 <b>903,089</b> <b>202,491</b>	329,592 <b>1,295,142</b> <b>221,888</b>	38,959 <b>263,206</b> <b>61,425</b>	80,709 <b>583,542</b> <b>102,379</b>	122,736 <b>865,268</b> <b>150,244</b>	229,492 1,055,414 236,188	396,986 <b>1,505,149</b> <b>243,720</b>	53,180 <b>315,697</b> <b>63,853</b>	117,530 <b>703,629</b> <b>92,722</b>	178,531 <b>1,038,926</b> <b>139,630</b>
<b>9.0</b> 10.0	Exceptional Items Profit/(Loss) After Exception Current Tax	al Items	<b>202,491</b> 60,747	<b>221,888</b> 64,271	<b>61,425</b> 18,428	<b>102,379</b> 30,713	<b>150,244</b> 45,073	<b>236,188</b> 69,818	<b>243,720</b> 75,856	<b>63,853</b> 22,035	<b>92,722</b> 32,584	<b>139,630</b> 46,341
<b>12.0</b> 13.0	Deferred Tax Profit/(Loss) After Tax and E Minority Interest	•	141,744	356 <b>157,261</b>	42,997	71,666	105,171	<b>166,370</b> 10,463	304 <b>167,560</b> 7,282	<b>41,818</b> 1,044	<b>60,138</b> (1,500)	<b>93,289</b> (537)
<b>15.0</b> 15.1	Other Comprehensive Incom Gains/(Losses) from translating t	the financial statements of foreign operations	<b>141,744</b> - - 19,680	157,261	42,997 - - 7,104	71,666	105,171 - - 27,838	155,907 - (7,386) 19,680	(76,220)	<b>40,774</b> - 7,347	7,358 28,431	93,826 7,461 27,838
15.3 15.4 15.5	Fair value changes in available Revaluation surplus on Proper Share of other comprehensive Income tax relating to component	ty,plant and equipment income of associates ents of other comprehensive income	-	2,894	7,194 - - -	28,431	-	-	(24,493)	7,194 - - -	-	-
17.0 18.0	ther Comprehensive Income for the year net of tax otal comprehensive income for the year ARNINGS PER SHARE- BASIC & DILUTED IVIDEND PER SHARE -DECLARED		<b>19,680</b> <b>161,424</b> 1.35	<b>2,894</b> <b>160,155</b> 1.50	<b>7,194</b> <b>50,191</b> 0.41	<b>28,431</b> <b>100,097</b> 0.68	<b>27,838</b> <b>133,009</b> 1.00	<b>12,294</b> <b>178,664</b> 1.58	(100,713) 66,847 1.53	<b>14,541</b> <b>56,359</b> 0.40	<b>35,789</b> <b>95,927</b> 0.57	<b>35,299</b> <b>128,588</b> 0.89
1.0	III OTHER DISCLOSURES 1.0 NON-PERFORMING LOANS AND ADVANCES (a) Gross Non-performing loans and advances			2,840,434	2,914,586	3,243,135	3,544,900	2,842,626	2,851,350	2,933,430	3,265,049	3,552,461
	(b) Less: Interest in Suspense (c)Total Non-Performing Loans and Advances (a-b) (d) Less: Loan Loss Provision		555,957 <b>2,269,451</b> 234,798	235,850	581,889 <b>2,332,697</b> 243,770	601,122 <b>2,642,013</b> 308,913	617,383 <b>2,927,517</b> 320,261	557,597 <b>2,285,029</b> 240,034	238,079	582,940 <b>2,350,490</b> 246,133	602,725 <b>2,662,324</b> 317,180	618,463 <b>2,933,998</b> 325,692
2,0	(e) Net Non-Performing Loans and Advances(c-d) (f) Discounted Value of Securities (g) Net NPLs Exposure (e-f) .0 INSIDER LOANS AND ADVANCES		<b>2,034,653</b> 2,034,653		<b>2,088,927</b> 1,998,586 <b>90,341</b>	2,333,100 2,235,223 97,877	<b>2,607,256</b> 2,492,682 <b>114,574</b>	<b>2,044,995</b> 2,044,995		<b>2,104,357</b> 2,014,016 <b>90,341</b>	<b>2,345,144</b> 2,247,267 <b>97,877</b>	<b>2,608,306</b> 2,493,732 <b>114,574</b>
2.0	(a) Directors, Shareholders and Associates (b) Employees (c)Total Insider Loans and Advances and other facilities		221,220 459,378 <b>680,598</b>	210,750 484,996 <b>695,746</b>	249,198 495,872 <b>745,070</b>	241,992 511,498 <b>753,490</b>	273,722 515,704 <b>789,427</b>	221,791 459,949 <b>681,740</b>	211,389 485,635 <b>697,024</b>	249,557 496,231 <b>745,788</b>	242,258 511,764 <b>754,022</b>	273,958 515,940 <b>789,899</b>
3.0	3.0 OFF-BALANCE SHEET ITEMS (a)Letters of credit,guarantees, acceptances (b) Forwards, swaps and options		796,819 473,747	1,136,405 205,000	1,024,108	1,861,475 104,600	1,368,983 78,475	832,912 473,747	1,238,008 205,000	1,135,849	2,033,663 104,600	1,573,400 78,475
4.0	(c)Other contingent liabilities (d)Total Contingent Liabilities 4.0 CAPITAL STRENGTH		33,629 <b>1,304,195</b>	20,958 <b>1,362,363</b>	69,407 <b>1,093,515</b>	9,445 <b>1,975,520</b>	94,340 <b>1,541,798</b>	33,629 <b>1,340,288</b>	20,958 <b>1,463,966</b>	69,407 <b>1,205,256</b>	9,445 <b>2,147,708</b>	94,340 <b>1,746,215</b>
	(a)Core capital (b) Minimum Statutory Capital (c)Excess/(Dificiency)(a-b) (d) Supplementary Capital		<b>2,251,860</b> 1,000,000 <b>1,251,860</b> 680,818	<b>2,368,133</b> 1,000,000 <b>1,368,133</b> 600,934	<b>2,389,632</b> 1,000,000 <b>1,389,632</b> 550,934	<b>2,403,966</b> 1,000,000 <b>1,403,966</b> 500,935	1,000,000					
	(e) Total Capital (a+d) (f)Total risk weighted sasets (g) Core Capital/Total deposits Liabilities		2,932,678	2,969,067	2,940,566	2,904,901 19,135,556 12.9%	2,871,654					
	(ĥ) Minimum statutory Ratio (l) Excess/(Deficiency) (g-h) (j) Core Capital / total risk weighted assets		8.0% 6.7% 12.3%	8.0% 6.7% 12.8%	8.0% 5.5% 12.7%	8.0% 4.9% 12.6%	8.0% 4.9% 12.6%					
	(k) Minimum Statutory Ratio (I) Excess (Deficiency) (j-k) (m) Total Capital/total risk weighted assets		10.5% <b>1.8%</b> <b>16.0%</b>	10.5% <b>2.3%</b> <b>16.0%</b>	10.5% <b>2.2%</b> <b>15.6%</b>	10.5% <b>2.1%</b> <b>15.2%</b>	10.5% <b>2.1%</b> <b>14.9%</b>					
5.0	(n) Minimum statutory Ratio (o) Excess/(Deficiency) (m-n) 5.0 LIQUIDITY (a) Liquidity Ratio		14.5% <b>1.5%</b>	14.5% <b>1.5%</b>	14.5% <b>1.1%</b>	14.5% <b>0.7%</b>	14.5% <b>0.4%</b>					
(a) Liquidity Ratio (b) Minimum Statutory Ratio (c) Excess (Deficiency) (a-b) The financial statements are extracts from the books of the institution. The com-			24% 20% 4%	27% 20% 7%	31% 20% 11%	35% 20% 15%	32% 20% 12%	ntivo di- 1			the in-th th	min week "
		s from the books of the institution. The comp so be accessed at the institution's head offi							ures can be	accessed on	ine institutio	nı s website