

## 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

|  | Anazingly Better Choice UN-AUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30TH JUNE 2018            |  |   |   |   |   |   |   |   |   |
|--|---|--|---|---|---|---|---|---|---|---|
| ı  | STATEMENT OF FINA   | ANCIAL POSITION  | Bank<br>30th Jun 2017                             | Bank<br>31st Dec 2017                             | Bank<br>31st Mar 2018                             | Bank<br>30th Jun 2018                           | Group<br>30th Jun 2017                          | Group<br>31st Dec 2017                          | Group<br>31st Mar 2018                          | Group<br>30th Jun 2018                          |
|  |   |  | Unaudited<br>Shs '000'                            | Audited<br>Shs '000'                              | Unaudited<br>Shs '000'                            | Unaudited<br>Shs '000'                          | Unaudited<br>Shs '000'                          | Audited<br>Shs '000'                            | Unaudited<br>Shs '000'                          | Unaudited<br>Shs '000'                          |
| 1<br>2   | Cash ( both Local & Foreig  | n)   | 184,184<br>2,015,560                              | 227,987<br>2,117,602                              | 236,166<br>1,467,055                              | 220,374<br>1,039,810                            | 221,441<br>2,099,028                            | 288,105<br>2,250,472                            | 288,875<br>1,757,559                            | 278,735<br>1,254,182                            |
| 3  | Kenya Governmentand otl<br>Financial Assets at fair va  | her securities held for dealing purposes   | 2,013,300<br>-<br>-                               | 2,117,002   | 1,467,033   | -   | 2,099,026                                       | 2,230,472<br>-<br>-                             | 1,757,558                                       | 1,234,162                                       |
| 5  | <ul> <li>a) Held to Maturity:</li> </ul>  |  |   | <b>2,791,871</b><br>2,791,871                     | <b>2,873,590</b> 2,873,590                        | <b>2,980,503</b> 2,980,503                      | <b>3,662,865</b> 2,929,689                      | <b>3,234,711</b><br>2,791,871                   | <b>3,369,678</b><br>2,873,590                   | <b>3,484,886</b><br>2,980,503                   |
|  | <ul><li>b. Other securities</li><li>b) Available for sale:</li></ul>  |  | 2,929,689<br>-<br><b>532,847</b>                  | 533,402   | 539,539   | 545,807   | 733,176<br><b>532,847</b>                       | 442,840<br><b>533,402</b>                       | 496,088<br><b>539,539</b>                       | 504,383<br><b>545,807</b>                       |
| 6  | a. Kenya Government so<br>b. Other securities<br>Deposits and balances du   | ecurities<br>e from local banking institutions   | 532,847<br>-<br>350,301                           | 533,402<br>-<br>884,749                           | 539,539<br>-<br>1,052,090                         | 545,807<br>-<br>1,613,438                       | 532,847<br>-<br>350,493                         | 533,402<br>-<br>892,527                         | 539,539<br>-<br>1,074,972                       | 545,807<br>-<br>1,638,818                       |
| 7<br>8   | Deposits and balances du<br>Tax recoverable   | Deposits and balances due from banking institutions abroad<br>Tax recoverable  |   | 640,339<br>6,154                                  | 463,807<br>6,154                                  | 771,793<br>6,154                                | 658,462<br>32,524                               | 946,108<br>19,970                               | 373,171<br>20,627                               | 844,269<br>20,409                               |
| 9<br>10<br>11  | <ul> <li>Balances due from bankin</li> </ul>  | Loans and advances to customers (net) Balances due from banking institutions in the group Investments in associates      |   | 15,382,987<br>13,301<br>-                         | 14,155,737<br>13,619<br>-                         | 14,411,608<br>13,699                            | 14,002,752<br>-<br>-                            | 15,905,885<br>-<br>-                            | 14,643,622                                      | 14,897,394<br>-<br>-                            |
| 12<br>13   | <ul> <li>Investments in subsidiary</li> <li>Investments in joint ventu</li> </ul>                                       | companies  | 885,405<br>-                                      | 885,405<br>-                                      | 885,405<br>-                                      | 885,405<br>-                                    | -   | -   | -<br>-  | -   |
| 14<br>15<br>16   | Property and equipment  |  | 516,610   | 494,716   | 492,646   | 485,599<br>-                                    | 545,318   | 547,890   | 542,593<br>-                                    | 532,278<br>-                                    |
| 17<br>18   | Intangible assets Deferred tax asset  | Deferred tax asset   |   | 129,680<br>21,260                                 | 124,758<br>21,260                                 | 123,010<br>21,260                               | 119,121<br>34,323                               | 212,027<br>41,763                               | 202,836<br>41,301                               | 197,086<br>40,829                               |
| 19<br>20<br>21   | Other assets  | Other assets TOTAL ASSETS  |   | 674,954<br><b>24,804,407</b>                      | 2,408,258<br><b>24,740,084</b>                    | 2,242,447<br><b>25,360,907</b>                  | 2,091,594<br><b>24,350,768</b>                  | 713,808<br><b>25,586,668</b>                    | 2,431,678<br><b>25,286,451</b>                  | 2,259,722<br><b>25,994,415</b>                  |
| 22<br>22   | LIABILITIES Balances due to Central Ba  | Balances due to Central Bank of Kenya  |   | _   | 19,552,723  | -   | _   | -   | 20.165.776                                      | 20.760.700                                      |
| 23<br>24<br>25   | Deposits and balances du  | e to local banking institutions<br>e to foreign banking institutions   | 18,566,792<br>-<br>266,582                        | 19,700,816<br>150,099<br>253,187                  | 146,697<br>134,988                                | 20,108,176<br>197,120<br>296,591                | 19,120,110<br>-<br>142,086                      | 20,390,948<br>150,099<br>284,329                | 20,165,776<br>146,697<br>145,159                | 20,768,499<br>197,120<br>296,591                |
| 26<br>27<br>28   | Other money market depo<br>Borrowed funds   | sits   | 1,173,143   | 1,142,417   | 1,142,488   | 1,113,209<br>149,342                            | 1,173,143                                       | 1,142,417                                       | 1,142,488                                       | 1,113,209                                       |
| 29<br>30   | Tax payable Dividends payable   | nstitutions in the group   | 30,713  | 131,184<br>-<br>-                                 | 253,000<br>15,374<br>-                            | 23,155  | 30,713  | -<br>-<br>-                                     | 16,807<br>-                                     | 27,426<br>-                                     |
| 37<br>32<br>33   | 2 Retirement benefit liabilit   | у  | -<br>-<br>571.843                                 | -<br>-<br>266.558                                 | -<br>289.816                                      | -<br>-<br>245,282                               | -<br>677,719                                    | -<br>355.499                                    | -<br>366.814                                    | -<br>-<br>320,714                               |
| 34<br><b>C</b>   | TOTAL LIABILITIES SHAREHOLDERS' FUNDS   | S  | 20,609,073  | 21,644,261  | 21,535,086  | 22,132,875                                      | 21,143,771                                      | 22,323,292                                      | 21,983,741                                      | 22,723,559                                      |
| 35<br>36<br>37   | 6 Share premium/(discount   | :)   | 1,050,000<br>-<br>(29,583)                        | 1,050,000<br>-<br>(31,721)                        | 1,050,000<br>-<br>(22,741)                        | 1,050,000<br>-<br>(17,864)                      | 1,050,000<br>-<br>(116,375)                     | 1,050,000<br>-<br>(99,956)                      | 1,050,000<br>-<br>(80,126)                      | 1,050,000<br>-<br>(112,869)                     |
| 38<br>39   | Retained earnings/Accum<br>Statutory loan loss reserve  | ulated losses<br>es  | 1,992,176<br>84,268                               | 2,040,087<br>101,780                              | 2,085,965<br>91,774                               | 2,104,122<br>91,774                             | 2,000,155<br>84,268                             | 2,041,677<br>102,517                            | 2,085,664<br>91,769                             | 2,094,485<br>91,769                             |
| 40<br>47<br>42   | Proposed dividends  |  | -   | -   | -<br>-<br>-                                       | -   | (75,170)<br>-<br>-                              | (93,706)<br>-<br>-                              | (108,202)<br>-<br>-                             | (113,611)<br>-<br>-                             |
| 43   | TOTAL SHAREHOLDERS  Minority Interest   |  | 3,096,861   | 3,160,146   | 3,204,998   | 3,228,032                                       | <b>2,942,878</b> 264,119                        | <b>3,000,532</b><br>262,844                     | <b>3,039,105</b><br>263,605                     | <b>3,009,774</b><br>261,082                     |
| 45<br>11   | STATEMENT OF COM  | SHAREHOLDERS' FUNDS MPREHENSIVE INCOME   | 23,705,934  | 24,804,407  | 24,740,084  | 25,360,907                                      | 24,350,768                                      | 25,586,668                                      | 25,286,451                                      | 25,994,415                                      |
| 1.7<br>1.2   | Loans and advances Government securities  |  | 1,017,216<br>195,149                              | 2,406,340<br>370,125                              | 566,309<br>82,777                                 | 1,101,580<br>186,687                            | 1,066,752<br>218,777                            | 2,506,383<br>407,573                            | 593,154<br>90,042                               | 1,150,685<br>201,418                            |
| 1.3<br>1.4<br>1.5  | 4 Other Interest Income   | with banking institutions  | 15,986<br>-<br><b>1,228,351</b>                   | 43,758<br>-<br><b>2,820,223</b>                   | 12,465<br>-<br><b>661,551</b>                     | 25,956<br>-<br><b>1,314,223</b>                 | 24,351<br>-<br><b>1,309,880</b>                 | 74,751<br>-<br><b>2,988,707</b>                 | 20,144<br>-<br><b>703,340</b>                   | 39,705<br>(1)<br><b>1,391,807</b>               |
| 2.<br>2.   | O INTEREST EXPENSE Customer deposits  |  | 748,314   | 1,564,086   | 421,827   | 840,187   | 763,287   | 1,596,061                                       | 428,486   | 851,852   |
| 2.:<br>2.:<br>2.   | 3 Other interest expenses   | rom banking institutions   | 32,888<br>71,464<br><b>852,666</b>                | 39,681<br>136,699<br><b>1,740,466</b>             | 2,496<br>32,362<br><b>456,685</b>                 | 5,524<br>66,122<br><b>911,833</b>               | 24,662<br>71,464<br><b>859,413</b>              | 34,454<br>136,699<br><b>1,767,214</b>           | 2,749<br>32,362<br><b>463,597</b>               | 5,793<br>66,122<br><b>923,767</b>               |
| 3.4<br>4.  | O NET INTEREST INCOME/<br>O NON-INTEREST INCOME   |  | 375,685   | 1,079,757   | 204,866   | 402,390   | 450,467   | 1,221,493                                       | 239,743   | 468,040   |
| 4.<br>4.<br>4.   | 2 Other fees and commission   | ons  | 145,358<br>133,749<br>30,854                      | 266,981<br>200,207<br>43,678                      | 92,588<br>29,522<br>10,521                        | 142,077<br>110,997<br>26,597                    | 150,696<br>149,910<br>33,583                    | 283,028<br>219,774<br>48,746                    | 94,808<br>41,254<br>11,670                      | 147,623<br>131,591<br>28,679                    |
| 4.   | 4 Dividend Income<br>5 Other income   |  | 41<br>234   | 9,294   | 3,263   | -<br>4,559                                      | 41<br>11,654                                    | 35,065  | 5,358   | 14,675  |
| 4.1<br>5.1<br>6.1  | O TOTAL OPERATING INCO  | ME   | 310,236<br>685,921                                | 520,160<br>1,599,917                              | 135,894<br>340,760                                | 284,230<br>686,620                              | 345,884<br>796,351                              | 586,613<br>1,808,106                            | 153,090<br>392,833                              | 322,568<br>790,608                              |
| 6.<br>6.   | 1 Loan loss provision<br>2 Staff costs  | ENGLO  | 70,393<br>323,281                                 | 89,612<br>691,235                                 | 12,699<br>172,045                                 |   | 78,474<br>374,694                               | 98,144<br>793,709                               | 11,207<br>196,234                               | 89,276<br>386,297                               |
| 6.<br>6.<br>6.   | 4 Rental charges  | operty and equipment   | 36,613<br>34,765<br>29,190                        | 83,758<br>73,342<br>56,979                        | 15,735<br>14,435<br>14,120                        | 38,615<br>27,131<br>28,278                      | 38,367<br>51,552<br>34,335                      | 90,514<br>97,638<br>66,681                      | 17,063<br>22,231<br>16,518                      | 41,916<br>42,301<br>32,958                      |
| 6.<br>6.   | 6 Amortisation charges<br>7 Other operating expenses  |  | 8,591<br>80,709                                   | 17,572<br>384,843                                 | 4,922<br>55,558                                   | 9,924<br>84,157                                 | 8,677<br>117,530                                | 25,095<br>459,808                               | 7,079<br>70,952                                 | 14,136<br>115,258                               |
| 6.8<br><b>7.</b> 0<br>8.0                                | D Profit/(loss) Before Tax  |  | 583,542<br>102,379                                | 1,397,341<br>202,576                              | 289,514<br>51,246                                 | 609,436<br>77,184                               | 703,629<br>92,722                               | 1,631,589<br>176,517                            | 341,284<br>51,549                               | 722,142<br>68,466                               |
| <b>9.</b> 0  | O Profit/(Loss) After Exce Current Tax  | ptional Items  | <b>102,379</b><br>30,713                          | <b>202,576</b> 61,661                             | <b>51,246</b><br>15,374                           | <b>77,184</b> 23,155                            | <b>92,722</b><br>32,584                         | <b>176,517</b> 56,288                           | <b>51,549</b><br>4,909                          | <b>68,466</b><br>15,528                         |
|  | O Deferred Tax O Profit/(Loss) After Tax a O Minority Interest  | and Exceptional Items  | 71,666  | 3,825<br><b>137,090</b>                           | 35,872  | 54,029  | <b>60,138</b> (1,500)                           | 3,786<br><b>116,443</b><br>(4,464)              | -<br><b>46,640</b><br>761                       | <b>52,938</b> (1,762)                           |
| 14.<br>15.   | O Profit/(loss) after tax, e<br>O Other Comprehensive In  |  | 71,666  | 137,090   | 35,872  | 54,029  | 61,638  | 120,907   | 45,879  | 54,700  |
| 15.<br>15.<br>15.  | <ol><li>Fair value changes in avail</li></ol>   | slating the financial statements of foreign operations<br>able for sale financial assets<br>operty,plant and equipment   | 28,431  | 26,293  | 8,980<br>-  | 13,857<br>-                                     | 7,358<br>28,431<br>-                            | (11,943)<br>61,643                              | (14,496)<br>19,830<br>-                         | (19,905)<br>13,857<br>-                         |
| 15.<br>15.<br><b>16.</b>                                 | <ul> <li>Share of other comprehen</li> <li>Income tax relating to con</li> </ul>  |  | -<br>-<br>28,431                                  | -<br>26,293                                       | -<br>-<br>8,980                                   | -<br>-<br>13,857                                | -<br>-<br>35,789                                | -<br>49,700                                     | -<br>5,334                                      | -<br>(6,048)                                    |
| 17.  | O Total comprehensive in<br>O EARNINGS PER SHARE-   | come for the year  | 100,097<br>0.68                                   | 163,383<br>1.56                                   | <b>44,852</b><br>0.34                             |   | <b>95,927</b><br>0.57                           | 166,143<br>1.15                                 | <b>51,974</b><br>0.44                           | <b>46,890</b><br>0.50                           |
| 19.0 DIVIDEND PER SHARE -DECLARED  III OTHER DISCLOSURES |   |  |   |   |   |   |   |   |   |   |
| 1.0  | (a) Gross Non-performing<br>(b) Less: Interest in Suspe   | loans and advances<br>ense   | 3,243,135<br>601,122                              | 3,534,602<br>631,870                              | 3,597,377<br>662,370                              | 3,876,536<br>727,849                            | 3,265,049<br>602,725                            | 3,541,472<br>632,252                            | 3,600,859<br>662,432                            | 3,907,845<br>729,762                            |
|  | (d) Less: Loan Loss Provis  | g Loans and Advances (a-b)<br>ion<br>Loans and Advances(c-d)   | <b>2,642,013</b><br>308,913<br><b>2,333,100</b>   | <b>2,902,732</b><br>356,087<br><b>2,546,645</b>   | <b>2,935,007</b><br>369,640<br><b>2,565,367</b>   | <b>3,148,687</b><br>404,632<br><b>2,744,055</b> | <b>2,662,324</b><br>317,180<br><b>2,345,144</b> | <b>2,909,220</b><br>362,635<br><b>2,546,585</b> | <b>2,938,427</b><br>370,324<br><b>2,568,103</b> | <b>3,178,083</b><br>414,184<br><b>2,763,899</b> |
|  | (f) Discounted Value of Se<br>(g) Net NPLs Exposure (   | ecurities<br>e-f)  | 2,235,223<br><b>97,877</b>                        | 2,517,850<br><b>28,795</b>                        | 2,532,789<br><b>32,578</b>                        | 2,713,532                                       | 2,247,267<br><b>97,877</b>                      | 2,517,850<br><b>28,735</b>                      | 2,532,789<br><b>35,314</b>                      | 2,726,078<br><b>37,821</b>                      |
| 2.0  | <ul> <li>INSIDER LOANS AND AD         <ul> <li>(a) Directors, Shareholder</li> <li>(b) Employees</li> </ul> </li> </ul> |  | 241,992<br>511,498                                | 259,585<br>516,072                                | 255,756<br>496,259                                | 238,133<br>510,759                              | 242,258<br>511,764                              | 260,612<br>517,099                              | 258,002<br>498,505                              | 240,109<br>512,735                              |
| 3.0  | (c)Total Insider Loans at<br>O OFF-BALANCE SHEET IT   |  | 753,490   | 775,657   | 752,015   | 748,893   | 754,022   | 777,711   | 756,507   | 752,845   |
|  | (a)Letters of credit,guarar<br>(b) Forwards, swaps and o<br>(c)Other contingent liabili                                 | ptions   | 1,861,475<br>104,600<br>9,445                     | 1,244,665<br>104,800<br>15,100                    | 1,398,068<br>76,400<br>99,427                     | 1,148,062<br>253,988<br>117,839                 | 2,033,663<br>104,600<br>9,445                   | 1,473,895<br>104,800<br>15,100                  | 1,610,055<br>76,400<br>99,427                   | 1,458,681<br>253,988<br>117,839                 |
| 4.   | (d)Total Contingent Liab<br>O CAPITAL STRENGTH  |  | 1,975,520   | 1,364,565   | 1,573,895   | 1,519,889                                       | 2,147,708                                       | 1,593,795                                       | 1,785,882                                       | 1,830,508                                       |
|  | (a)Core capital<br>(b) Minimum Statutory Ca<br>(c)Excess/(Dificiency)(a-l   |  | <b>2,403,966</b><br>1,000,000<br><b>1,403,966</b> | <b>2,487,710</b><br>1,000,000<br><b>1,487,710</b> | <b>2,515,652</b><br>1,000,000<br><b>1,515,652</b> | 1,000,000                                       |   |   |   |   |
|  | (d) Supplementary Capita<br>(e) Total Capital (a+d)   | l <sup>í</sup>   | 500,935<br><b>2,904,901</b>                       | 418,447<br><b>2,906,157</b>                       | 358,441<br><b>2,874,093</b>                       | 308,441<br><b>2,833,172</b>                     |   |   |   |   |
|  | (f)Total risk weighted asso<br>(g) Core Capital/Total de<br>(h) Minimum statutory Ra                                    | eposits Liabilities  | <b>19,135,556</b><br><b>12.95%</b><br>8.00%       | <b>19,239,464</b><br><b>12.53%</b><br>8.00%       | 19,606,800<br>12.77%<br>8.00%                     | 18,817,676<br>12.42%<br>8.00%                   |   |   |   |   |
|  | (I) Excess/(Deficiency) (g-<br>(j) Core Capital / total ris   | -h)<br>sk weighted assets  | 4.95%<br>12.56%                                   | 4.53%<br>12.93%                                   | 4.77%<br>12.83%                                   | 4.42%<br>13.42%                                 |   |   |   |   |
|  | (k) Minimum Statutory Ra<br>(l) Excess (Deficiency) (j-k<br>(m) Total Capital/total r                                   | ntio<br>k)   | 10.50%<br><b>2.06%</b><br><b>15.18%</b>           | 10.50%<br><b>2.43%</b><br><b>15.11%</b>           | 10.50%<br><b>2.33%</b><br><b>14.66%</b>           | 10.50%<br><b>2.92%</b><br><b>15.06%</b>         |   |   |   |   |
|  | (n) Minimum statutory Ra<br>(o) Excess/(Deficiency) (n  | atio<br>n-n)   | 14.50%<br><b>0.68%</b>                            | 14.50%<br><b>0.61%</b>                            | 14.50%<br><b>0.16%</b>                            | 14.50%<br><b>0.56%</b>                          |   |   |   |   |
|  | <ul><li>(p) Adjusted Core Capital/</li><li>(q) Adjusted Core Capital/</li></ul>   | (Total Deposit Liabilities*<br>(Total Risk Weighted Assets*<br>(Total Risk Weighted Assets*                              |   |   | 12.88%<br>12.95%<br>14.77%                        | 12.68%<br>13.70%<br>15.34%                      |   |   |   |   |
| 5.   | D LIQUIDITY (a) Liquidity Ratio   | -  | 34.70%  | 33.95%  | 31.59%  | 32.77%  |   |   |   |   |
|  | (b) Minimum Statutory Ra<br>(c) Excess (Deficiency) (a-   | -b)  | 20.00%<br><b>14.70%</b>                           | 20.00%<br><b>13.95%</b>                           | 20.00%<br><b>11.59%</b>                           | 20.00%<br><b>12.77%</b>                         | 1   |   |   | T1  |
|  |   | ts from the books of the institution. The complete set of qu<br>d office located at ABC BankHouse , Woodvale Grove, West |   | ents, statutory and                               | ı qualitative disc                                | osures can be acce                              | ssea on the institi                             | uuon's website wv                               | w.apcthebank.co                                 | III. I ney may also                             |