

## **AFRICAN BANKING CORPORATION LTD.**

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UN-AUDITED OUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30TH JUNE 2020

-	UN-AUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30TH JUNE 2020								
ı	STATEMENT OF FINANCIAL POSITION	Bank 30th Jun 2019 Unaudited Shs '000'	Bank 31st Dec 2019 Audited Shs '000'	Bank 31st Mar 2020 Unaudited Shs '000'	Bank 30th Jun 2020 Unaudited Shs '000'	Group 30th Jun 2019 Unaudited Shs '000'	Group 31st Dec 2019 Audited Shs '000'	Group 31st Mar 2020 Unaudited Shs '000'	Group 30th Jun 2020 Unaudited Shs '000'
<b>A</b> 1 2 3 4	ASSETS Cash ( both Local & Foreign) Balances due from Central Bank of Kenya Balances due from Central Bank of Kenya Kenya Government and other securities held for dealing purposes Financial Assets at fair value through profit and loss	176,375 1,447,042	187,407 1,905,542	292,540 1,110,663	151,768 1,658,056	223,348 1,583,148	237,232 1,966,361	330,636 1,110,663	191,586 1,658,056
5	Investment Securities: a) Held to Maturity: a. Kenya Government securities b. Other securities b) Available for sale:	<b>3,039,874</b> 3,039,874 - <b>656,724</b>	<b>2,438,852</b> 2,438,852 <b>641,565</b>	<b>2,717,614</b> 2,717,614 - <b>646,525</b>	<b>2,736,390</b> 2,736,390 - <b>433,982</b>	3,480,483 3,039,874 440,609 <b>656,724</b>	<b>2,873,944</b> 2,438,852 435,092 <b>668</b> 825	3,182,880 2,717,614 465,266 646,525	<b>3,252,778</b> 2,736,390 516,388 <b>459,18</b> 2
6	A. Kenya Government securities     b. Other securities     Deposits and balances due from local banking institutions	656,724 1,885,748	641,565 1,548,732	1,943,506	433,982	1.888.107	668,825 641,565 27,260 1,450,690	646,525 646,525 1,949,461	433,982 25,200 2,451,456
7 8 9 10	Deposits and balances due from banking institutions abroad Tax recoverable Loans and advances to customers (net) Balances due from banking institutions in the group	664,751 - 15,436,166 116,553	787,779 6,465 18,723,123 14,176	692,311 6,465 18,313,662 14,316	352,506 6,465 19,217,147 67,702	883,266 14,558 15,931,718	1,217,934 20,028 19,237,311	1,070,065 21,905 18,833,107	671,72 21,19 19,773,39
11 12 13 14	Investments in associates Investments in subsidiary companies Investments in joint ventures Investment properties	890,937	890,935	890,935 - -	890,935 - -	-	-		
15 16 17 18	Property and equipment Prepaid lease rentals Intangible assets Deferred tax asset	664,991 - 111,451 81,495	715,952 - 102,937 108,520	689,077 120,727 108,520	655,628 - 118,782 108,520	705,553 - 192,114 112,278	815,963 - 180,363 108,520	781,138 - 195,966 140,220	745,603 190,09 108,52
19 20 21 <b>B</b>	Betirement benefit asset Other assets TOTAL ASSETS LIABILITIES	2,961,713 <b>28,133,820</b>	608,502 <b>28,680,487</b>	1,069,227 <b>28,616,088</b>	1,061,517 <b>29,905,320</b>	2,981,774 <b>28,653,071</b>	618,582 <b>29,395,753</b>	1,090,338 <b>29,352,904</b>	1,038,13 <b>30,561,72</b>
22 23 24 25 26 27	Balances due to Central Bank of Kenya Customer deposits Deposits and balances due to local banking institutions	21,686,577 15,297	22,648,711 90,371	22,429,279 43,770	23,739,944 86,381	22,080,889 15,297	23,261,426 90,371	22,949,443 43,770	24,324,79 86,38
25 26 27 28	Deposits and balances due to foreign banking institutions Other money market deposits Borrowed funds Balances due to banking institutions in the group	264,430 2,097,811 86,412	241,443 1,128,335 111,786	234,821 1,184,111 137,188	223,587 - 1.224.285	264,430	241,443 1,128,335	1,238,032	274,06 1,224,28
28 29 30 31	Darantes due to banking insulations in the group Tax payable Dividends payable Deferred tax liability Retirement benefit liability	15,492		10,734	142,522 17,595 -	19,782	94	13,382	22,25 13
32 33 34 <b>C</b>	Other liabilities TOTAL LIABILITIES SHAREHOLDERS' FUNDS	345,276 <b>24,511,295</b>	770,358 <b>24,991,004</b>	858,139 <b>24,898,042</b>	740,269 <b>26,174,583</b>	561,801 <b>25,040,010</b>	1,010,667 <b>25,732,336</b>	1,188,070 <b>25,667,648</b>	927,06 <b>26,858,97</b>
35 36 37 38	Paid up /Assigned capital Share premium/(discount) Revaluation reserves Retained earnings/Accumulated losses	1,050,000 - 21,891 2,550,634	1,050,000 - 5,501 1,986,802	1,050,000 - 9,019 2,011,847	1,050,000 5,699 2,027,858	1,050,000 (95,653) 2,530,645	1,050,000 (90,063) 1,945,345	1,050,000 - (88,308) 1,963,998	1,050,000 (89,865 1,985,10 647,18
39 40 41	Statutory loan loss reserves Other Reserves Proposed dividends		647,180	647,180	647,180	(133,948)	1,945,345 647,180 (133,349)	647,180 (124,779)	647,18 (129,474
42 43 44 45	Capital grants TOTAL SHAREHOLDERS' FUNDS Minority Interest TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	3,622,525 28,133,820	3,689,483 28,680,487	3,718,046 - 28,616,088	3,730,737 29,905,320	<b>3,351,044</b> 262,017 <b>28,653,071</b>	3,419,113 244,304 29,395,753	3,448,091 237,165 29,352,904	<b>3,462,94</b> : 239,809 <b>30,561,72</b> :
1.1 1.2	TOTAL LIBERTIES AND SHAREHOLDERS' FUNDS STATEMENT OF COMPREHENSIVE INCOME INTEREST INCOME Loans and advances Government securities	1,116,834 192,791	2,720,292 364,869	668,891 98,106	1,261,659 186,088	1,170,105 216,912	2,831,001 403,857	693,594 106,503	1,313,25 209,10
1.3 1.4 1.5	Deposits and placements with banking institutions Other Interest Income Total interest income	38,392 1,348,017	72,206 <b>3,157,367</b>	18,540 <b>785,537</b>	39,982 1,487,729	48,644 <b>1,435,661</b>	89,108 319 <b>3,324,285</b>	22,809 <b>822,906</b>	48,86 <b>1,571,22</b>
2.0 2.1 2.2	INTEREST EXPENSE Customer deposits Deposits and placement from banking institutions	782,771 7,474	1,774,542 12,398	455,729 3,167 32,005	903,372 6,298	789,203 8,705	1,782,247 14,110	458,384 3,555	908,50 6,50 63,67 <b>978,69</b>
2.3 2.4 <b>3.0</b>	Other interest expenses Total interest expenses NET INTEREST INCOME/(LOSS)	63,521 <b>853,766</b> <b>494,251</b>	179,345 <b>1,966,285</b> <b>1,191,082</b>	490,901 294,636	63,679 <b>973,349</b> <b>514,380</b>	63,521 <b>861,429</b> <b>574,232</b>	182,732 <b>1,979,089</b> <b>1,345,196</b>	32,005 <b>493,944</b> <b>328,962</b>	978,693 592,528
<b>4.0</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)	79,560 54,398 38,941	219,069 120,328 80,345	70,845 28,819 18,477	128,012 50,137 39,742	83,853 73,241 41,216	238,356 143,945 92,534	74,613 38,339 21,377	135,533 69,348 44,01
4.4 4.5 4.6 <b>5.0</b>	Dividend Income Other income Total Non-interest income TOTAL OPERATING INCOME	234 173,133 667,384	5,193 <b>424,935</b> <b>1,616,017</b>	117 118,258 412,894	6,727 <b>224,618</b> <b>738,998</b>	7,774 206,084 780,316	29,398 <b>504,233</b> <b>1,849,429</b>	3,812 <b>138,141</b> <b>467,103</b>	13,76: <b>262,65</b> : <b>855,18</b> :
<b>6.0</b> 6.1 6.2	OTHER OPERATING EXPENSES Loan loss provision Staff costs	27,894 355,571	61,402 742,146	15,845 202,642	30,040 351,694 43,736	24,876 401,140	56.825	18,682 226,906 20,544	
6.3 6.4 6.5 6.6	Directors' emoluments Rental charges Depreciation charge on property and equipment Amortisation charges	39,947 29,220 26,670 10,315	82,535 302 119,168 20,790	19,286 71 29,812 5,609	43,736 106 59,373 11,443	43,312 43,379 31,378 15,382	840,833 90,330 4,040 158,355 20,806	20,544 1,416 36,151 8,169	33,30; 398,91 46,25; 62; 71,63; 16,56
6.7 6.8 <b>7.0</b>	Other operating expenses Total Other Operating Expenses Profit/(loss) Before Tax and Exceptional Items	126,128 615,745 51,639	425,417 1,451,760 164,257	103,850 <b>377,115</b> <b>35,779</b>	183,955 <b>680,347</b> <b>58,651</b>	167,574 <b>727,041</b> <b>53,275</b>	508,047 1,679,236 170,193	124,650 <b>436,518</b> <b>30,585</b>	224,68 <b>791,98</b> <b>63,20</b>
8.0 <b>9.0</b> 10.0 11.0	Exceptional Items Profit(Loss) After Exceptional Items Current Tax Deferred Tax	<b>51,639</b> 15,492	164,257 87,842 (43,080)	<b>35,779</b> 10,734	<b>58,651</b> 17,595	<b>53,275</b> 19,782	170,193 98,340 (11,495)	<b>30,585</b> 13,382	<b>63,20</b> : 22,25
<b>12.0</b> 13.0 <b>14.0</b> <b>15.0</b>	Deferred Tax Profit/(Loss) After Tax and Exceptional Items Minority Interest Profit/(loss) after tax, exceptional items and Minority Interest Other Comprehensive Income	36,147 36,147	119,495	25,045 25,045	41,056 41,056	<b>33,493</b> 940 <b>32,553</b>	(11,495) <b>83,348</b> (11,082) <b>94,430</b>	17,203 (1,448) 18,651	<b>40,94</b> 1,19 <b>39,75</b>
15.1 15.2 15.3	Gains/(Losses) from translating the financial statements of foreign operations Fair value changes in available for sale financial assets Revaluation surplus on Property plant and equipment	29,560	13,170	3,518	198 -	(12,759) 13,810	(12,160) (2,230)	8,570 3,518	3,87 (31,722
16.0	Share of other comprehensive income of associates Income tax relating to components of other comprehensive income Other Comprehensive Income for the year net of tax  Total comprehensive income for the year	29,560 65,707	13,170 132,665	3,518 28,563	198 41,254	1,051 34,544	(14,390) 68,958	12,088 29,291	(27,847 13,10
18.0 19.0 III 1.0	EARNINGS PER SHARE- BASIC & DILUTED DIVIDEND PER SHARE - DECLARED OTHER DISCLOSURES NON-PERFORMING LOANS AND ADVANCES	0.34	1.14	0.24	0.39	0.31	0.90	0.18	0.38
	(a) Gross Non-performing loans and advances (b) Less: Interest in Suspense (c) Total Non-Performing Loans and Advances (a-b)	4,275,876 737,612 <b>3,538,264</b> 675,731	3,556,700 737,774 <b>2,818,926</b> 653,915	3,509,276 738,976 <b>2,770,300</b> 666,345	3,547,772 739,916 <b>2,807,856</b> 674,081	4,291,296 741,015 <b>3,550,281</b> 681,803	3,604,427 737,774 <b>2,866,653</b> 665,570	3,548,748 745,823 <b>2,802,925</b> 671,592	3,589,835 749,355 <b>2,840,48</b> 679,67
2.0	(c) Less. Loval Loss Flovision (e) Net Non-Performing Loans and Advances(c-d) (f) Discounted Value of Securities (g) Net NPLs Exposure (e-f) INSIDER LOANS AND ADVANCES	<b>2,862,533</b> 2,862,533	2,165,011 2,086,502 78,509	<b>2,103,955</b> 1,971,081 <b>132,874</b>	<b>2,133,775</b> 1,939,028 <b>194,747</b>	<b>2,868,478</b> 2,868,478	<b>2,201,083</b> 2,122,574 <b>78,509</b>	<b>2,131,333</b> 1,998,459 <b>132,874</b>	<b>2,160,81</b> 1,966,06 <b>194,74</b>
	(a) Directors, Snarenoiders and Associates (b) Employees	298,136 487,876 <b>786,012</b>	273,370 465,882 <b>739,252</b>	258,194 436,387 <b>694,581</b>	250,404 444,072 <b>694,476</b>	298,931 488,671 <b>787,602</b>	275,840 468,352 <b>744,192</b>	259,599 437,792 <b>697,391</b>	251,72 445,39 <b>697,12</b>
3.0	(c) Total Insider Loans and Advances and other facilities OFF-BALANCE SHEET ITEMS (a)Letters of credit,guarantees, acceptances (b) Forwards, swaps and options (c)Other contingent liabilities	716,458 806,188 106.682	1,409,333 841,867 424,907	1,382,940 536,190 141,265	1,085,293 896,246 84,446	725,472 806,188 106,682	1,546,751 841,867 424,907	1,468,298 536,190 141,265	1,141,48 896,24 84,44
4.0	(c)Other contingent liabilities (d)Total Contingent Liabilities CAPITAL STRENGTH (a)Core capital (b) Minimum Statutory Capital	1,629,328	2,676,107 2,428,895	2,060,395	2,065,985 2,449,423	1,638,342	2,813,525	2,145,753	2,122,17
	(a) Cote Capital (b) Minimum Statutory Capital (c) Excess/(Dificiency/(a-b) (d) Supplementary Capital (e) Total Capital (a+d) (f) Total risk weighted assets (g) Core Capital/Total deposits Liabilities (b) Misiers See See See See See See See See See Se	1,000,000 1,974,652 16,667 2,991,319	1,000,000 <b>1,428,895</b> 647,180 <b>3,076,075</b>	1,000,000 1,441,418 647,180 3,088,598	1,000,000 <b>1,449,423</b> 647,180 <b>3,096,603</b>				
	(I) I I I I I I I I I I I I I I I I I I	20,188,398 13.70% 8.00% 5.70%	3,076,075 20,005,291 10.69% 8.00% 2.69%	20,440,928 10.87% 8.00% 2.87%	3,096,603 21,306,921 10.27% 8.00% 2.27%				
	(j) Core Capital / total risk weighted assets (k) Minimum Statutory Ratio (l) Excess (Deficiency) (j-k) (m) Total Capital/total risk weighted assets	14.73% 10.50% 4.23% 14.82%	12.14% 10.50% 1.64% 15.38%	11.94% 10.50% 1.44% 15.11%	11.50% 10.50% 1.00%				
	(g) Core Capital/Total deposits Liabilities (h) Minimum statutory Ratio (l) Excess/(Deficiency) (g-h) (g) Core Capital / total risk weighted assets (k) Minimum Statutory Ratio (l) Excess (Deficiency) (j-k) (m) Total Capital/total risk weighted assets (n) Minimum statutory Ratio (o) Excess/(Deficiency) (m-n) (p) Adjusted Core Capital/Total Deposit Liabilities* (q) Adjusted Core Capital/Total Risk Weighted Assets* (r) Adjusted Total Capital/Total Risk Weighted Assets* LQUIDITY	14.50% <b>0.32%</b> <b>14.18%</b>	14.50% <b>0.88%</b> <b>11.13%</b>	14.50% 0.61% 11.28% 12.40%	14.53% 14.50% 0.03% 10.65%				
5.0	(q) Adjusted Core Capital/Total Risk Weighted Assets* (r) Adjusted Total Capital/Total Risk Weighted Assets* LIQUIDITY (a) Liquidity Ratio	15.26% 15.34% 33.64%	12.63% 15.87% 31.08%	15.56% 30.70%	11.91% 14.95% 31.13%				
	(a) Liquidity Ratio (b) Minimum Statutory Ratio (c) Excess (Deficiency) (a-b)	20.00% <b>13.64%</b>	20.00% 11.08%	20.00% <b>10.70%</b>	20.00% 11.13%	- id i- A			

\*The adjusted capital ratios include the expected credit loss provisions added back to capital in line with the Central Bank of Kenya Guidance note issued in April 2018 on implementation of IFRS 9.

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 ABC Bank House, Woodvale Grove, Westlands Nairobi.