

## **AFRICAN BANKING CORPORATION LTD.**

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UN-AUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30TH JUNE 2021

|  | UN-AUDITED QUARTERLY FINANC   |  |  |  |  |   |  |   |  |
|--|---|--|--|--|--|---|--|---|--|
|  | STATEMENT OF FINANCIAL POSITION   | 30th Jun<br>2020<br>Unaudited                    | Bank<br>31st Dec<br>2020<br>Audited                          | 31st Mar<br>2021<br>Unaudited                                | 30th Jun<br>2021<br>Unaudited                                | Group<br>30th Jun<br>2020<br>Unaudited            | Group<br>31st Dec<br>2020<br>Audited                         | Group<br>31st Mar<br>2021<br>Unaudited              | Group<br>30th Jun<br>2021<br>Unaudited                     |
| <b>A</b> 1   | ASSETS Cash (both Local & Foreign) Balances due from Central Bank of Kenya  | Shs '000'<br>151,768                             | Shs '000'<br>124,826   | Shs '000'<br>148,982   | Shs '000'<br>162,694   | Shs '000'<br>191,586                              | Shs '000'<br>197,788   | Shs '000'<br>221,653                                | Shs '000'<br>202.868                                       |
| 2<br>3<br>4  | Balances due from Central Bank of Kenya<br>Kenya Government and other securities held for dealing purposes<br>Financial Assets at fair value through profit and loss  | 1,658,056  | 1,766,330  | 2,088,092  | 3,715,246  | 1,658,056   | 1,766,330  | 2,088,092   | 3,715,246  |
| 5  | Investment Securities: a) Held to Maturity: a Kenya Government securities   | <b>2,736,390</b> 2,736,390                       | <b>3,391,508</b> 3,391,508                                   | <b>3,025,970</b><br>3,025,970                                | <b>3,069,819</b><br>3,069,819                                | <b>3,252,778</b> 2 736 390                        | <b>3,883,305</b><br>3,391,508<br>491,797                     | <b>3,393,216</b>                                    | <b>3,363,784</b><br>3,069,819                              |
|  | b. Other securities b) Available for sale:  | 433,982  | 100,830  | 101,208<br>101,208   | -  | <b>3,252,778</b> 2,736,390 516,388 <b>459,182</b> | 491,797<br><b>129,678</b><br>100,830                         | 3,025,970<br>367,246<br><b>159,815</b><br>101,208   | <b>3,363,784</b><br>3,069,819<br>293,965<br><b>127,650</b> |
| 6  | A. Kenya Government securities     Other securities     Deposits and balances due from local banking institutions     Deposits and balances due from banking institutions abroad  | 433,982<br>2,445,922                             | 100,830<br>2,872,746   | 2.885.969  | _  | 433,982<br>25,200<br>2,451,456                    | 28,848<br>2,886,330  | 58,607<br>2,889,497                                 | 98,307<br>29,343<br>2,273,129                              |
| 7<br>8<br>9  |   | 352,506<br>6,465<br>19,217,147                   | 1,017,528<br>18,429<br>20,977,479                            | 1,220,275<br>18,429<br>21,512,004<br>43,711                  | 2,266,703<br>1,074,511<br>18,429<br>21,456,518               | 671,727<br>21,194<br>19,773,392                   | 1,374,040<br>34,535<br>21,712,483                            | 1,747,312<br>31,774<br>22,200,311                   | 1,516,409<br>31,671<br>22,084,645                          |
| 10<br>11<br>12   | Loans and advances to customers (net) Balances due from banking institutions in the group Investments in associates Investments in subsidiary companies   | 67,702<br>890,935                                | 123,646<br>890,935   | 43,711<br>-<br>890,935                                       | 72,659<br>890,935  | -   | -  | -   | -  |
| 13<br>14<br>15<br>16                                     | Investments in subsidiary companies Investments in jubidiary companies Investment properties Property and equipment Prepaid lease rentals   | 655,628  | 598,208  | 572,107  | 563,255  | 745,603   | 677,580  | 649,225   | 630,784  |
| 16<br>17<br>18   | Prepaid lease rentals Intangible assets Deferred tax asset  | 118,782<br>108,520                               | 105,911<br>177,930   | 100,909<br>177,930   | 95,077<br>177,930  | 190,097<br>108,520                                | 177,098<br>177,930   | 168,402<br>177,930                                  | 159,799<br>177,930   |
| 19<br>20<br>21   | Determed tax asset Retirement benefit asset Other assets TOTAL ASSETS   | 1,061,517  | 477,061  | 383,626  | 652,188  | 1,038,134   | 468,280  | 441,211   | 720,987<br><b>35,004,902</b>                               |
| В  | LIABILITIES   | 29,905,320                                       | 32,643,367   | 33,170,147   | 34,314,271   | 30,561,725  | 33,485,377   | 34,168,438  | 35,004,902   |
| 22<br>23<br>24   | Balances due to Central Bank of Kenya<br>Customer deposits<br>Deposits and balances due to local banking institutions   | 23,739,944<br>86,381<br>223,587                  | 27,299,461<br>45,796   | 28,164,022<br>30,709   | 121  | 24,324,793<br>86,381                              | 27,966,410<br>45,796   | 28,812,043<br>30,709                                | 29,740,755<br>121  |
| 25<br>26<br>27   | Customer deposits Deposits and balances due to local banking institutions Deposits and balances due to foreign banking institutions Other money market deposits Borrowed funds  | 1.224.285  | 736,637<br>116,910   | 109.905  | 547,975<br>108.868   | 274,067<br>1,224,285                              | 736,884<br>116,910   | 109,905   | 563,495<br>108,868   |
| 20<br>29   | Tax navable   | 142,522<br>17,595                                | 65,232   | 7,820<br>9,389   | 202,870<br>16,137  | 22,254  | -  | 9,389   | 16,137   |
| 24<br>25<br>26<br>27<br>28<br>29<br>30<br>31<br>32<br>33 | Dividends payable Deferred tax liability Retirement benefit liability Other liabilities   | 740.260  | E63 0E0  | 262 027  | 419.679  | 130   | 99   | 143   | -<br>-<br>710 07/  |
| 34   | TOTAL LIABILITIES   | 740,269<br><b>26,174,583</b>                     | 563,050<br><b>28,827,086</b>                                 | 363,927<br><b>29,334,576</b>                                 | 30,462,884   | 927,064<br><b>26,858,974</b>                      | 787,688<br><b>29,653,787</b>                                 | 669,276<br><b>30,330,725</b>                        | 718,874<br><b>31,148,250</b>                               |
| 35<br>36   | SHAREHOLDERS' FUNDS Paid up /Assigned capital Share premium/(discount)  | 1,050,000  | 1,050,000  | 1,050,000  | 1,050,000  | 1,050,000   | 1,050,000  | 1,050,000   | 1,050,000  |
| 35<br>36<br>37<br>38<br>39<br>40                         | Share premium/(discount) Revaluation reserves Retained earnings/Accumulated losses Statutory loan loss reserves Other Reserves  | 5,699<br>2,027,858<br>647,180                    | 721<br>2,092,048<br>673,512                                  | (1,897)<br>2,113,956<br>673,512                              | (1,827)<br>2,129,702<br>673,512                              | (89,865)<br>1,985,101<br>647,180<br>(129,474)     | (149,653)<br>2,046,354<br>673,512                            | (160,569)<br>2,066,193<br>673,512                   | (157,179)<br>2,083,110<br>673,512                          |
| 40<br>41<br>42<br>43                                     | Other Reserves Proposed dividends Capital grants TOTAL SHAREHOLDERS' FUNDS  | -  | -  | -  | -  | -   | (61,058)   | (64,795)  | (65,036)   |
| 43<br>44<br>45   | TOTAL SHAREHOLDERS' FUNDS Minority Interest TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS   | 3,730,737<br>29.905.320                          | 3,816,281<br>32,643,367                                      | 3,835,571<br>33.170.147                                      | 3,851,387<br>34,314,271                                      | <b>3,462,942</b><br>239,809<br><b>30,561,725</b>  | <b>3,559,155</b><br>272,435<br><b>33,485,377</b>             | <b>3,564,341</b><br>273,372<br><b>34,168,438</b>    | 3,584,407<br>272,245<br>35,004,902                         |
| 1.0  | STATEMENT OF COMPREHENSIVE INCOME INTEREST INCOME   |  |  |  |  |   |  |   |  |
| 1.1<br>1.2<br>1.3  | Loans and advances Government securities  | 1,261,659<br>186,088<br>39,982                   | 2,686,710<br>404,203<br>91,107                               | 549,496<br>101,820<br>49,954                                 | 1,171,190<br>206,166<br>102,738                              | 1,313,251<br>209,109<br>48,861                    | 2,803,240<br>452,048<br>101,912                              | 584,235<br>111,264<br>54,512                        | 1,241,063<br>222,525<br>112,283                            |
| 1.4<br>1.5   | Deposits and placements with banking institutions<br>Other Interest Income<br>Total interest income   | 1,487,729  | 3,182,020  | 701,270  | 1,480,094  | 1,571,221   | 3,357,200  | 750,011   | 1,575,871  |
| <b>2.0</b><br>2.1  | INTEREST EXPENSE Customer deposits Deposits and placement from banking institutions   | 903,372  | 1,862,340  | 492,988  | 986,141  | 908,506   | 1,871,401  | 495,550   | 990,645  |
| 2.2<br>2.3<br>2.4  | Other interest expenses Total interest expenses NET INTEREST INCOME/(LOSS)  | 6,298<br>63,679<br><b>973,349</b>                | 10,279<br>63,233<br><b>1,935,852</b>                         | 1,213<br>5,193<br><b>499,394</b>                             | 2,465<br>10,797<br><b>999,403</b>                            | 6,508<br>63,679<br><b>978,693</b>                 | 7,548<br>69,010<br><b>1,947,959</b>                          | 2,062<br>5,193<br><b>502,805</b>                    | 3,937<br>10,797<br><b>1,005,379</b><br><b>570,492</b>      |
| 4.0  | NON-INTEREST INCOME  Fees and commissions on loans and advances   | 514,380  | 1,246,168  | 201,876  | 480,691  | 592,528   | 1,409,241  | 247,206   |  |
| 4.1<br>4.2<br>4.3  | Other fees and commissions Foreign exchange trading income/(Loss)   | 128,012<br>50,137<br>39,742                      | 207,413<br>123,658<br>59,619                                 | 97,781<br>25,496<br>26,600                                   | 139,278<br>55,012<br>45,715                                  | 135,533<br>69,348<br>44,015                       | 229,829<br>146,045<br>69,819                                 | 99,532<br>34,126<br>28,935                          | 143,966<br>74,525<br>50,270                                |
| 4.4<br>4.5<br>4.6  | Other income  | 6,727<br><b>224,618</b>                          | 40 700   | 19.905   | 53.989   | 13.762  | 59 779   | 22.980  | 63.027   |
| 5.0<br>6.0   | Total Non-interest income TOTAL OPERATING INCOME OTHER OPERATING EXPENSES   | 738,998  | 431,390<br>1,677,558   | 169,782<br>371,658   | 293,994<br>774,685   | 262,658<br>855,186                                | 505,472<br>1,914,713   | 185,573<br>432,779                                  | 331,788<br>902,280   |
| 6.1<br>6.2   | Loan loss provision<br>Staff costs  | 30,040<br>351,694                                | 153,387<br>706,833   | 15,193<br>180,828  | 43,851<br>373,544  | 33,308<br>398,911<br>46,253                       | 158,469<br>801,027   | 21,354<br>204,608<br>21,125                         | 64,497<br>421,238<br>50,660                                |
| 6.3<br>6.4<br>6.5  | Directors' emoluments Rental charges Depreciation charge on property and equipment Amortisation charges   | 43,736<br>106<br>59,373                          | 87,683<br>961<br>116,884                                     | 19,863<br>1,068<br>27,090                                    | 48,136<br>1,463<br>53,958                                    | 71,632  | 94,526<br>2,034<br>152,407                                   | 1,347<br>33,442                                     | 2,021<br>66,631  |
| 6.6<br>6.7<br>6.8  | Amonisation cardiges Other operating expenses Total Other Operating Expenses Profit/(loss) Before Tax and Exceptional Items Exceptional Items   | 11,443<br>183,955<br><b>680,347</b>              | 23,056<br>441,561<br><b>1,530,365</b>                        | 1,068<br>27,090<br>5,833<br>90,486<br><b>340,361</b>         | 11,665<br>188,277<br><b>720,894</b>                          | 16,564<br>224,686<br><b>791,983</b>               | 23,064<br>525,652<br><b>1,757,179</b>                        | 8,605<br>110,246<br><b>400,727</b>                  | 2,021<br>66,631<br>17,110<br>223,518<br><b>845,675</b>     |
| <b>7.0</b><br>8.0<br><b>9.0</b>                          | Profit(loss) Before Tax and Exceptional Items Exceptional Items Profit(Loss) After Exceptional Items Current Tax  | 58,651   | 147,193  | 31,297   | 53,791   | 63,203  | 157,534  | 32,052  | 56,605   |
|  |   | <b>58,651</b><br>17,595<br><b>41,056</b>         | 147,193<br>85,025<br>(69,410)<br>131,578                     | 31,297<br>9,389<br>21,908                                    | <b>53,791</b><br>16,137<br><b>37,654</b>                     | 63,203<br>22,254<br>40,949                        | <b>157,534</b><br>96,946<br>(69,404)<br><b>129,992</b>       | 32,052<br>11,278<br>20,774                          | <b>56,605</b> 20,043 <b>36,562</b>                         |
| 13.0<br>14.0<br>15.0                                     | Deterred lax Profit/(Loss) After Tax and Exceptional Items Minority Interest Profit/(loss) after tax, exceptional items and Minority Interest Other Comprehensive Income Gains/(Losses) from translating the financial statements of foreign operations Fair value changes in available for sale financial assets   | 41,056   | 131,578  | 21,908   | 37,654   | 1,196<br><b>39,753</b>                            | 2,651<br><b>127,341</b>                                      | 937<br><b>19,837</b>                                | (190)<br><b>36,752</b>                                     |
| 15.1<br>15.2   | Gains/(Losses) from translating the financial statements of foreign operations<br>Fair value changes in available for sale financial assets   | 198  | (4,780)  | (2,618)  | (2,548)  | 3,875<br>(31,722)                                 | 72,291<br>(34,110)   | (3,737)<br>(2,618)                                  | (3,978)<br>(1,148)   |
| 15.3<br>15.4<br>15.5                                     | Revaluation surplus on Property,plant and equipment<br>Share of other comprehensive income of associates<br>Income tax relating to components of other comprehensive income   |  |  | <u>.</u>   |  |   |  |   |  |
|  | Income tax relating to components of other comprehensive income Other Comprehensive Income for the year net of tax Total comprehensive income for the year  | 198<br>41,254                                    | (4,780)<br>126,798   | (2,618)<br>19,290  | (2,548)<br>35,106  | (27,847)<br>13,102                                | 38,181<br>168,173  | (6,355)<br>14,419                                   | (5,126)<br>31,436  |
|  | EARNINGS PER SHARE- BASIC & DILUTED DIVIDEND PER SHARE -DECLARED  | 0.39   | 1.25   | 0.21   | 0.36   | 0.38  | 1.21   | 0.19  | 0.35   |
|  | OTHER DISCLOSURES NON-PERFORMING LOANS AND ADVANCES   | 0.545  | 0.404.55   | 0.7.2  | 0.000  | 0.500.500   | 0.100  | 0.505 - :   | 0.121 = 1  |
|  |   | 3,547,772<br>739,916<br><b>2,807,856</b>         | 3,424,863<br>746,824<br><b>2,678,039</b>                     | 3,540,145<br>749,071<br><b>2,791,074</b>                     | 3,373,554<br>746,873<br><b>2,626,681</b>                     | 3,589,833<br>749,352<br><b>2,840,481</b>          | 3,469,439<br>746,824<br><b>2,722,615</b>                     | 3,587,749<br>762,014<br><b>2,825,735</b><br>804,993 | 3,424,741<br>763,259<br><b>2,661,482</b>                   |
|  | (a) Gloss Noti-petionling loans and advances (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) (f) Discounted Value of Securities (g) Net NPLs Exposure (e-f)   | 674,081<br><b>2,133,775</b><br>1,939,028         | <b>2,678,039</b><br>760,528<br><b>1,917,511</b><br>1,738,272 | <b>2,791,074</b><br>785,235<br><b>2,005,839</b><br>1,755,989 | <b>2,626,681</b><br>807,079<br><b>1,819,602</b><br>1,537,527 | 679,671<br><b>2,160,810</b><br>1,966,063          | <b>2,722,615</b><br>772,315<br><b>1,950,300</b><br>1,771,061 | 804,993<br><b>2,020,742</b><br>1,770,892            | 2,661,482<br>836,517<br>1,824,965<br>1,542,890             |
|  |   | 194,747  | 179,239  | 249,850  | 282,075  | 194,747   | 179,239  | 249,850   | 282,075  |
| 2.0  | INSIDER LOANS AND ADVANCES (a) Directors, Shareholders and Associates (b) Employees (c) The Work Loans and Advances and other facilities  | 250,404<br>444,072                               | 265,008<br>457,792<br><b>722,800</b>                         | 263,367<br>479,246<br>742,613                                | 261,192<br>473,494<br><b>734,687</b>                         | 251,729<br>445,397<br><b>697,126</b>              | 266,207<br>458,991<br><b>725,198</b>                         | 263,800<br>479,679<br><b>743,479</b>                | 261,198<br>473,500<br><b>734,698</b>                       |
| 3.0  | (c) Total Insider Loans and Advances and other facilities  OFF-BALANCE SHEET ITEMS  | 694,476  | •  | 742,613  |  |   |  |   |  |
|  | OFF-BALANCE SHEET ITEMS (a) Letters of credit, guarantees, acceptances (b) Forwards, swaps and options (c) Other contingent liabilities (d) Total Contingent Liabilities  | 1,085,293<br>896,246<br>84,446                   | 1,903,324<br>706,097<br>606,966                              | 1,930,806<br>321,891<br>939,414                              | 1,930,806<br>321,891<br>939,414                              | 1,141,486<br>896,246<br>84,446                    | 1,949,136<br>706,097<br>606,966                              | 1,973,197<br>321,891<br>939,414                     | 1,984,812<br>321,891<br>939,414                            |
|  |   | 2,065,985  | 3,216,387  | 3,192,111  | 3,192,111  | 2,122,178   | 3,262,199  | 3,234,502   | 3,246,117  |
| -  | CAPITAL STRENGTH (a) Core capital (b) Minimum Statutory Capital (c) Excess/(Diffciency)(a-b) (d) Supplementary Capital (e) Total Capital (A-d) (f) Total risk weighted assets (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) (g-h) (g-k) (b) Excess (Deficiency) (g-k) (m) Total Capital/total risk weighted assets (k)Minimum Statutory Ratio (l) Excess (Deficiency) (g-k) (m) Total Capital/total risk weighted assets (n) Minimum statutory Ratio | 2,449,423<br>1,000,000<br>1,449,423              | <b>2,534,141</b> 1,000,000 <b>1,534,141</b>                  | <b>2,545,095</b> 1,000,000 <b>1,545,095</b>                  | <b>2,552,968</b> 1,000,000 <b>1,552,968</b>                  |   |  |   |  |
|  | (d) Supplementary Cápital (e) Total Capital (a+d) (f) Total I sisk weighted assets  | 647,180<br><b>3,096,603</b><br><b>21,306,921</b> | 673,512<br><b>3,207,653</b><br><b>21,094,790</b>             | 673,512<br><b>3,218,607</b><br><b>21,424,956</b>             | 1,552,968<br>673,512<br>3,226,480<br>21,721,228              |   |  |   |  |
|  | (g) Core Capital/Total deposits Liabilities (f) Minimum statutory Ratio   | 10.27%<br>8.00%<br>2.27%                         | <b>9.10%</b> 8.00%   | <b>8.89%</b><br>8.00%  | <b>8.63%</b><br>8.00%  |   |  |   |  |
|  | (i) Core Capital / total risk weighted assets (k)Minimum Statutory Ratio  | 11.50%   | 1.10%<br>12.01%<br>10.50%                                    | <b>0.89%</b><br><b>11.88%</b><br>10.50%                      | 0.63%<br>11.75%<br>10.50%                                    |   |  |   |  |
|  | (n) Excess (Deliciency) (1-xik<br>(m)Total Capital/total risk weighted assets<br>(n) Minimum statutory Ratio  | 1.00%<br>14.53%<br>14.50%                        | 1.51%<br>15.21%<br>14.50%                                    | 1.38%<br>15.02%<br>14.50%                                    | 1.25%<br>14.85%<br>14.50%                                    |   |  |   |  |
|  | in) Minimum statutory Ratio (o) Excess/(Deficiency) (m-n) (p) Adjusted Core Capital/Total Deposit Liabilities* (q) Adjusted Total Capital/Total Risk Weighted Assets* (r) Adjusted Total Capital/Total Risk Weighted Assets*  | 0.03%<br>10.65%<br>11.91%                        | 0.71%<br>9.41%<br>12.42%                                     | 0.52%<br>9.19%<br>12.27%                                     | 0.35%<br>8.91%<br>12.14%                                     |   |  |   |  |
| 5.0  | LIQUIDITY   | 14.95%   | 15.61%   | 15.41%   | 15.24%   |   |  |   |  |
|  | (a) Liquidity Ratio<br>(b) Minimum Statutory Ratio<br>(c) Excess (Deficiency) (a-b)   | <b>31.13%</b> 20.00% <b>11.13%</b>               | 28.78%<br>20.00%<br>8.78%                                    | <b>27.41%</b> 20.00% <b>7.41%</b>                            | <b>30.12%</b> 20.00% <b>10.12%</b>                           |   |  |   |  |
|  |   | ,  |  |  |  |   |  |   |  |

\*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.