



# AFRICAN BANKING CORPORATION LTD

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## UN-AUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 31ST MARCH 2018

I STATEMENT OF FINANCIAL POSITION		Bank 31st Mar 2017 Audited Shs'000'	Bank 31st Dec 2017 Audited Shs'000'	Bank 31st Mar 2018 Unaudited Shs'000'	Group 31st Mar 2017 Unaudited Shs'000'	Group 31st Dec 2017 Audited Shs'000'	Group 31st Mar 2018 Unaudited Shs'000'
<b>A ASSETS</b>							
1 Cash (both Local & Foreign)		186,141	227,987	236,166	254,718	288,105	288,875
2 Balances due from Central Bank of Kenya		1,304,344	2,117,602	1,467,055	1,377,968	2,250,472	1,757,559
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:		<b>2,906,885</b>	<b>2,791,871</b>	<b>2,873,590</b>	<b>3,324,858</b>	<b>3,234,711</b>	<b>3,369,678</b>
a. Kenya Government securities		2,906,885	2,791,871	2,873,590	2,906,885	2,791,871	2,873,590
b. Other securities		-	-	-	417,973	442,840	496,088
b) Available for sale:		<b>510,578</b>	<b>533,402</b>	<b>539,539</b>	<b>510,578</b>	<b>533,402</b>	<b>539,539</b>
a. Kenya Government securities		510,578	533,402	539,539	510,578	533,402	539,539
b. Other securities		-	-	-	-	-	-
6 Deposits and balances due from local banking institutions		371,149	884,749	1,052,090	455,181	892,527	1,074,972
7 Deposits and balances due from banking institutions abroad		565,171	640,339	463,807	692,323	946,108	373,711
8 Tax recoverable		19,219	6,154	6,154	33,982	19,970	20,627
9 Loans and advances to customers (net)		13,656,946	15,382,987	14,155,737	14,097,299	15,905,885	14,643,822
10 Balances due from banking institutions in the group		12,912	13,301	13,619	-	-	-
11 Investments in associates		-	-	-	-	-	-
12 Investments in subsidiary companies		885,405	885,405	885,405	-	-	-
13 Investments in joint ventures		-	-	-	-	-	-
14 Investment properties		-	-	-	-	-	-
15 Property and equipment		512,251	494,716	492,646	542,693	547,890	542,593
16 Prepaid lease rentals		-	-	-	-	-	-
17 Intangible assets		119,036	129,680	124,758	119,818	212,027	202,836
18 Deferred tax asset		25,084	21,260	21,260	32,027	41,763	41,301
19 Retirement benefit asset		-	-	-	-	-	-
20 Other assets		1,603,414	674,954	2,408,258	1,773,129	713,808	2,431,678
21 <b>TOTAL ASSETS</b>		<b>22,678,535</b>	<b>24,804,407</b>	<b>24,740,084</b>	<b>23,214,574</b>	<b>25,586,668</b>	<b>25,286,451</b>
<b>B LIABILITIES</b>							
22 Balances due to Central Bank of Kenya		-	-	-	-	-	-
23 Customer deposits		17,686,762	19,700,816	19,552,723	18,145,638	20,390,948	20,165,776
24 Deposits and balances due to local banking institutions		-	150,099	146,697	-	150,099	146,697
25 Deposits and balances due to foreign banking institutions		330,462	253,187	134,988	216,290	284,329	145,159
26 Other money market deposits		-	-	-	-	-	-
27 Borrowed funds		1,201,280	1,142,417	1,142,488	1,201,280	1,142,417	1,142,488
28 Balances due to banking institutions in the group		-	131,184	253,000	-	-	-
29 Tax payable		18,428	-	15,374	21,112	-	16,807
30 Dividends payable		-	-	-	-	-	-
31 Deferred tax liability		-	-	-	-	-	-
32 Retirement benefit liability		-	-	-	-	-	-
33 Other liabilities		-	-	-	-	-	-
34 <b>TOTAL LIABILITIES</b>		<b>19,631,581</b>	<b>21,644,261</b>	<b>21,535,086</b>	<b>20,071,635</b>	<b>22,323,292</b>	<b>21,983,741</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
36 Share premium/(discount)		-	-	-	-	-	-
37 Revaluation reserves		(50,820)	(31,721)	(22,741)	(162,112)	(99,956)	(80,126)
38 Retained earnings/Accumulated losses		1,963,507	2,040,087	2,085,965	1,979,291	2,041,677	2,085,664
39 Statutory loan loss reserves		84,267	101,780	91,774	84,267	102,517	91,769
40 Other Reserves		-	-	-	(75,170)	(93,706)	(108,202)
41 Proposed dividends		-	-	-	-	-	-
42 Capital grants		-	-	-	-	-	-
43 <b>TOTAL SHAREHOLDERS' FUNDS</b>		<b>3,046,954</b>	<b>3,160,146</b>	<b>3,204,998</b>	<b>2,876,276</b>	<b>3,000,532</b>	<b>3,039,105</b>
44 Minority Interest		-	-	-	266,663	262,844	263,605
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>		<b>22,678,535</b>	<b>24,804,407</b>	<b>24,740,084</b>	<b>23,214,574</b>	<b>25,586,668</b>	<b>25,286,451</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>							
<b>1.0 INTEREST INCOME</b>							
1.1 Loans and advances		501,191	2,406,340	566,309	524,920	2,506,383	593,154
1.2 Government securities		96,832	370,125	82,777	110,747	407,573	90,042
1.3 Deposits and placements with banking institutions		10,483	43,758	12,465	8,711	74,751	20,144
1.4 Other interest income		-	-	-	301	-	-
<b>Total interest income</b>		<b>608,506</b>	<b>2,820,223</b>	<b>661,551</b>	<b>644,679</b>	<b>2,988,707</b>	<b>703,340</b>
<b>2.0 INTEREST EXPENSE</b>							
2.1 Customer deposits		362,061	1,564,086	421,827	369,068	1,596,061	428,486
2.2 Deposits and placement from banking institutions		30,830	39,681	2,496	22,061	34,454	2,749
2.3 Other interest expenses		36,954	136,699	32,362	36,954	136,699	32,362
2.4 <b>Total interest expenses</b>		<b>429,845</b>	<b>1,740,466</b>	<b>456,685</b>	<b>428,083</b>	<b>1,767,214</b>	<b>463,597</b>
<b>3.0 NET INTEREST INCOME/(LOSS)</b>		<b>178,661</b>	<b>1,079,757</b>	<b>204,866</b>	<b>216,596</b>	<b>1,221,493</b>	<b>239,743</b>
<b>4.0 NON-INTEREST INCOME</b>							
4.1 Fees and commissions on loans and advances		94,430	266,981	92,588	96,197	283,028	94,808
4.2 Other fees and commissions		30,332	200,207	29,522	37,883	219,774	41,254
4.3 Foreign exchange trading income/(Loss)		21,091	43,678	10,521	22,656	48,746	11,670
4.4 Dividend Income		-	-	-	-	-	-
4.5 Other income		117	9,294	3,263	6,218	35,065	5,358
4.6 <b>Total Non-interest income</b>		<b>145,970</b>	<b>520,160</b>	<b>135,894</b>	<b>162,954</b>	<b>586,613</b>	<b>153,090</b>
<b>5.0 TOTAL OPERATING INCOME</b>		<b>324,631</b>	<b>1,599,917</b>	<b>340,760</b>	<b>379,550</b>	<b>1,808,106</b>	<b>392,833</b>
<b>6.0 OTHER OPERATING EXPENSES</b>							
6.1 Loan loss provision		11,020	89,612	12,699	13,282	98,144	11,207
6.2 Staff costs		159,962	691,235	172,045	185,013	793,709	196,234
6.3 Directors' emoluments		14,864	83,758	15,735	15,411	90,514	17,063
6.4 Rental charges		19,288	73,342	14,435	27,672	97,638	22,321
6.5 Depreciation charge on property and equipment		14,811	56,979	14,120	16,794	66,681	16,518
6.6 Amortisation charges		4,302	17,572	4,922	4,345	25,095	7,079
6.7 Other operating expenses		38,959	384,843	55,558	53,180	459,808	70,952
6.8 <b>Total Other Operating Expenses</b>		<b>263,206</b>	<b>1,397,341</b>	<b>289,514</b>	<b>315,697</b>	<b>1,631,589</b>	<b>341,294</b>
<b>7.0 Profit/(Loss) Before Tax and Exceptional Items</b>		<b>61,425</b>	<b>202,576</b>	<b>51,246</b>	<b>63,853</b>	<b>176,517</b>	<b>51,549</b>
8.0 Exceptional Items		-	-	-	-	-	-
<b>9.0 Profit/(Loss) After Exceptional Items</b>		<b>61,425</b>	<b>202,576</b>	<b>51,246</b>	<b>63,853</b>	<b>176,517</b>	<b>51,549</b>
10.0 Current Tax		18,428	61,661	15,374	22,035	56,288	4,909
11.0 Deferred Tax		-	3,825	-	-	3,786	-
<b>12.0 Profit/(Loss) After Tax and Exceptional Items</b>		<b>42,997</b>	<b>137,090</b>	<b>35,872</b>	<b>41,818</b>	<b>116,443</b>	<b>46,640</b>
13.0 Minority Interest		-	-	-	1,044	(4,464)	761
<b>14.0 Profit/(Loss) after tax, exceptional items and Minority Interest</b>		<b>42,997</b>	<b>137,090</b>	<b>35,872</b>	<b>40,774</b>	<b>120,907</b>	<b>45,879</b>
<b>15.0 Other Comprehensive Income</b>							
15.1 Gains/(Losses) from translating the financial statements of foreign operations		-	-	-	7,347	(11,943)	(14,496)
15.2 Fair value changes in available for sale financial assets		7,194	26,293	8,980	7,194	61,643	19,830
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		-	-	-	-	-	-
15.6 <b>Total Other Comprehensive Income for the year net of tax</b>		<b>7,194</b>	<b>26,293</b>	<b>8,980</b>	<b>14,541</b>	<b>49,700</b>	<b>5,334</b>
<b>17.0 Total comprehensive income for the year</b>		<b>50,191</b>	<b>163,383</b>	<b>44,852</b>	<b>56,359</b>	<b>166,143</b>	<b>51,974</b>
<b>18.0 EARNINGS PER SHARE - BASIC &amp; DILUTED</b>		0.41	1.56	0.59	0.40	1.15	0.48
<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		2,914,586	3,534,602	3,597,377	2,933,430	3,541,472	3,600,859
(b) Less: Interest in Suspense		581,889	631,670	662,370	582,940	632,252	662,432
<b>(c) Total Non-Performing Loans and Advances (a-b)</b>		<b>2,332,697</b>	<b>2,902,932</b>	<b>2,935,007</b>	<b>2,350,490</b>	<b>2,909,220</b>	<b>2,938,427</b>
(d) Less: Loan Loss Provision		243,770	356,087	369,640	246,133	362,635	370,324
<b>(e) Net Non-Performing Loans and Advances (c-d)</b>		<b>2,088,927</b>	<b>2,546,845</b>	<b>2,565,367</b>	<b>2,104,357</b>	<b>2,546,585</b>	<b>2,568,103</b>
(f) Discounted Value of Securities		1,998,586	2,517,850	2,532,789	2,014,016	2,517,850	2,532,789
<b>(g) Net NPLs Exposure (e-f)</b>		<b>90,341</b>	<b>28,995</b>	<b>32,578</b>	<b>90,341</b>	<b>28,735</b>	<b>35,314</b>
<b>2.0 INSIDER LOANS AND ADVANCES</b>							
(a) Directors, Shareholders and Associates		249,198	259,585	255,756	249,557	260,612	258,002
(b) Employees		495,872	516,072	496,259	496,231	517,099	498,505
<b>(c) Total Insider Loans and Advances and other facilities</b>		<b>745,070</b>	<b>775,657</b>	<b>752,015</b>	<b>745,788</b>	<b>777,711</b>	<b>756,507</b>
<b>3.0 OFF-BALANCE SHEET ITEMS</b>							
(a) Letters of credit, guarantees, acceptances		1,024,108	1,244,665	1,398,068	1,135,849	1,473,895	1,610,055
(b) Forwards, swaps and options		-	104,800	76,400	-	104,800	76,400
(c) Other contingent liabilities		69,407	15,100	99,427	69,407	15,100	99,427
<b>(d) Total Contingent Liabilities</b>		<b>1,093,515</b>	<b>1,364,565</b>	<b>1,573,895</b>	<b>1,205,256</b>	<b>1,593,795</b>	<b>1,785,882</b>
<b>4.0 CAPITAL STRENGTH</b>							
(a) Core capital		<b>2,389,632</b>	<b>2,487,710</b>	<b>2,515,652</b>	-	-	-
(b) Minimum Statutory Capital		1,000,000	1,000,000	1,000,000	-	-	-
(c) Excess/(Deficiency) (a-b)		<b>1,389,632</b>	<b>1,487,710</b>	<b>1,515,652</b>	-	-	-
(d) Supplementary Capital		550,934	418,447	358,441	-	-	-
<b>(e) Total Capital (a-d)</b>		<b>2,940,566</b>	<b>2,906,157</b>	<b>2,874,093</b>	-	-	-
(f) Total risk weighted assets		<b>18,800,765</b>					