

The Board of Directors of National Bank of Kenya Limited hereby announce the audited results for the year ended 31 December 2014
**I. STATEMENT OF FINANCIAL POSITION
As at 31 December 2014**

	BANK 31-Dec-14 Shs'000 Audited	BANK 31-Dec-13 Shs'000 Audited	GROUP 31-Dec-14 Shs'000 Audited	GROUP 31-Dec-13 Shs'000 Audited
A ASSETS				
1 Cash (both Local & Foreign)	2,750,613	3,394,255	2,980,344	3,501,986
2 Balances due from Central Bank of Kenya	14,214,869	5,998,426	14,214,869	5,998,426
3 Kenya Government and other securities held for dealing purposes	-	-	-	-
4 Financial Assets at fair value through profit and loss	-	-	-	-
5 Investment Securities:(a+b)	30,259,345	27,537,016	30,259,345	27,537,016
a) Held to Maturity:(i+ii)	25,645,729	27,001,290	25,645,729	27,001,290
i. Kenya Government securities	25,477,424	26,864,623	25,477,424	26,864,623
ii. Other securities	168,305	136,667	168,305	136,667
b) Available for sale:(i+ii)	4,613,616	535,726	4,613,616	535,726
i. Kenya Government securities	4,613,616	535,726	4,613,616	535,726
ii. Other securities	-	-	-	-
6 Deposits and balances due from local banking institutions	1,337,738	7,801,164	1,337,738	7,801,164
7 Deposits and balances due from banking institutions abroad	695,924	482,297	695,924	482,297
8 Tax recoverable	431,696	-	423,518	-
9 Loans and advances to customers (net)	65,641,491	39,566,678	65,641,491	39,566,678
10 Balances due from banking institutions in the group	-	-	-	-
11 Investments in associates	-	-	-	-
12 Investments in subsidiary companies	19,963	19,963	19,963	19,963
13 Investments in joint ventures	-	-	-	-
14 Investment properties	-	-	-	-
15 Property and equipment	4,550,257	3,913,888	4,551,542	3,914,347
16 Prepaid lease rentals	419	425	419	425
17 Intangible assets	965,539	999,070	966,192	1,000,095
18 Deferred tax asset	-	-	-	-
19 Retirement benefit asset	-	-	-	-
20 Other assets	1,997,032	2,779,853	2,000,651	2,733,320
21 TOTAL ASSETS	122,864,886	92,493,035	123,091,996	92,555,717
B LIABILITIES				
22 Balances due to Central Bank of Kenya	-	-	-	-
23 Customer deposits	104,733,709	77,992,820	104,733,709	77,992,820
24 Deposits and balances due to local banking institutions	5,077,625	824,858	5,077,625	824,858
25 Deposits and balances due to foreign banking institutions	-	-	-	-
26 Other money market deposits	-	-	-	-
27 Borrowed funds	-	-	-	-
28 Balances due to banking institutions in the group	21,976	21,976	21,976	21,976
29 Tax payable	-	272,633	-	273,873
30 Dividends payable	38,085	31,070	38,085	31,070
31 Deferred tax liability	25,460	83,894	25,227	83,801
32 Retirement benefit liability	-	-	-	-
33 Other liabilities	854,119	1,417,492	971,351	1,438,920
34 TOTAL LIABILITIES	110,750,974	80,644,743	110,867,973	80,667,318
C SHAREHOLDERS' FUNDS				
35 Paid up /Assigned capital	7,075,000	7,075,000	7,075,000	7,075,000
36 Share premium/(discount)	-	-	-	-
37 Revaluation reserves	1,188,147	1,201,022	1,188,147	1,201,022
38 Retained earnings/Accumulated losses	3,268,312	3,237,428	3,378,423	3,277,535
39 Statutory loan loss reserves	565,456	334,842	565,456	334,842
40 Other Reserves	16,997	-	16,997	-
41 Proposed dividends	-	-	-	-
42 Capital grants	-	-	-	-
43 TOTAL SHAREHOLDERS' FUNDS	12,113,912	11,848,292	12,224,023	11,888,399
44 TOTAL LIABILITIES & SHAREHOLDERS' FUNDS	122,864,886	92,493,035	123,091,996	92,555,717

**II. STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2014**

	BANK 31-Dec-14 Shs'000 Audited	BANK 31-Dec-13 Shs'000 Audited	GROUP 31-Dec-14 Shs'000 Audited	GROUP 31-Dec-13 Shs'000 Audited
1 Interest Income				
1.1 Loans and advances	7,562,961	4,765,803	7,562,961	4,765,803
1.2 Government securities	2,979,003	3,170,348	2,979,003	3,170,348
1.3 Deposits and placements with banking institutions	155,108	170,859	155,108	170,859
1.4 Other Interest Income	108	58,780	108	58,780
1.5 TOTAL INTEREST INCOME	10,697,180	8,165,790	10,697,180	8,165,790
2 Interest Expense				
2.1 Customer deposits	3,620,665	2,376,286	3,620,665	2,376,286
2.2 Deposits and placements from banking institutions	281,458	145,441	273,886	145,441
2.3 Other interest expenses	5,178	5,949	5,178	5,949
2.4 TOTAL INTEREST EXPENSES	3,907,301	2,527,676	3,899,729	2,527,676
3 NET INTEREST INCOME	6,789,879	5,638,114	6,797,451	5,638,114
4 Non-Interest Income				
4.1 Fees and commissions on loans and advances	406,095	430,379	406,095	430,379
4.2 Other fees and commissions	1,592,355	1,125,185	1,725,152	1,176,033
4.3 Foreign exchange trading income (loss)	434,229	309,323	434,229	309,323
4.4 Dividend Income	-	-	-	-
4.5 Other Income	571,267	941,303	571,267	941,303
4.6 TOTAL NON-INTEREST INCOME	3,003,946	2,806,190	3,136,743	2,857,038
5 TOTAL OPERATING INCOME	9,793,825	8,444,304	9,934,194	8,495,152
6 Other Operating Expenses				
6.1 Loan loss provision	525,307	287,640	525,307	287,640
6.2 Staff costs	3,679,870	3,557,848	3,710,219	3,570,349
6.3 Directors' emoluments	77,109	137,711	77,109	137,711
6.4 Rental charges	252,968	177,033	256,067	178,233
6.5 Depreciation charge on property and equipment	349,359	326,944	349,609	326,944
6.6 Amortisation charges	300,859	238,059	301,231	238,059
6.7 Other operating expenses	2,276,473	1,939,625	2,282,967	1,944,048
6.8 Total Operating Expenses	7,661,945	6,664,304	7,502,509	6,682,984
7 PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	2,331,880	1,779,444	2,431,685	1,812,168
8 Exceptional items	(1,128,554)	-	(1,128,554)	-
9 Profit after exceptional items	1,203,326	1,779,444	1,303,131	1,812,168
10 Current tax	(461,062)	(829,161)	(491,003)	(838,874)
11 Deferred tax	58,434	139,613	58,574	139,509
12 Profit after tax and exceptional items	800,698	1,089,896	870,702	1,112,803
13 OTHER COMPREHENSIVE INCOME				
13.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-
13.2 Fair value changes in available for sale financial assets	16,997	-	16,997	-
13.3 Revaluation surplus on Property,plant and equipment	-	966,493	-	966,493
13.4 Share of other comprehensive income of associates	-	-	-	-
13.5 Income tax relating to components of other comprehensive income	-	(289,948)	-	(289,948)
14 Other Comprehensive Income for the year net of tax	16,997	676,545	16,997	676,545
15 TOTAL COMPREHENSIVE INCOME FOR THE YEAR	817,695	1,766,441	887,699	1,789,348
16 EARNINGS PER SHARE - basic & diluted	Shs 2.86	Shs 2.24	Shs 3.11	Shs 2.32

III. OTHER DISCLOSURES

	BANK 31-Dec-14 Shs'000 Audited	BANK 31-Dec-13 Shs'000 Audited
1 Non-performing loans and advances		
a Gross non-performing loans and advances	7,236,684	4,212,274
b Less: Interest in suspense	188,555	42,625
c Total Non-performing loans and advances (a-b)	7,048,129	4,169,649
d Less: Loan loss Provisions	2,263,409	1,757,713
e Net NPLs exposure (c-d)	4,784,720	2,411,936
f Discounted Value of Securities	4,784,720	2,411,936
g Net NPLs exposure (e-f)	-	-
2 Insider loans and Advances		
a Directors, Shareholders and associates	113,283	88,024
b Employees	4,851,152	4,644,893
c Total Insider loans, advances and other facilities	4,964,435	4,732,917
3 Off-Balance sheet Items		
a Letters of credit, guarantees and acceptances	5,350,757	4,000,988
b Forwards, swaps and options	2,670,353	392,944
c Other contingent liabilities	-	64,800
d Total contingent liabilities	8,021,110	4,458,732
4 Capital Strength		
a Core capital	10,343,312	10,312,428
b Minimum Statutory Capital	1,000,000	1,000,000
c Excess/(Deficiency) (a-b)	9,343,312	9,312,428
d Supplementary capital	862,493	635,098
e Total capital (a+d)	11,205,805	10,947,526
f Total risk weighted assets	80,433,021	45,332,793
g Core capital/total risk weighted liabilities	9.9%	13.3%
h Minimum Statutory Ratio	8.0%	8.0%
i Excess/(Deficiency) (g-h)	1.9%	5.3%
j Core capital/total risk weighted assets	12.9%	17.1%
k Minimum Statutory Ratio	8.0%	8.0%
l Excess/(Deficiency) (j-k)	4.9%	9.1%
m Total capital/total risk weighted assets	13.9%	18.2%
n Minimum Statutory Ratio	12.0%	12.0%
o Excess/(Deficiency) (m-n)	1.9%	6.2%
5 Liquidity		
a Liquidity Ratio	31.5%	42.0%
b Minimum Statutory Ratio	20.0%	20.0%
c Excess/(Deficiency) (a-b)	11.5%	22.0%

DIVIDENDS

The directors do not recommend the payment of a dividend in respect of the financial year ended 31 December 2014.

APPROVAL

These financial statements are extracts from the books of the institution as audited by Deloitte & Touche and have received an unqualified opinion. The complete set of quarterly financial statements, statutory and qualitative disclosures can be accessed on the Bank's website www.nationalbank.co.ke.

The audited financial statements were approved by the Board of Directors on 3 March 2015 and signed on its behalf by:

M.A. Hassan - Chairman
M.S. Ahmed - Managing Director
H.Waswani - Company Secretary

ANNUAL GENERAL MEETING

Notice is hereby given that the forty sixth annual general meeting of the shareholders of National Bank of Kenya Limited will be held at the Safari Park Hotel, Nairobi on Friday 27 March 2015 at 10:00 am.

REGISTERED OFFICE

National Bank Building,
18 Harambee Avenue, Nairobi.
P.O. BOX 72866, 00200, Nairobi.
Telephone: 2828000, 0711038000, 0732018000
Fax : 311444
E-Mail : info@nationalbank.co.ke
Website : www.nationalbank.co.ke



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For more information please contact
+254 20 282 89 000 | +254 703 088 900 | +254 732 118 900

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National Bank is regulated by the Central Bank of Kenya