

**The Board of Directors of National Bank of Kenya Limited hereby announce the audited results for the year ended 31 December 2014**
**ABRIDGED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014**

	GROUP		BANK	
	2014 Sh'000	2013 Sh'000	2014 Sh'000	2013 Sh'000
<b>ASSETS</b>				
Cash and balances with Central Bank of Kenya	17,195,213	9,500,412	16,965,482	9,392,681
Deposits and balances due from banking institutions	2,033,662	8,283,461	2,033,662	8,283,461
Government securities	30,091,040	27,400,349	30,091,040	27,400,349
Loans and advances to customers (net)	65,641,491	39,566,678	65,641,491	39,566,678
Other assets	2,000,651	2,733,320	1,898,187	2,733,320
Other investments	168,305	136,667	168,305	136,667
Due from a subsidiary company	-	-	98,845	46,533
Tax recoverable	423,518	-	431,696	-
Investment in subsidiary companies	19,963	19,963	19,963	19,963
Property and equipment	4,551,542	3,914,347	4,550,257	3,913,888
Operating lease prepayments	419	425	419	425
Intangible assets	966,192	1,000,095	965,539	999,070
<b>TOTAL ASSETS</b>	<b>123,091,996</b>	<b>92,555,717</b>	<b>122,864,886</b>	<b>92,493,035</b>
<b>LIABILITIES</b>				
Customer deposits	104,733,709	77,992,820	104,733,709	77,992,820
Deposits and balances due to banking institutions	5,077,625	824,858	5,077,625	824,858
Other liabilities	971,351	1,438,920	854,119	1,417,492
Taxation payable	-	273,873	-	272,633
Due to a subsidiary company	21,976	21,976	21,976	21,976
Borrowings	-	-	-	-
Unclaimed dividends	38,085	31,070	38,085	31,070
Deferred tax liability	25,227	83,801	25,460	83,894
<b>TOTAL LIABILITIES</b>	<b>110,867,973</b>	<b>80,667,318</b>	<b>110,750,974</b>	<b>80,644,743</b>
<b>CAPITAL RESOURCES</b>				
Share capital	7,075,000	7,075,000	7,075,000	7,075,000
Revaluation surplus	1,188,147	1,201,022	1,188,147	1,201,022
Revenue reserve	3,378,423	3,277,535	3,268,312	3,237,428
Statutory reserve	565,456	334,842	565,456	334,842
	16,997	-	16,997	-
<b>SHAREHOLDERS' FUNDS</b>	<b>12,224,023</b>	<b>11,888,399</b>	<b>12,113,912</b>	<b>11,848,292</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>123,091,996</b>	<b>92,555,717</b>	<b>122,864,886</b>	<b>92,493,035</b>

**ABRIDGED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014**

	GROUP		BANK	
	2014 Sh'000	2013 Sh'000	2014 Sh'000	2013 Sh'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash generated from operations	(1,025,184)	10,667,136	(1,171,263)	10,600,617
Taxation paid	(1,188,394)	(200,734)	(1,165,391)	(184,837)
<b>Net cash generated (used in)/ from operating activities</b>	<b>(2,213,578)</b>	<b>10,466,402</b>	<b>(2,336,654)</b>	<b>10,415,780</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property and equipment	(1,057,100)	(703,005)	(1,056,024)	(703,005)
Purchase of intangible assets	(267,328)	(219,964)	(267,328)	(219,964)
Proceeds from disposal of property and equipment	26,804	2,425	26,804	2,425
Purchase of other investments	(1,280)	-	(1,280)	-
<b>Net cash used in investing activities</b>	<b>(1,298,904)</b>	<b>(920,544)</b>	<b>(1,297,828)</b>	<b>(920,544)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Dividends paid	(545,060)	(365,684)	(545,060)	(365,684)
<b>(DECREASE) /INCREASE IN CASH AND CASH EQUIVALENTS CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>(4,057,542)</b>	<b>9,180,174</b>	<b>(4,179,542)</b>	<b>9,129,552</b>
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>8,701,584</b>	<b>12,759,126</b>	<b>8,471,853</b>	<b>12,651,395</b>

**APPROVAL**

These abridged financial statements are extracts from the books of the institution as audited by Deloitte & Touche and received an unqualified opinion. The complete set of audited financial statements, statutory and qualitative disclosures can be accessed on the institutions website [www.nationalbank.co.ke](http://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

**ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014**

	Share capital Sh' 000	Property revaluation surplus Sh' 000	Revenue reserve Sh' 000	Statutory reserve Sh' 000	Investment revaluation reserve Sh' 000	Total Sh' 000
<b>At 1 January 2013</b>	7,075,000	564,018	2,564,301	263,857	-	10,467,176
Total comprehensive income for the year	-	676,545	1,112,803	-	-	1,789,348
Transfer of excess depreciation	-	(56,487)	56,487	-	-	-
Deferred tax on excess depreciation	-	16,946	(16,946)	-	-	-
Transfer to statutory reserve	-	-	(70,985)	70,985	-	-
Dividends declared - year 2012	-	-	(368,125)	-	-	(368,125)
<b>At 31 December 2013</b>	<b>7,075,000</b>	<b>1,201,022</b>	<b>3,277,535</b>	<b>334,842</b>	<b>-</b>	<b>11,888,399</b>
<b>At 1 January 2014</b>	7,075,000	1,201,022	3,277,535	334,842	-	11,888,399
Total comprehensive income for the year	-	-	870,702	-	16,997	887,699
Transfer of excess depreciation	-	(18,393)	18,393	-	-	-
Deferred tax on excess depreciation	-	5,518	(5,518)	-	-	-
Transfer to statutory reserve	-	-	(230,614)	230,614	-	-
Dividends declared - year 2013	-	-	(552,075)	-	-	(552,075)
<b>At 31 December 2014</b>	<b>7,075,000</b>	<b>1,188,147</b>	<b>3,378,423</b>	<b>565,456</b>	<b>16,997</b>	<b>12,224,023</b>

**ABRIDGED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014**

	GROUP		BANK	
	2014 Sh'000	2013 Sh'000	2014 Sh'000	2013 Sh'000
INTEREST INCOME	10,697,180	8,165,790	10,697,180	8,165,790
INTEREST EXPENSE	(3,899,729)	(2,527,676)	(3,907,301)	(2,527,676)
<b>NET INTEREST INCOME</b>	<b>6,797,451</b>	<b>5,638,114</b>	<b>6,789,879</b>	<b>5,638,114</b>
Fee and commission income	2,136,425	1,613,570	2,003,628	1,562,722
Fee and commission expense	(5,178)	(7,158)	(5,178)	(7,158)
<b>NET FEE AND COMMISSION INCOME</b>	<b>2,131,247</b>	<b>1,606,412</b>	<b>1,998,450</b>	<b>1,555,564</b>
Gains on foreign exchange dealings	434,229	309,323	434,229	309,323
Other operating income	571,267	941,303	571,267	941,303
<b>NET OPERATING INCOME</b>	<b>9,934,194</b>	<b>8,495,152</b>	<b>9,793,825</b>	<b>8,444,304</b>
Operating expenses	(6,977,202)	(6,395,344)	(6,936,638)	(6,377,220)
Impairment losses on loans and advances	(525,307)	(287,640)	(525,307)	(287,640)
<b>OPERATING PROFIT</b>	<b>2,431,685</b>	<b>1,812,168</b>	<b>2,331,880</b>	<b>1,779,444</b>
Restructuring costs	(1,128,554)	-	(1,128,554)	-
<b>PROFIT BEFORE TAXATION</b>	<b>1,303,131</b>	<b>1,812,168</b>	<b>1,203,326</b>	<b>1,779,444</b>
TAXATION CHARGE	(432,429)	(699,365)	(402,628)	(689,548)
<b>PROFIT FOR THE YEAR</b>	<b>870,702</b>	<b>1,112,803</b>	<b>800,698</b>	<b>1,089,896</b>
OTHER COMPREHENSIVE INCOME				
Items that may be reclassified subsequently to profit or loss:				
Gains on re-measurement of available for sale financial assets	16,997	-	16,997	-
Items that will not be reclassified subsequently to profit or loss:				
Gain on revaluation of property (net)	-	966,493	-	966,493
Deferred tax on revaluation	-	(289,948)	-	(289,948)
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>16,997</b>	<b>676,545</b>	<b>16,997</b>	<b>676,545</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>887,699</b>	<b>1,789,348</b>	<b>817,695</b>	<b>1,766,441</b>
<b>EARNINGS PER SHARE - basic &amp; diluted</b>	<b>Sh 3.11</b>	<b>Sh 2.32</b>	<b>Sh 2.86</b>	<b>Sh 2.24</b>

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