

The Board of Directors of National Bank of Kenya Limited hereby announce the audited results for the year ended 31 December 2015
**I. STATEMENT OF FINANCIAL POSITION
as at 31 December 2015**

	BANK 31-Dec-14 Shs'000 Audited	BANK 31-Dec-15 Shs'000 Audited	GROUP 31-Dec-14 Shs'000 Audited	GROUP 31-Dec-15 Shs'000 Audited
A ASSETS				
1 Cash (both Local & Foreign)	2,750,613	3,350,178	2,980,344	3,668,583
2 Balances due from Central Bank of Kenya	14,214,869	12,769,536	14,214,869	12,769,536
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	27,315,111	30,259,345	27,315,111
a) Held to Maturity:(i+ii)	25,645,729	27,315,111	25,645,729	27,315,111
i. Kenya Government securities	25,477,424	27,083,464	25,477,424	27,083,464
ii. Other securities	168,305	231,647	168,305	231,647
b) Available for sale:(i+ii)	4,613,616	-	4,613,616	-
i. Kenya Government securities	4,613,616	-	4,613,616	-
ii. Other securities	-	-	-	-
6 Deposits and balances due from local banking institutions	1,337,738	3,658,835	1,337,738	3,658,835
7 Deposits and balances due from banking institutions abroad	695,924	598,211	695,924	598,211
8 Tax recoverable	431,696	510,846	423,518	505,652
9 Loans and advances to customers (net)	65,641,491	67,803,990	65,641,491	67,803,990
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	4,187,457	4,551,542	4,188,468
16 Prepaid lease rentals	419	-	419	-
17 Intangible assets	965,539	1,399,085	966,192	1,399,365
18 Deferred tax asset	-	482,668	-	483,299
19 Retirement benefit asset	-	-	-	-
20 Other assets	1,997,032	3,199,155	2,000,651	3,029,303
21 TOTAL ASSETS	122,864,886	125,295,035	123,091,996	125,440,316
B LIABILITIES				
22 Balances due to Central Bank of Kenya	-	-	-	-
23 Customer deposits	104,733,709	110,622,469	104,733,709	110,622,469
24 Deposits and balances due to local banking institutions	5,077,625	2,343,245	5,077,625	2,343,245
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	-	-	-	-
30 Dividends payable	38,085	29,826	38,085	29,826
31 Deferred tax liability	25,460	-	25,227	-
32 Retirement benefit liability	-	-	-	-
33 Other liabilities	854,119	1,363,897	971,351	1,369,251
34 TOTAL LIABILITIES	110,750,974	114,381,413	110,867,973	114,386,767
C SHAREHOLDERS' FUNDS				
35 Paid up /Assigned capital	7,075,000	7,214,976	7,075,000	7,214,976
36 Share premium/(discount)	-	-	-	-
37 Revaluation reserves	1,188,147	509,752	1,188,147	509,752
38 Retained earnings/Accumulated losses	3,268,312	2,569,487	3,378,423	2,709,414
39 Statutory loan loss reserves	565,456	619,407	565,456	619,407
40 Other Reserves	16,997	-	16,997	-
41 Proposed dividends	-	-	-	-
42 Capital grants	-	-	-	-
43 TOTAL SHAREHOLDERS' FUNDS	12,113,912	10,913,622	12,224,023	11,053,549
44 TOTAL LIABILITIES & SHAREHOLDERS' FUNDS	122,864,886	125,295,035	123,091,996	125,440,316

**II. STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2015**

	BANK 31-Dec-14 Shs'000 Audited	BANK 31-Dec-15 Shs'000 Audited	GROUP 31-Dec-14 Shs'000 Audited	GROUP 31-Dec-15 Shs'000 Audited
1 Interest Income				
1.1 Loans and advances	7,562,961	8,934,150	7,562,961	8,934,150
1.2 Government securities	2,979,003	3,201,903	2,979,003	3,201,903
1.3 Deposits and placements with banking institutions	155,108	112,150	155,108	112,150
1.4 Other Interest Income	108	-	108	-
1.5 TOTAL INTEREST INCOME	10,697,180	12,248,203	10,697,180	12,248,203
2 Interest Expense				
2.1 Customer deposits	3,620,665	5,128,954	3,620,665	5,112,772
2.2 Deposits and placements from banking institutions	281,458	726,460	273,886	726,460
2.3 Other interest expenses	5,178	11,432	5,178	11,432
2.4 TOTAL INTEREST EXPENSES	3,907,301	5,866,846	3,899,729	5,850,664
3 NET INTEREST INCOME	6,789,879	6,381,357	6,797,451	6,397,539
4 Non-Interest Income				
4.1 Fees and commissions on loans and advances	406,095	307,622	406,095	382,145
4.2 Other fees and commissions	1,592,355	1,744,555	1,725,152	1,744,555
4.3 Foreign exchange trading income (loss)	434,229	564,754	434,229	564,754
4.4 Dividend Income	-	1,247	-	1,247
4.5 Other Income	571,267	464,853	571,267	464,853
4.6 TOTAL NON-INTEREST INCOME	3,003,946	3,083,031	3,136,743	3,157,554
5 TOTAL OPERATING INCOME	9,793,825	9,464,388	9,934,194	9,555,093
6 Other Operating Expenses				
6.1 Loan loss provision	525,307	3,719,128	525,307	3,719,128
6.2 Staff costs	3,679,870	3,587,995	3,710,219	3,620,758
6.3 Directors' emoluments	77,109	24,875	77,109	24,875
6.4 Rental charges	252,968	317,289	256,067	317,289
6.5 Depreciation charge on property and equipment	349,359	337,081	349,609	337,366
6.6 Amortisation charges	300,859	319,696	301,231	320,069
6.7 Other operating expenses	2,276,473	2,842,722	2,282,967	2,853,593
6.8 Total Operating Expenses	7,461,945	11,148,786	7,502,509	11,193,078
7 PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	2,331,880	(1,684,398)	2,431,685	(1,637,985)
8 Exceptional items	(1,128,554)	-	(1,128,554)	-
9 Profit after exceptional items	1,203,326	(1,684,398)	1,303,131	(1,637,985)
10 Current tax	(461,062)	501,104	(491,003)	484,508
11 Deferred tax	58,434	-	58,574	-
12 Profit after tax and exceptional items	800,698	(1,183,294)	870,702	(1,153,477)
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)	16,997	(16,997)
13.3 Revaluation surplus on Property, plant and equipment	-	-	-	-
13.4 Share of other comprehensive income of associates	-	-	-	-
13.5 Income tax relating to components of other comprehensive income	-	-	-	-
14 Other Comprehensive Income for the year net of tax	16,997	(16,997)	16,997	(16,997)
15 TOTAL COMPREHENSIVE INCOME FOR THE YEAR	817,695	(1,200,291)	887,699	(1,170,474)
16 EARNINGS PER SHARE - basic and diluted	Shs 2.86	(3.84)	Shs 3.11	(3.75)

III. OTHER DISCLOSURES

	BANK 31-Dec-14 Shs'000 Audited	BANK 31-Dec-15 Shs'000 Audited
1 Non-performing loans and advances		
a Gross non-performing loans and advances	7,236,684	11,762,498
b Less: Interest in suspense	188,555	1,798,814
c Total Non-performing loans and advances (a-b)	7,048,129	9,963,684
d Less: Loan loss Provisions	2,263,409	3,238,707
e Net NPLs exposure (c-d)	4,784,720	6,724,977
f Discounted Value of Securities	4,784,720	6,724,977
2 Net NPLs exposure (e-f)	-	-
3 Insider loans and Advances		
a Directors, Shareholders and associates	113,283	100,955
b Employees	4,851,152	4,893,563
c Total insider loans, advances and other facilities	4,964,435	4,994,518
4 Off-Balance sheet items		
a Letters of credit, guarantees and acceptances	5,350,757	8,842,431
b Forwards, swaps and options	2,670,353	768,085
c Other contingent liabilities	-	-
d Total contingent liabilities	8,021,110	9,610,516
5 Capital Strength		
a Core capital	10,343,310	9,784,463
b Minimum Statutory Capital	1,000,000	1,000,000
c Excess/(Deficiency) (a-b)	9,343,312	8,784,463
d Supplementary capital	862,493	746,845
e Total capital (a+d)	11,205,803	10,531,308
f Total risk weighted assets	80,433,021	75,266,075
g Core capital/total deposit liabilities	9.9%	8.8%
h Minimum Statutory Ratio	8.0%	8.0%
i Excess/(Deficiency) (g-h)	1.9%	0.8%
j Core capital/total risk weighted assets	12.9%	13.0%
k Minimum Statutory Ratio	10.5%	10.5%
l Excess/(Deficiency) (j-k)	2.4%	2.5%
m Total capital/total risk weighted assets	13.9%	14.0%
n Minimum Statutory Ratio	12.0%	14.5%
o Excess/(Deficiency) (m-n)	1.9%	-0.5%
5 Liquidity		
a Liquidity Ratio	31.5%	30.7%
b Minimum Statutory Ratio	20.0%	20.0%
c Excess/(Deficiency) (a-b)	11.5%	10.7%

DIVIDENDS

The directors do not recommend the payment of dividends.

APPROVAL

The 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.

They may also be accessed at the Bank's registered office listed hereunder.

The audited financial statements were approved by the Board of Directors on 29th March 2016 and signed on its behalf by:

M.A. Hassan - Chairman
Wilfred Musau - Ag. CEO
Habil Waswani - Company Secretary

THE ANNUAL GENERAL MEETING

Notice is hereby given that the 47th Annual General Meeting will be held at a venue to be advised later, on Friday 3 June 2016 from 10:00am

REGISTERED OFFICE

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National Business Club

National Bank of Kenya is regulated by the Central Bank of Kenya