Bank on better

National Bank

The Board of Directors of National Bank of Kenya Limited hereby announce the un-audited results for the period ended 30 September 2015

I. STATEMENT OF FINANCIAL POSITION
As at 30 September 2015

		BANK 30-Sep-14 Shs'000 Un-audited	BANK 31-Dec-14 Shs'000 Audited	BANK 31-Mar-15 Shs'000 Un-audited	BANK 30-Jun-15 Shs'000 Un-audited	BANK 30-Sep-15 Shs'000 Un-audited	GROUP 30-Sep-14 Shs'000 Un-audited	GROUP 31-Dec-14 Shs'000 Audited	GROUP 31-Mar-15 Shs'000 Un-audited	GROUP 30-Jun-15 Shs'000 Un-audited	GROUP 30-Sep-15 Shs'000 Un-audited
A	**ASSETS**										
1	Cash (both Local & Foreign)	2,326,053	2,750,613	2,468,118	2,768,162	3,419,415	2,521,746	2,980,344	2,816,366	3,045,307	3,709,069
2	Balances due from Central Bank of Kenya	17,082,973	14,214,869	3,504,433	12,527,082	4,316,829	17,082,973	14,214,869	3,504,433	12,527,082	4,316,829
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)**	**29,405,035**	**30,259,345**	**32,017,084**	**30,312,373**	**27,457,806**	**29,405,035**	**30,259,345**	**32,017,084**	**30,312,373**	**27,457,806**
	a) Held to Maturity:(i+ii)	**26,326,168**	**25,645,729**	**27,766,456**	**25,859,644**	**23,239,213**	**26,326,168**	**25,645,729**	**27,766,456**	**25,859,644**	**23,239,213**
	i. Kenya Government securities	26,188,890	25,477,424	27,587,424	25,676,892	23,056,461	26,188,890	25,477,424	27,587,424	25,676,892	23,056,461
	ii. Other securities	137,278	168,305	179,030	182,752	182,752	137,278	168,305	179,030	182,752	182,752
	b) Available for sale:(i+ii)	**3,078,867**	**4,613,616**	**4,250,628**	**4,452,729**	**4,218,593**	**3,078,867**	**4,613,616**	**4,250,628**	**4,452,729**	**4,218,593**
	i. Kenya Government securities	3,078,867	4,613,616	4,250,628	4,452,729	4,218,593	3,078,867	4,613,616	4,250,628	4,452,729	4,218,593
	ii. Other securities	-	-	-	-	-	-	-	-	-	-
6	Deposits and balances due from local banking institutions	1,014,387	1,337,738	160,529	104,009	185,769	1,014,387	1,337,738	160,529	104,009	185,769
7	Deposits and balances due from banking institutions abroad	461,473	695,924	475,162	388,864	1,664,599	461,473	695,924	475,162	388,864	1,664,599
8	Tax recoverable	249,316	431,696	220,553	-	-	249,316	423,518	220,553	-	-
9	Loans and advances to customers (net)	57,562,887	65,641,491	70,050,360	71,435,361	73,558,720	57,562,887	65,641,491	70,050,360	71,435,361	73,558,720
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	19,963	19,963	19,963	19,963	19,963	19,963
13	Investments in joint ventures	-	-	-	-	-	-	-	-	-	-
14	Investment properties	-	-	-	-	-	-	-	-	-	-
15	Property and equipment	4,476,375	4,550,257	4,871,613	4,050,590	4,306,992	4,476,833	4,551,542	4,872,734	4,051,640	4,308,049
16	Prepaid lease rentals	420	419	418	416	416	420	419	418	416	416
17	Intangible assets	890,546	965,539	785,832	717,295	843,937	891,571	966,192	786,391	717,761	844,279
18	Deferred tax asset	-	-	-	-	-	94	-	-	94	234
19	Retirement benefit asset	-	-	-	-	-	-	-	-	-	-
20	Other assets	3,408,540	1,997,032	2,013,625	1,819,995	2,015,266	3,408,540	2,000,651	2,022,425	1,824,792	2,015,266
21	**TOTAL ASSETS**	**116,897,968**	**122,864,886**	**116,587,690**	**124,144,110**	**117,789,712**	**117,095,238**	**123,091,996**	**116,946,418**	**124,427,662**	**118,080,998**
B	**LIABILITIES**										
22	Balances due to Central Bank of Kenya	-	-	-	-	-	-	-	-	-	-
23	Customer deposits	93,600,582	104,733,709	85,262,783	97,151,395	90,817,320	93,600,582	104,733,709	85,262,783	97,151,395	90,817,320
24	Deposits and balances due to local banking institutions	4,721,807	5,077,625	10,042,458	9,961,122	6,806,967	4,721,807	5,077,625	10,042,458	9,961,122	6,806,967
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	-	21,976	21,976	21,976	21,976
29	Tax payable	-	-	-	373,360	592,131	20,093	-	-	376,716	606,296
30	Dividends payable	39,035	38,085	29,961	6,353	29,885	39,035	38,085	29,961	6,353	29,885
31	Deferred tax liability	83,894	25,460	25,460	25,460	25,460	83,894	25,227	25,460	25,460	25,460
32	Retirement benefit liability	-	-	-	-	-	-	-	-	-	-
33	Other liabilities	6,201,246	854,119	8,598,557	3,488,435	6,052,093	6,272,779	971,351	8,830,700	3,631,895	6,261,546
34	**TOTAL LIABILITIES**	**104,646,564**	**110,750,974**	**103,981,195**	**111,028,101**	**104,345,832**	**104,738,190**	**110,867,973**	**104,213,338**	**111,174,917**	**104,569,450**
C	**SHAREHOLDERS' FUNDS**										
35	Paid up /Assigned capital	7,075,000	7,075,000	7,075,000	7,214,976	7,214,976	7,075,000	7,075,000	7,075,000	7,214,976	7,214,976
36	Share premium/(discount)	-	-	-	-	-	-	-	-	-	-
37	Revaluation reserves	1,201,022	1,188,147	1,188,147	519,601	519,601	1,201,022	1,188,147	1,188,147	519,601	519,601
38	Retained earnings/Accumulated losses	3,466,279	3,268,312	3,728,602	4,815,729	5,278,103	3,571,923	3,378,423	3,855,187	4,952,465	5,345,771
39	Statutory loan loss reserves	509,103	565,456	583,647	589,273	639,881	509,103	565,456	583,647	589,273	639,881
40	Other Reserves	-	16,997	31,099	(23,570)	(208,681)	-	16,997	31,099	(23,570)	(208,681)
41	Proposed dividends	-	-	-	-	-	-	-	-	-	-
42	Capital grants	-	-	-	-	-	-	-	-	-	-
43	**TOTAL SHAREHOLDERS' FUNDS**	**12,251,404**	**12,113,912**	**12,606,495**	**13,116,009**	**13,443,880**	**12,357,048**	**12,224,023**	**12,733,080**	**13,252,745**	**13,511,548**
44	**TOTAL LIABILITIES & SHAREHOLDERS' FUNDS**	**116,897,968**	**122,864,886**	**116,587,690**	**124,144,110**	**117,789,712**	**117,095,238**	**123,091,996**	**116,946,418**	**124,427,662**	**118,080,998**

II. STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 September 2015

		BANK 30-Sep-14 Shs'000 Un-audited	BANK 31-Dec-14 Shs'000 Audited	BANK 31-Mar-15 Shs'000 Un-audited	BANK 30-Jun-15 Shs'000 Un-audited	BANK 30-Sep-15 Shs'000 Un-audited	GROUP 30-Sep-14 Shs'000 Un-audited	GROUP 31-Dec-14 Shs'000 Audited	GROUP 31-Mar-15 Shs'000 Un-audited	GROUP 30-Jun-15 Shs'000 Un-audited	GROUP 30-Sep-15 Shs'000 Un-audited
1	**INTEREST INCOME**										
1.1	Loans and advances	5,335,677	7,562,961	2,250,137	4,605,358	7,323,477	5,335,677	7,562,961	2,250,137	4,605,358	7,323,477
1.2	Government securities	2,192,307	2,979,003	789,780	1,706,156	2,318,406	2,192,307	2,979,003	789,780	1,706,156	2,318,406
1.3	Deposits and placements with banking institutions	102,932	155,108	41,181	103,057	106,352	102,932	155,108	41,181	103,057	106,352
1.4	Other Interest Income	81	108	-	-	-	81	108	-	-	-
1.5	**TOTAL INTEREST INCOME**	**7,630,997**	**10,697,180**	**3,081,098**	**6,414,571**	**9,748,235**	**7,630,997**	**10,697,180**	**3,081,098**	**6,414,571**	**9,748,235**
2	**INTEREST EXPENSE**										
2.1	Customer deposits	2,475,203	3,620,665	1,110,179	2,366,761	3,523,767	2,475,203	3,620,665	1,110,179	2,366,761	3,523,767
2.2	Deposits and placements from banking institutions	195,918	281,458	110,036	244,474	516,713	195,918	273,886	110,036	244,474	516,713
2.3	Other interest expenses	4,992	5,178	4,110	6,616	10,689	4,992	5,178	4,110	6,616	10,689
2.4	**TOTAL INTEREST EXPENSES**	**2,676,113**	**3,907,301**	**1,224,325**	**2,617,851**	**4,051,169**	**2,676,113**	**3,899,729**	**1,224,325**	**2,617,851**	**4,051,169**
3	**NET INTEREST INCOME**	**4,954,884**	**6,789,879**	**1,856,773**	**3,796,720**	**5,697,066**	**4,954,884**	**6,797,451**	**1,856,773**	**3,796,720**	**5,697,066**
4	**NON-INTEREST INCOME**										
4.1	Fees and commissions on loans and advances	393,288	406,095	85,246	215,487	281,346	503,082	406,095	85,246	215,487	281,346
4.2	Other fees and commissions	1,035,174	1,592,355	419,873	830,900	1,192,688	1,035,174	1,725,152	454,224	830,900	1,192,688
4.3	Foreign exchange trading income (loss)	335,266	434,229	136,293	252,604	421,651	335,266	434,229	136,293	252,604	421,651
4.4	Dividend Income	-	-	-	-	-	-	-	-	-	-
4.5	Other Income	484,299	571,267	94,780	998,505	1,150,897	484,299	571,267	94,780	1,060,041	1,226,666
4.6	**TOTAL NON-INTEREST INCOME**	**2,248,027**	**3,003,946**	**736,192**	**2,297,496**	**3,046,582**	**2,357,821**	**3,136,743**	**770,543**	**2,359,032**	**3,122,351**
5	**TOTAL OPERATING INCOME**	**7,202,911**	**9,793,825**	**2,592,965**	**6,094,216**	**8,743,648**	**7,312,705**	**9,934,194**	**2,627,316**	**6,155,752**	**8,819,417**
6	**OTHER OPERATING EXPENSES**										
6.1	Loan loss provision	275,272	525,307	155,661	332,779	586,426	275,272	525,307	155,661	332,779	586,426
6.2	Staff costs	2,778,104	3,679,870	903,487	1,806,054	2,672,063	2,789,167	3,710,219	912,333	1,826,438	2,701,144
6.3	Directors' emoluments	14,310	77,109	5,566	9,526	16,143	14,310	77,109	5,566	9,526	16,143
6.4	Rental charges	185,896	252,968	71,926	147,969	227,464	185,926	256,067	71,944	147,994	227,464
6.5	Depreciation charge on property and equipment	267,243	349,359	82,962	166,549	253,112	267,455	349,609	83,033	166,691	253,340
6.6	Amortisation charges	225,188	300,859	76,088	152,670	228,816	225,467	301,231	76,181	152,856	229,127
6.7	Other operating expenses	1,756,844	2,276,473	613,731	1,034,083	1,582,208	1,761,430	2282,967	615,321	1,037,004	1,586,707
6.8	**Total Operating Expenses**	**5,502,857**	**7,461,945**	**1,909,421**	**3,649,630**	**5,566,232**	**5,519,027**	**7,502,509**	**1,920,039**	**3,673,288**	**5,600,350**
7	**PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS**	**1,700,054**	**2,331,880**	**683,544**	**2,444,586**	**3,177,416**	**1,793,678**	**2,431,685**	**707,277**	**2,482,464**	**3,219,067**
8	Exceptional items	(327,047)	(1,128,554)	-	-	-	(327,047)	(1,128,554)	-	-	-
9	**Profit after exceptional items**	**1,373,007**	**1,203,326**	**683,544**	**2,444,586**	**3,177,416**	**1,466,631**	**1,303,131**	**707,277**	**2,482,464**	**3,219,067**
10	Current tax	(417,820)	(402,628)	(205,063)	(739,077)	(953,225)	(445,907)	(432,429)	(212,322)	(750,440)	(965,720)
11	Deferred tax	-	-	-	-	-	-	-	-	-	-
12	**Profit after tax and exceptional items**	**955,187**	**800,698**	**478,481**	**1,705,509**	**2,224,191**	**1,020,724**	**870,702**	**494,955**	**1,732,024**	**2,253,346**
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	3,447	(40,567)	(225,678)	-	16,997	3,447	(40,567)	(225,678)
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**	**3,447**	**(40,567)**	**(225,678)**	**-**	**16,997**	**3,447**	**(40,567)**	**(225,678)**
15	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR**	**955,187**	**817,695**	**481,928**	**1,664,942**	**1,998,513**	**1,020,724**	**887,699**	**498,402**	**1,691,457**	**2,027,668**
16	**EARNINGS PER SHARE - basic and diluted**	**Shs 3.41**	**Shs 2.86**	**Shs 1.71**	**Shs 5.54**	**Shs 7.22**	**Shs 3.65**	**Shs 3.11**	**Shs 1.77**	**Shs 6.19**	**Shs 8.05**

III. OTHER DISCLOSURES

		BANK 30-Sep-14 Shs'000 Un-audited	BANK 31-Dec-14 Shs'000 Audited	BANK 31-Mar-15 Shs'000 Un-audited	BANK 30-Jun-15 Shs'000 Un-audited	BANK 30-Sep-15 Shs'000 Un-audited
1	**Non-performing loans and advances**					
a	Gross non-performing loans and advances	6,041,488	7,236,684	6,967,504	6,793,635	6,459,891
b	Less: Interest in suspense	153,905	188,555	248,548	308,548	353,548
c	**Total Non-performing loans and advances (a-b)**	**5,887,583**	**7,048,129**	**6,718,956**	**6,485,087**	**6,106,343**
d	Less: Loan loss Provisions	2,058,104	2,263,409	2,185,083	729,285	574,586
e	**Net NPLs exposure (c-d)**	**3,829,479**	**4,784,720**	**4,533,873**	**5,755,802**	**5,531,757**
f	Discounted Value of Securities	3,829,479	4,784,720	4,533,873	5,755,802	5,531,757
g	**Net NPLs exposure (e-f)**	-	-	-	-	-
2	**Insider loans and Advances**					
a	Directors, Shareholders and associates	95,924	113,283	106,569	58,935	98,879
b	Employees	4,777,821	4,851,152	5,251,968	5,451,918	5,468,236
c	**Total insider loans, advances and other facilities**	**4,873,745**	**4,964,435**	**5,358,537**	**5,510,853**	**5,567,115**
3	**Off-Balance sheet items**					
a	Letters of credit, guarantees and acceptances	5,559,562	5,350,757	7,956,977	5,587,834	7,472,483
b	Forwards, swaps and options	5,738,199	2,670,353	4,566,271	1,212,219	198,415
c	Other contingent liabilities	64,800	-	-	-	-
d	**Total contingent liabilities**	**11,362,561**	**8,021,110**	**12,523,248**	**6,800,053**	**7,670,898**
4	**Capital Strength**					
a	**Core capital**	**10,063,685**	**10,343,312**	**10,546,119**	**11,211,302**	**11,361,363**
b	Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
c	Excess/(Deficiency) (a-b)	9,063,685	9,343,312	9,546,119	10,211,302	10,361,363
d	**Supplementary capital**	**809,359**	**862,493**	**880,684**	**719,173**	**769,781**
e	**Total capital (a+d)**	**10,873,044**	**11,205,805**	**11,426,803**	**11,930,475**	**12,131,144**
f	**Total risk weighted assets**	**73,884,539**	**80,433,021**	**88,680,844**	**80,636,882**	**78,580,225**
g	**Core capital/total deposit liabilities**	**10.8%**	**9.9%**	**12.3%**	**11.5%**	**12.5%**
h	Minimum Statutory Ratio	10.5%	8.0%	8.0%	8.0%	8.0%
i	Excess/(Deficiency) (g-h)	0.3%	1.9%	4.3%	3.5%	4.5%
j	**Core capital/total risk weighted assets**	**13.6%**	**12.9%**	**11.9%**	**14.5%**	**14.5%**
k	Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%	10.5%
l	Excess/(Deficiency) (j-k)	3.1%	2.4%	1.4%	4.0%	4.0%
m	**Total capital/total risk weighted assets**	**14.7%**	**13.9%**	**12.9%**	**15.4%**	**15.4%**
n	Minimum Statutory Ratio	14.5%	12.0%	14.5%	14.5%	14.5%
o	Excess/(Deficiency)(m-n)	0.2%	1.9%	-1.6%	0.9%	0.9%
5	**Liquidity**					
a	**Liquidity Ratio**	**36.9%**	**31.5%**	**21.0%**	**25.8%**	**21.1%**
b	Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%	20.0%
c	Excess/(Deficiency)(a-b)	16.9%	11.5%	1.0%	5.8%	1.1%

DIVIDENDS
The directors do not recommend the payment of an interim dividend.

APPROVAL
The un-audited financial statements are extracts of the financial statements and records of the Bank which were approved by the Board of Directors. 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 un-audited financial statements were approved by the Board of Directors and signed on its behalf by:

M.A. Hassan - Chairman
Munir S. Ahmed - Managing Director & CEO
Habil Waswani - Company Secretary

November 2015

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