

The Board of Directors of National Bank of Kenya Limited hereby announce the un-audited results for the period ended 30 September 2021

I. STATEMENT OF FINANCIAL POSITION as at 30 September 2021

| | BANK | BANK | BANK | BANK | BANK | GROUP | GROUP | GROUP | GROUP | GROUP | III. OTHER DISCLOSURES | BANK | BANK | BANK | BANK | BANK |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--|------------|------------|------------|------------|------------|
| | 30-Sep-20 | 31-Dec-20 | 31-Mar-21 | 31-Jun-21 | 30-Sep-21 | 30-Sep-20 | 31-Dec-20 | 31-Mar-21 | 31-Jun-21 | 30-Sep-21 | | 30-Sep-20 | 31-Dec-20 | 31-Mar-21 | 30-Jun-21 | 30-Sep-21 |
| | Shs'000 | Shs'000 | Shs'000 | Shs'000 | Shs'000 | Shs'000 | Shs'000 | Shs'000 | Shs'000 | Shs'000 | | Shs'000 | Shs'000 | Shs'000 | Shs'000 | Shs'000 |
| | Un-audited | Audited | Un-audited | Un-audited | Un-audited | Un-audited | Audited | Un-audited | Un-audited | Un-audited | | Un-audited | Audited | Un-audited | Un-audited | Un-audited |
| A Assets | | | | | | | | | | | | | | | | |
| 1 Cash (both Local & Foreign) | 1,160,787 | 1,100,330 | 1,249,469 | 940,995 | 1,007,756 | 1,160,787 | 1,100,330 | 1,249,469 | 940,995 | 1,007,756 | 1 Non-performing loans and advances | 29,326,125 | 26,438,040 | 26,360,967 | 27,447,135 | 27,976,034 |
| 2 Balances due from Central Bank of Kenya | 4,799,532 | 3,750,586 | 4,133,434 | 4,081,795 | 3,757,987 | 4,799,532 | 3,750,586 | 4,133,434 | 4,081,795 | 3,757,987 | a Gross non-performing loans and advances | 5,930,707 | 4,290,607 | 4,734,041 | 4,548,725 | 4,892,192 |
| 3 Kenya Government and other securities held for dealing purposes | - | - | - | - | - | - | - | - | - | - | b Less:Interest in suspense | 23,395,418 | 22,147,433 | 21,626,926 | 22,898,410 | 23,083,842 |
| 4 Financial Assets at fair value through profit and loss | - | - | - | - | - | - | - | - | - | - | c Total Non-performing loans and advances (a-b) | 10,645,056 | 11,322,528 | 11,503,961 | 12,098,852 | 12,228,074 |
| 5 Investment Securities:(a+b) | 52,218,434 | 49,556,471 | 48,762,262 | 51,053,637 | 54,017,667 | 52,252,393 | 49,625,980 | 48,839,094 | 51,122,228 | 54,089,971 | d Less:Loan loss Provisions | 12,750,362 | 10,824,905 | 10,122,965 | 10,799,557 | 10,855,768 |
| a) Held to Maturity:(i+ii) | 34,621,205 | 34,460,222 | 33,614,230 | 33,356,840 | 33,234,414 | 34,621,205 | 34,460,222 | 33,614,230 | 33,356,840 | 33,234,414 | e Net NPLs exposure (c-d) | 12,390,155 | 10,330,933 | 9,325,185 | 10,736,740 | 10,675,731 |
| 5.a.i Kenya Government securities | 34,621,205 | 34,460,222 | 33,614,230 | 33,356,840 | 33,234,414 | 34,621,205 | 34,460,222 | 33,614,230 | 33,356,840 | 33,234,414 | f Discounted Value of Securities | 360,207 | 493,972 | 797,780 | 62,818 | 180,037 |
| 5.a.ii Other securities | - | - | - | - | - | - | - | - | - | - | g Net NPLs exposure (e-f) | 2 | 2 | 2 | 2 | 2 |
| b) Available for sale:(i+ii) | 17,597,229 | 15,096,249 | 15,148,032 | 17,696,797 | 20,783,253 | 17,631,188 | 15,165,758 | 15,224,864 | 17,765,388 | 20,855,557 | 2 Insider loans and Advances | 19 | - | 4 | 21 | 18 |
| i. Kenya Government securities | 17,597,229 | 15,096,249 | 15,148,032 | 17,696,797 | 20,783,253 | 17,631,188 | 15,165,758 | 15,224,864 | 17,765,388 | 20,855,557 | a Directors,Shareholders and associates | 5,669,242 | 5,872,627 | 5,941,974 | 5,905,135 | 5,867,903 |
| ii. Other securities | - | - | - | - | - | - | - | - | - | - | b Employees | 5,669,261 | 5,872,627 | 5,941,978 | 5,905,156 | 5,867,921 |
| 6 Deposits and balances due from local banking institutions | 1,322,196 | 1,357,790 | 1,367,120 | 1,352,368 | 6,955,814 | 1,362,981 | 1,357,790 | 1,367,120 | 1,352,368 | 6,955,814 | c Total insider loans, advances and other facilities | 6,989,341 | 4,996,228 | 5,055,196 | 4,798,015 | 4,549,513 |
| 7 Deposits and balances due from banking institutions abroad | 1,583,817 | 755,496 | 1,234,389 | 2,622,821 | 1,021,973 | 1,583,817 | 755,496 | 1,234,389 | 2,622,821 | 1,021,973 | 3 Off-Balance sheet items | 177,343 | 11,351,200 | 4,179 | 4,967,095 | 5,359,250 |
| 8 Tax recoverable | 421,939 | 304,692 | 306,432 | 295,415 | 78,984 | 419,147 | 314,986 | 300,584 | 292,926 | 58,721 | a Letters of credit, guarantees and acceptances | - | - | - | - | - |
| 9 Loans and advances to customers (net) | 53,380,947 | 55,539,275 | 57,668,263 | 60,376,595 | 64,953,499 | 53,380,947 | 55,539,275 | 57,668,263 | 60,376,595 | 64,953,499 | b Forwards, swaps and options | - | - | - | - | - |
| 10 Balances due from banking institutions in the group | - | - | - | - | - | - | - | - | - | - | c Other contingent liabilities | 7,166,684 | 16,347,428 | 5,059,375 | 9,765,110 | 9,908,763 |
| 11 Investments in associates | 574,177 | 630,353 | 616,044 | 670,824 | 657,458 | 574,177 | 630,353 | 616,044 | 670,824 | 657,458 | 4 Total contingent liabilities | | | | | |
| 12 Investments in subsidiary companies | 19,963 | 24,963 | 24,963 | 24,963 | 24,963 | - | - | - | - | - | a Core capital | 6,565,072 | 6,578,405 | 6,463,711 | 6,164,098 | 6,155,346 |
| 13 Investments in joint ventures | - | - | - | - | - | - | - | - | - | - | b Minimum Statutory Capital | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| 14 Investment properties | - | - | - | - | - | - | - | - | - | - | c Excess/(Deficiency) (a-b) | 5,565,072 | 5,578,405 | 5,463,711 | 5,164,098 | 5,155,346 |
| 15 Property and equipment | 4,273,791 | 4,374,108 | 4,213,230 | 4,076,935 | 4,274,938 | 4,274,007 | 4,374,661 | 4,213,836 | 4,078,439 | 4,276,383 | d Supplementary capital | 1,264,293 | 1,256,934 | 1,268,343 | 4,368,809 | 4,396,364 |
| 16 Prepaid lease rentals | - | - | - | - | - | - | - | - | - | - | e Total capital (a+d) | 7,829,365 | 7,835,339 | 7,732,054 | 10,532,906 | 10,551,689 |
| 17 Intangible assets | 782,983 | 744,446 | 665,434 | 634,903 | 568,933 | 797,434 | 773,348 | 693,853 | 661,877 | 594,462 | f Total risk weighted assets | 76,029,719 | 76,036,622 | 77,691,953 | 78,422,698 | 80,975,578 |
| 18 Deferred tax asset | 2,626,271 | 3,136,380 | 3,052,139 | 2,826,975 | 3,007,004 | 2,626,556 | 3,136,314 | 3,051,981 | 2,827,086 | 3,007,387 | g Core capital/total deposit liabilities | 6.1% | 6.2% | 6.0% | 5.7% | 5.0% |
| 19 Retirement benefit asset | - | - | - | - | - | - | - | - | - | - | h Minimum Statutory Ratio | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% |
| 20 Other assets | 6,425,548 | 5,566,730 | 6,294,900 | 4,675,744 | 5,924,482 | 6,265,790 | 5,368,576 | 6,301,551 | 4,526,436 | 5,806,337 | l Excess/(Deficiency) (g-h) | -1.9% | -1.8% | -2.0% | -2.3% | -3.0% |
| 21 TOTAL ASSETS | 129,590,385 | 126,841,620 | 129,588,169 | 133,633,970 | 146,251,458 | 129,497,568 | 126,727,695 | 129,669,618 | 133,554,390 | 146,187,748 | j Core capital/total risk weighted assets | 8.6% | 8.7% | 8.4% | 7.9% | 7.6% |
| B Liabilities | | | | | | | | | | | k Minimum Statutory Ratio | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% |
| 22 Balances due to Central Bank of Kenya | 3,295,197 | - | - | - | - | 3,295,197 | - | - | - | - | l Excess/(Deficiency) (j-k) | -1.9% | -1.8% | -2.1% | -2.6% | -2.9% |
| 23 Customer deposits | 102,617,657 | 99,229,389 | 99,090,859 | 99,913,441 | 115,424,152 | 102,386,342 | 99,066,580 | 98,857,733 | 99,716,681 | 115,135,108 | m Total capital/total risk weighted assets | 10.3% | 10.3% | 10.0% | 13.4% | 13.0% |
| 24 Deposits and balances due to local banking institutions | 3,280,280 | 6,460,632 | 8,137,398 | 7,485,321 | 3,310,433 | 3,280,280 | 6,460,632 | 8,137,398 | 7,485,321 | 3,310,433 | n Minimum Statutory Ratio | 14.5% | 14.5% | 14.5% | 14.5% | 14.5% |
| 25 Deposits and balances due to foreign banking institutions | 5,151,596 | 6,981,903 | 7,941,366 | 7,712,427 | 7,532,793 | 5,151,596 | 6,981,903 | 7,941,366 | 7,712,427 | 7,532,793 | o Excess/(Deficiency)(m-n) | -4.2% | -4.2% | -4.5% | -1.1% | -1.5% |
| 26 Other money market deposits | - | - | - | - | - | - | - | - | - | - | p Adjusted core capital/total deposit liabilities* | 6.1% | 6.2% | 6.3% | 5.9% | 5.2% |
| 27 Borrowed funds | - | - | - | 3,237,000 | 3,315,000 | - | - | - | 3,237,000 | 3,315,000 | q Adjusted core capital/total risk weighted assets* | 8.7% | 8.7% | 8.7% | 8.1% | 7.8% |
| 28 Balances due to banking institutions in the group | - | - | - | - | - | - | - | - | - | - | r Adjusted total capital/total risk weighted assets* | 10.3% | 10.3% | 10.3% | 13.7% | 13.4% |
| 29 Tax payable | - | - | - | - | - | - | - | - | (297) | - | 5 Liquidity | | | | | |
| 30 Dividends payable | - | - | - | - | - | - | - | - | - | - | a Liquidity Ratio | 47.3% | 44.4% | 42.7% | 46.6% | 49.6% |
| 31 Deferred tax liability | 5,811 | 5,681 | 5,681 | 5,681 | 5,681 | 5,811 | 5,681 | 5,681 | 5,681 | 5,681 | b Minimum Statutory Ratio | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% |
| 32 Retirement benefit liability | - | - | - | - | - | - | - | - | - | - | c Excess/(Deficiency)(a-b) | 27.3% | 24.4% | 22.7% | 26.6% | 29.6% |
| 33 Other liabilities | 3,326,454 | 2,228,471 | 2,227,454 | 2,634,480 | 3,637,747 | 3,346,749 | 2,180,761 | 2,357,357 | 2,619,747 | 3,683,694 | | | | | | |
| 34 TOTAL LIABILITIES | 117,676,995 | 114,906,076 | 117,402,758 | 120,988,350 | 133,225,806 | 117,465,975 | 114,695,557 | 117,299,535 | 120,776,857 | 132,982,709 | | | | | | |
| C Shareholders' Funds | | | | | | | | | | | | | | | | |
| 35 Paid up /Assigned capital | 12,368,906 | 12,368,906 | 12,368,906 | 12,368,906 | 12,368,906 | 12,368,906 | 12,368,906 | 12,368,906 | 12,368,906 | 12,368,906 | | | | | | |
| 36 Share premium/(discount) | - | - | - | - | - | - | - | - | - | - | | | | | | |
| 37 Revaluation reserves | 1,255,687 | 1,225,905 | 1,225,905 | 1,225,905 | 1,225,905 | 1,255,687 | 1,225,907 | 1,225,905 | 1,225,905 | 1,225,905 | | | | | | |
| 38 Retained earnings/Accumulated losses | (5,624,763) | (5,506,873) | (5,602,693) | (5,671,226) | (5,503,011) | (5,506,817) | (5,410,487) | (5,418,276) | (5,538,562) | (5,322,506) | | | | | | |
| 39 Statutory loan loss reserves | 3,762,684 | 3,794,213 | 4,074,991 | 4,590,726 | 4,781,842 | 3,762,684 | 3,794,213 | 4,074,991 | 4,590,726 | 4,781,842 | | | | | | |
| 40 Other Reserves | 150,876 | 53,393 | 118,302 | 131,309 | 152,010 | 151,133 | 53,599 | 118,557 | 130,558 | 150,892 | | | | | | |
| 41 Proposed dividends | - | - | - | - | - | - | - | - | - | - | | | | | | |
| 42 Capital grants | - | - | - | - | - | - | - | - | - | - | | | | | | |
| 43 TOTAL SHAREHOLDERS' FUNDS | 11,913,390 | 11,935,544 | 12,185,411 | 12,645,620 | 13,025,652 | 12,031,593 | 12,032,138 | 12,370,083 | 12,777,533 | 13,205,039 | | | | | | |
| 44 Minority interest | - | - | - | - | - | - | - | - | - | - | | | | | | |
| 45 Total Liabilities & Shareholders' Funds | 129,590,385 | 126,841,620 | 129,588,169 | 133,633,970 | 146,251,458 | 129,497,568 | 126,727,695 | 129,669,618 | 133,554,390 | 146,187,748 | | | | | | |

NOTES

* The adjusted Capital Ratios includes the expected credit loss provisions added back to Capital in line with the CBK Guidance Note issued in April 2018 on implementation of IFRS 9.

APPROVAL

The Un audited financial statements are an extract from the books of the Financial statements and records of the bank and approved on 6th August,2021 and signed on its behalf by:

J. Nzomo - Chairman, Board Audit Committee
P. Russo - Managing Director

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 institutions head office located at Harambee Avenue.

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

REGISTERED OFFICE

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