

The Board of Directors of National Bank of Kenya Limited hereby announce the un-audited results for the period ended 31 March 2017

### I. STATEMENT OF FINANCIAL POSITION As at 31 March 2017

	BANK 31-Mar-16 Shs'000	BANK 31-Dec-16 Shs'000	BANK 31-Mar-17 Shs'000	GROUP 31-Mar-16 Shs'000	GROUP 31-Dec-16 Shs'000	GROUP 31-Mar-17 Shs'000
	Un-audited	Audited	Un-audited	Un-audited	Audited	Un-audited
<b>A ASSETS</b>						
1 Cash (both Local & Foreign)	3,352,781	3,180,119	1,466,679	3,696,472	3,344,271	1,673,374
2 Balances due from Central Bank of Kenya	4,763,006	5,237,044	7,625,369	4,763,006	5,237,044	7,625,369
3 Kenya Government and other securities held for dealing purposes	-	-	-	-	-	-
4 Financial Assets at fair value through profit and loss	-	-	-	-	-	-
<b>5 Investment Securities: (a+b)</b>	<b>28,630,502</b>	<b>34,782,839</b>	<b>35,452,606</b>	<b>28,630,502</b>	<b>34,782,839</b>	<b>35,452,606</b>
<b>a) Held to Maturity: (i+ii)</b>	<b>28,630,502</b>	<b>27,945,290</b>	<b>26,429,090</b>	<b>28,630,502</b>	<b>27,945,290</b>	<b>26,429,090</b>
i. Kenya Government securities	28,402,429	27,708,283	26,429,090	28,402,429	27,708,283	26,429,090
ii. Other securities	228,073	237,007	-	228,073	237,007	-
<b>b) Available for sale: (i+ii)</b>	<b>-</b>	<b>6,837,549</b>	<b>9,023,516</b>	<b>-</b>	<b>6,837,549</b>	<b>9,023,516</b>
i. Kenya Government securities	-	6,837,549	9,023,516	-	6,837,549	9,023,516
ii. Other securities	-	-	-	-	-	-
6 Deposits and balances due from local banking institutions	1,409,962	100,115	785,942	1,409,962	100,115	785,942
7 Deposits and balances due from banking institutions abroad	816,742	1,211,860	506,362	816,742	1,211,860	506,362
8 Tax recoverable	371,862	504,332	502,718	380,823	506,976	498,237
9 Loans and advances to customers (net)	66,315,233	59,339,225	58,126,112	66,315,233	59,339,225	58,126,112
10 Balances due from banking institutions in the group	-	-	-	-	-	-
11 Investments in associates	-	-	237,007	-	-	237,007
12 Investments in subsidiary companies	19,963	19,963	19,963	19,963	19,963	19,963
13 Investments in joint ventures	-	-	-	-	-	-
14 Investment properties	-	-	-	-	-	-
15 Property and equipment	4,227,059	4,110,825	4,090,322	4,228,065	4,111,684	4,091,132
16 Prepaid lease rentals	-	-	-	-	-	-
17 Intangible assets	1,420,533	1,352,178	1,416,713	1,420,688	1,352,178	1,416,713
18 Deferred tax asset	482,668	473,722	482,668	483,299	474,353	483,299
19 Retirement benefit asset	-	-	-	-	-	-
20 Other assets	3,410,331	4,802,152	4,730,366	3,410,331	4,811,884	4,743,350
<b>21 TOTAL ASSETS</b>	<b>115,220,642</b>	<b>115,114,374</b>	<b>115,442,827</b>	<b>115,575,086</b>	<b>115,292,392</b>	<b>115,659,466</b>
<b>B LIABILITIES</b>						
22 Balances due to Central Bank of Kenya	-	3,719,844	6,487,585	-	3,719,844	6,487,585
23 Customer deposits	99,444,269	96,966,522	92,772,520	99,444,269	96,966,522	92,772,520
24 Deposits and balances due to local banking institutions	3,157,167	513,810	2,074,155	3,157,167	513,810	2,074,155
25 Deposits and balances due to foreign banking institutions	-	-	1,083,995	-	-	1,083,995
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	-	-	12,043	-	-	12,043
30 Dividends payable	29,811	6,444	24,663	29,811	6,444	24,663
31 Deferred tax liability	-	-	-	-	-	-
32 Retirement benefit liability	-	-	-	-	-	-
33 Other liabilities	1,329,502	2,889,695	2,000,111	1,533,738	2,913,057	2,030,741
<b>34 TOTAL LIABILITIES</b>	<b>103,982,725</b>	<b>104,118,291</b>	<b>104,455,072</b>	<b>104,186,961</b>	<b>104,141,653</b>	<b>104,485,702</b>
<b>C SHAREHOLDERS' FUNDS</b>						
35 Paid up /Assigned capital	7,214,976	7,214,976	7,214,976	7,214,976	7,214,976	7,214,976
36 Share premium/(discount)	-	-	-	-	-	-
37 Revaluation reserves	509,752	660,062	794,192	509,752	660,062	794,192
38 Retained earnings/Accumulated losses	3,077,016	2,883,472	2,793,451	3,227,224	3,038,128	2,979,460
39 Statutory loan loss reserves	436,173	302,573	302,058	436,173	302,573	302,058
40 Other Reserves	-	(65,000)	(116,922)	-	(65,000)	(116,922)
41 Proposed dividends	-	-	-	-	-	-
42 Capital grants	-	-	-	-	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>11,237,917</b>	<b>10,996,083</b>	<b>10,987,755</b>	<b>11,388,125</b>	<b>11,150,739</b>	<b>11,173,764</b>
<b>44 TOTAL LIABILITIES &amp; SHAREHOLDERS' FUNDS</b>	<b>115,220,642</b>	<b>115,114,374</b>	<b>115,442,827</b>	<b>115,575,086</b>	<b>115,292,392</b>	<b>115,659,466</b>

### II. STATEMENT OF COMPREHENSIVE INCOME for the period ended 31 March 2017

	BANK 31-Mar-16 Shs'000	BANK 31-Dec-16 Shs'000	BANK 31-Mar-17 Shs'000	GROUP 31-Mar-16 Shs'000	GROUP 31-Dec-16 Shs'000	GROUP 31-Mar-17 Shs'000
	Un-audited	Un-audited	Un-audited	Un-audited	Audited	Un-audited
<b>1 Interest Income</b>						
1.1 Loans and advances	2,715,453	9,020,708	1,259,173	2,715,453	9,020,708	1,259,173
1.2 Government securities	768,805	3,256,451	1,047,872	768,805	3,256,451	1,047,872
1.3 Deposits and placements with banking institutions	38,019	50,623	7,133	38,019	50,623	9,901
1.4 Other Interest Income	-	-	-	-	-	-
<b>1.5 TOTAL INTEREST INCOME</b>	<b>3,522,277</b>	<b>12,327,782</b>	<b>2,314,178</b>	<b>3,522,277</b>	<b>12,327,782</b>	<b>2,316,946</b>
<b>2 Interest Expense</b>						
2.1 Customer deposits	1,205,378	3,517,980	711,846	1,205,378	3,517,980	711,846
2.2 Deposits and placements from banking institutions	39,658	786,425	159,621	39,658	786,425	159,621
2.3 Other interest expenses	4,539	4,540	-	4,539	4,540	-
<b>2.4 TOTAL INTEREST EXPENSES</b>	<b>1,249,575</b>	<b>4,308,945</b>	<b>871,467</b>	<b>1,249,575</b>	<b>4,308,945</b>	<b>871,467</b>
<b>3 NET INTEREST INCOME</b>	<b>2,272,702</b>	<b>8,018,837</b>	<b>1,442,711</b>	<b>2,272,702</b>	<b>8,018,837</b>	<b>1,445,479</b>
<b>4 Non-Interest Income</b>						
4.1 Fees and commissions on loans and advances	57,054	144,808	74,005	57,054	225,630	74,005
4.2 Other fees and commissions	350,745	1,386,308	252,226	388,043	1,386,308	302,115
4.3 Foreign exchange trading income (loss)	98,417	363,863	157,583	98,417	363,863	157,583
4.4 Dividend Income	-	-	-	-	-	-
4.5 Other income	192,318	1,039,938	96,628	192,318	1,039,938	96,628
<b>4.6 TOTAL NON-INTEREST INCOME</b>	<b>698,534</b>	<b>2,934,917</b>	<b>580,442</b>	<b>735,832</b>	<b>3,015,739</b>	<b>630,331</b>
<b>5 TOTAL OPERATING INCOME</b>	<b>2,971,236</b>	<b>10,953,754</b>	<b>2,023,153</b>	<b>3,008,534</b>	<b>11,034,576</b>	<b>2,075,810</b>
<b>6 Other Operating Expenses</b>						
6.1 Loan loss provision	696,923	2,697,895	131,159	696,923	2,697,895	131,159
6.2 Staff costs	875,719	3,621,462	939,201	880,025	3,642,344	944,255
6.3 Directors' emoluments	4,576	43,370	9,552	4,576	43,370	9,552
6.4 Rental charges	83,786	391,913	98,224	83,786	391,913	98,224
6.5 Depreciation charge on property and equipment	92,388	412,605	98,599	92,464	412,851	98,648
6.6 Amortisation charges	95,571	398,855	59,044	95,664	399,134	59,044
6.7 Other operating expenses	658,993	3,226,044	647,231	677,129	3,264,415	649,995
<b>6.8 Total Operating Expenses</b>	<b>2,507,956</b>	<b>10,792,144</b>	<b>1,983,010</b>	<b>2,530,567</b>	<b>10,851,922</b>	<b>1,990,877</b>
<b>7 PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS</b>	<b>463,280</b>	<b>161,610</b>	<b>40,143</b>	<b>477,967</b>	<b>182,654</b>	<b>84,933</b>
8 Exceptional items	-	-	-	-	-	-
<b>9 Profit after exceptional items</b>	<b>463,280</b>	<b>161,610</b>	<b>40,143</b>	<b>477,967</b>	<b>182,654</b>	<b>84,933</b>
10 Current tax	(138,985)	(14,149)	(12,043)	(143,391)	(20,464)	(25,480)
11 Deferred tax	-	-	-	-	-	-
<b>12 Profit after tax and exceptional items</b>	<b>324,295</b>	<b>147,461</b>	<b>28,100</b>	<b>334,576</b>	<b>162,190</b>	<b>59,453</b>
<b>13 OTHER COMPREHENSIVE INCOME</b>						
13.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-	-	-
13.2 Fair value changes in available for sale financial assets	-	(65,000)	(51,922)	-	(65,000)	(51,922)
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	-	-	-	-	-	-
<b>14 Other Comprehensive Income for the year net of tax</b>	<b>-</b>	<b>(65,000)</b>	<b>(51,922)</b>	<b>-</b>	<b>(65,000)</b>	<b>(51,922)</b>
<b>15 TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>324,295</b>	<b>82,461</b>	<b>(23,822)</b>	<b>334,576</b>	<b>97,190</b>	<b>7,531</b>
<b>16 EARNINGS PER SHARE - basic and diluted</b>	Shs 1.05	Shs 0.50	Shs 0.09	Shs 1.09	Shs 0.53	Shs 0.19

### III. OTHER DISCLOSURES

#### 1 Non-performing loans and advances

	BANK 31-Mar-16 Shs'000	BANK 31-Dec-16 Shs'000	BANK 31-Mar-17 Shs'000
	Un-audited	Audited	Un-audited
a Gross non-performing loans and advances	16,978,927	29,987,342	29,025,058
b Less: Interest in suspense	1,895,355	3,218,351	3,402,539
<b>c Total Non-performing loans and advances (a-b)</b>	<b>15,083,572</b>	<b>26,768,991</b>	<b>25,622,519</b>
d Less: Loan loss Provisions	3,946,004	6,058,141	6,154,532
<b>e Net NPLs exposure (c-d)</b>	<b>11,137,568</b>	<b>20,710,850</b>	<b>19,467,987</b>
f Discounted Value of Securities	11,137,568	20,710,850	19,467,987

#### 2 Net NPLs exposure (e-f)

#### 2 Insider loans and Advances

	BANK 31-Mar-16 Shs'000	BANK 31-Dec-16 Shs'000	BANK 31-Mar-17 Shs'000
	Un-audited	Audited	Un-audited
a Directors, Shareholders and associates	104,165	5,590	30,269
b Employees	4,709,121	4,226,097	4,330,267
<b>c Total insider loans, advances and other facilities</b>	<b>4,813,286</b>	<b>4,231,687</b>	<b>4,360,536</b>

#### 3 Off-Balance sheet items

	BANK 31-Mar-16 Shs'000	BANK 31-Dec-16 Shs'000	BANK 31-Mar-17 Shs'000
	Un-audited	Audited	Un-audited
a Letters of credit, guarantees and acceptances	7,330,618	5,065,466	4,225,013
b Forwards, swaps and options	114,853	-	-
c Other contingent liabilities	-	2,360,805	2,181,921
<b>d Total contingent liabilities</b>	<b>7,445,471</b>	<b>7,426,271</b>	<b>6,406,934</b>

#### 4 Capital Strength

	BANK 31-Mar-16 Shs'000	BANK 31-Dec-16 Shs'000	BANK 31-Mar-17 Shs'000
	Un-audited	Audited	Un-audited
<b>a Core capital</b>	<b>10,129,844</b>	<b>10,033,448</b>	<b>9,994,377</b>
b Minimum Statutory Capital	1,000,000	1,000,000	1,000,000
c Excess/(Deficiency) (a-b)	9,129,844	9,033,448	8,994,377
d Supplementary capital	<b>563,611</b>	<b>467,589</b>	<b>500,606</b>
<b>e Total capital (a+d)</b>	<b>10,693,455</b>	<b>10,501,037</b>	<b>10,494,983</b>
f Total risk weighted assets	<b>81,793,696</b>	<b>88,324,602</b>	<b>90,415,848</b>
<b>g Core capital/total deposit liabilities</b>	<b>10.1%</b>	<b>10.3%</b>	<b>10.7%</b>
h Minimum Statutory Ratio	8.0%	8.0%	8.0%
i Excess/(Deficiency) (g-h)	2.1%	2.3%	2.7%
<b>j Core capital/total risk weighted assets</b>	<b>12.4%</b>	<b>11.4%</b>	<b>11.1%</b>
k Minimum Statutory Ratio	10.5%	10.5%	10.5%
l Excess/(Deficiency) (j-k)	1.9%	0.9%	0.6%
<b>m Total capital/total risk weighted assets</b>	<b>13.1%</b>	<b>11.9%</b>	<b>11.6%</b>
n Minimum Statutory Ratio	14.5%	14.5%</	