

The Board of Directors of National Bank of Kenya Limited hereby announce the audited results for the year ended 31 December 2017
**I. STATEMENT OF FINANCIAL POSITION
As at 31 December 2017**

	BANK 31-Dec-16 Shs'000	BANK 31-Dec-17 Shs'000	GROUP 31-Dec-16 Shs'000	GROUP 31-Dec-17 Shs'000
	Restated Audited	Audited	Restated Audited	Audited
A ASSETS				
1 Cash (both Local & Foreign)	3,180,119	2,006,948	3,322,295	2,006,948
2 Balances due from Central Bank of Kenya	5,237,044	5,493,224	5,237,044	5,493,224
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)	34,545,832	35,707,852	34,545,832	35,718,032
a) Held to Maturity:(i+ii)	27,708,283	20,813,253	27,708,283	20,813,253
i. Kenya Government securities	27,708,283	20,813,253	27,708,283	20,813,253
ii. Other securities	-	-	-	-
b) Available for sale:(i+ii)	6,837,549	14,894,599	6,837,549	14,904,779
i. Kenya Government securities	6,837,549	14,894,599	6,837,549	14,904,779
ii. Other securities	-	-	-	-
6 Deposits and balances due from local banking institutions	196,764	1,838,642	196,764	1,838,642
7 Deposits and balances due from banking institutions abroad	1,115,211	621,500	1,115,211	621,500
8 Tax recoverable	504,332	479,924	506,976	486,345
9 Loans and advances to customers (net)	55,019,784	52,361,043	55,019,784	52,361,043
10 Balances due from banking institutions in the group	-	-	-	-
11 Investments in associates	237,007	334,134	237,007	334,134
12 Investments in subsidiary companies	19,963	19,963	-	-
13 Investments in joint ventures	-	-	-	-
14 Investment properties	-	-	-	-
15 Property and equipment	4,110,825	3,710,328	4,111,684	3,710,949
16 Prepaid lease rentals	-	-	-	-
17 Intangible assets	1,352,178	1,159,618	1,352,178	1,159,618
18 Deferred tax asset	2,135,897	1,862,181	2,136,531	1,862,363
19 Retirement benefit asset	-	-	-	-
20 Other assets	4,274,202	4,346,685	4,304,824	4,280,343
21 TOTAL ASSETS	111,929,158	109,942,042	112,086,130	109,873,141
B LIABILITIES				
22 Balances due to Central Bank of Kenya	3,719,844	-	3,719,844	-
23 Customer deposits	93,892,264	94,544,397	93,870,288	94,275,768
24 Deposits and balances due to local banking institutions	513,810	2,069,482	513,810	2,069,482
25 Deposits and balances due to foreign banking institutions	3,078,014	3,550,638	3,078,014	3,550,638
26 Other money market deposits	-	-	-	-
27 Borrowed funds	-	-	-	-
28 Balances due to banking institutions in the group	-	-	-	-
29 Tax payable	-	-	-	-
30 Dividends payable	24,664	24,446	24,664	24,446
31 Deferred tax liability	-	-	-	-
32 Retirement benefit liability	-	-	-	-
33 Other liabilities	3,945,695	2,705,542	3,969,060	2,718,899
34 TOTAL LIABILITIES	105,174,291	102,894,505	105,175,680	102,639,233
C SHAREHOLDERS' FUNDS				
35 Paid up /Assigned capital	7,214,976	7,368,906	7,214,976	7,368,906
36 Share premium/(discount)	-	-	-	-
37 Revaluation reserves	680,430	670,678	680,430	670,678
38 Retained earnings/Accumulated losses	(1,523,321)	(3,711,873)	(1,367,738)	(3,525,502)
39 Statutory loan loss reserves	428,282	2,852,654	428,282	2,852,654
40 Other Reserves	(45,500)	(132,828)	(45,500)	(132,828)
41 Proposed dividends	-	-	-	-
42 Capital grants	-	-	-	-
43 TOTAL SHAREHOLDERS' FUNDS	6,754,867	7,047,537	6,910,450	7,233,908
44 TOTAL LIABILITIES & SHAREHOLDERS' FUNDS	111,929,158	109,942,042	112,086,130	109,873,141

**II. STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2017**

	BANK 31-Dec-16 Shs'000	BANK 31-Dec-17 Shs'000	GROUP 31-Dec-16 Shs'000	GROUP 31-Dec-17 Shs'000
	Restated Audited	Audited	Restated Audited	Audited
1 Interest Income				
1.1 Loans and advances	8,793,753	5,700,756	8,793,753	5,700,756
1.2 Government securities	3,256,451	4,164,096	3,256,451	4,164,277
1.3 Deposits and placements with banking institutions	50,623	97,462	50,623	97,462
1.4 Other Interest Income	-	-	-	-
1.5 TOTAL INTEREST INCOME	12,100,827	9,962,314	12,100,827	9,962,495
2 Interest Expense				
2.1 Customer deposits	3,517,980	2,941,176	3,517,980	2,924,384
2.2 Deposits and placements from banking institutions	786,425	313,189	786,425	313,189
2.3 Other interest expenses	4,540	-	4,540	-
2.4 TOTAL INTEREST EXPENSES	4,308,945	3,254,365	4,308,945	3,237,573
3 NET INTEREST INCOME	7,791,882	6,707,949	7,791,882	6,724,922
4 Non-Interest Income				
4.1 Fees and commissions on loans and advances	38,400	141,591	38,400	141,591
4.2 Other fees and commissions	1,334,014	1,236,806	1,414,836	1,293,871
4.3 Foreign exchange trading income (loss)	363,863	526,963	363,863	526,963
4.4 Dividend Income	-	1,806	-	1,806
4.5 Other Income	1,039,938	464,760	1,039,938	464,448
4.6 TOTAL NON-INTEREST INCOME	2,776,215	2,371,926	2,857,037	2,428,679
5 TOTAL OPERATING INCOME	10,568,097	9,079,875	10,648,919	9,153,601
6 Other Operating Expenses				
6.1 Loan loss provision	2,415,001	756,740	2,415,001	756,740
6.2 Staff costs	3,621,462	3,908,839	3,642,344	3,916,494
6.3 Directors' emoluments	43,370	55,635	43,370	55,635
6.4 Rental charges	391,913	394,986	391,913	394,986
6.5 Depreciation charge on property and equipment	412,605	565,520	412,851	565,759
6.6 Amortisation charges	398,855	539,854	399,134	539,854
6.7 Other operating expenses	3,226,044	2,117,928	3,264,415	2,139,051
6.8 Total Operating Expenses	10,509,250	8,339,502	10,569,028	8,368,519
7 PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	58,487	740,373	79,891	785,082
8 Exceptional items	-	-	-	-
9 Profit after exceptional items	58,487	740,373	79,891	785,082
10 Current tax	(8,676)	(14,974)	(15,319)	(29,078)
11 Deferred tax	5,127	(345,403)	6,381	(345,221)
12 Profit after tax and exceptional items	55,298	379,996	70,953	410,783
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	(65,000)	(124,755)	(65,000)	(124,755)
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	19,500	37,427	19,500	37,427
14 Other Comprehensive Income for the year net of tax	(45,500)	(87,328)	(45,500)	(87,328)
15 TOTAL COMPREHENSIVE INCOME FOR THE YEAR	9,798	292,668	25,453	323,455
16 EARNINGS PER SHARE - basic and diluted	Shs 0.18	Shs 1.17	Shs 0.23	Shs 1.26

III. OTHER DISCLOSURES
1 Non-performing loans and advances

	BANK 31-Dec-16 Shs'000	BANK 31-Dec-17 Shs'000
	Restated Audited	Audited
a Gross non-performing loans and advances	29,987,342	27,657,893
b Less: Interest in suspense	3,218,351	3,779,813
c Total Non-performing loans and advances (a-b)	26,768,991	23,878,080
d Less: Loan loss Provisions	9,027,363	12,011,898
e Net NPLs exposure (c-d)	17,741,628	11,866,182
f Discounted Value of Securities	17,741,628	11,866,182
g Net NPLs exposure (e-f)	-	-

2 Insider loans and Advances

	BANK 31-Dec-16 Shs'000	BANK 31-Dec-17 Shs'000
	Restated Audited	Audited
a Directors, Shareholders and associates	17,822	19,151
b Employees	4,213,865	4,728,314
c Total Insider loans, advances and other facilities	4,231,687	4,747,465

3 Off-Balance sheet items

	BANK 31-Dec-16 Shs'000	BANK 31-Dec-17 Shs'000
	Restated Audited	Audited
a Letters of credit, guarantees and acceptances	5,065,466	7,237,833
b Forwards, swaps and options	205,275	178,779
c Other contingent liabilities	-	-
d Total contingent liabilities	5,270,741	7,416,612

4 Capital Strength

	BANK 31-Dec-16 Shs'000	BANK 31-Dec-17 Shs'000
	Restated Audited	Audited
a Core capital	5,626,535	3,503,284
b Minimum Statutory Capital	1,000,000	1,000,000
c Excess/(Deficiency) (a-b)	4,626,535	2,503,284
d Supplementary capital	598,389	1,267,641
e Total capital (a+d)	6,224,924	4,770,925
f Total risk weighted assets	87,076,098	87,997,708
g Core capital/total deposit liabilities	5.8%	3.5%
h Minimum Statutory Ratio	8.0%	8.0%
i Excess/(Deficiency) (g-h)	-2.2%	-4.5%
j Core capital/total risk weighted assets	6.5%	4.0%
k Minimum Statutory Ratio	10.5%	10.5%
l Excess/(Deficiency) (j-k)	-4.0%	-6.5%
m Total capital/total risk weighted assets	7.2%	5.4%
n Minimum Statutory Ratio	14.5%	14.5%
o Excess/(Deficiency) (m-n)	-7.3%	-9.1%
5 Liquidity		
a Liquidity Ratio	32.6%	36.3%
b Minimum Statutory ratio	20.0%	20.0%
c Excess (Deficiency) (a-b)	12.6%	16.3%

The above are extracts from the Bank's financial statements. The financial statement were audited by PricewaterhouseCoopers and received an unqualified opinion.

The Board of Directors notes the reduced capital position of the Bank and confirm that the principal shareholders have provided firm commitments to secure new capital within 180 days.

The group's financial statements include those of Subsidiaries namely; Natbank Trustee & Investment Services Limited and National Bank Insurance Agency Limited.

The abridged version of the audited financial statements can be accessed on the Bank's website www.nationalbank.co.ke.

DIVIDENDS

The Directors do not recommend payment of any dividend.

AGM NOTICE

Notice is hereby given that the Forty Ninth Annual General Meeting of the Shareholders of National Bank of Kenya Limited will be held at Kenyatta International Convention Centre, Nairobi on Monday, 28 May 2018 from 10:00am

M.A. Hassan - Chairman, Board of Directors
J. Nzomo - Chairman, Board Audit Committee
Wilfred Musau - Managing Director & CEO
Habil Waswani - Company Secretary

REGISTERED OFFICE

National Bank Building,
18 Harambee Avenue, Nairobi.
P.O. BOX 72866, 00200, Nairobi.
Telephone: 2828000, 0711038000, 0732018000
Fax : 311444
E-Mail : info@nationalbank.co.ke
Website : www.nationalbank.co.ke

Experience The New NatMobile LOOK




Manage your Cash

DIAL *625# Fast, Secure, Convenient

GET IT ON Google Play

National Bank of Kenya National_Bank Nationalbank_ke

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