

National Bank of Kenya Limited

The Board of Directors of National Bank of Kenya Limited hereby announce the audited results for the year ended 31 December 2012

PROFIT AND LOSS ACCOUNT		31 Dec 12	31 Dec 11	BALANCE SHEET		31 Dec 12	31 Dec 11
for the year ended 31 December 2012		Shs'000	Shs'000	as at 31 December 2012		Shs'000	Shs'000
1 Interest Income				A Assets			
1.1 Loans and advances		5,376,734	3,517,135	1 Cash (both local and foreign)		2,845,876	2,250,352
1.2 Government securities		2,832,325	2,879,939	2 Balances due from Central Bank Of Kenya		2,615,115	3,314,646
1.3 Deposits and placements with banking institutions		221,060	60,923	3 Kenya Government securities		25,719,061	25,849,231
1.4 Other Interest Income		-	-	4 Foreign Currency Treasury bills and bonds		-	-
1.5 Total interest income		8,430,119	6,457,997	5 Deposits and balances due from local banking institutions		335,595	2,581,409
2 Interest Expense				6 Deposits and balances due from banking institutions abroad		1,021,359	806,782
2.1 Customer deposits		3,568,939	1,232,331	7 Government and other securities held for dealing purposes		1,069,049	828,868
2.2 Deposits and placements from banking institutions		86,386	144,556	8 Tax recoverable		371,691	-
2.3 Other		-	-	9 Loans and advances to customers (net)		28,346,668	28,068,218
2.4 Total Interest Expenses		3,655,325	1,376,887	10 Investment securities		93,224	62,872
3 Net Interest Income/(Loss)		4,774,794	5,081,110	11 Balances due from group companies		26,080	-
4 Non-Interest Income				12 Investment in associates		-	-
4.1 Fees and commissions on loans and advances		210,327	312,664	13 Investment in subsidiary companies		19,963	19,963
4.2 Other fees and commissions		1,132,203	1,149,208	14 Investment in joint ventures		-	-
4.3 Foreign exchange trading income (loss)		229,273	310,015	15 Investment in properties		-	-
4.4 Dividend Income		-	-	16 Property and equipment		2,673,313	2,740,003
4.5 Other Income		1,263,721	942,142	17 Prepaid lease rentals		11,467	11,615
4.6 Total Non-Interest Income		2,835,524	2,714,029	18 Intangible assets		924,912	402,400
5 Total Operating Income		7,610,318	7,795,139	19 Deferred tax asset		66,441	-
6 Other Operating Expenses				20 Retirement benefit asset		-	-
6.1 Loan loss provision		725,626	692,423	21 Other assets		1,014,991	1,728,157
6.2 Staff costs		3,110,702	2,635,180	22 Total Assets		67,154,805	68,664,516
6.3 Directors' emoluments		103,791	75,438	B Liabilities			
6.4 Rental charges		134,433	118,488	23 Balances due to Central Bank of Kenya		-	-
6.5 Depreciation charge on property and equipment		374,218	314,974	24 Customer deposits		55,191,425	56,728,163
6.6 Amortisation charges		240,403	37,756	25 Deposits and balances due to local banking institutions		254,694	155,613
6.7 Other operating expenses		1,773,737	1,477,030	26 Deposits and balances due to foreign banking institutions		-	-
6.8 Total Operating Expenses		6,462,910	5,351,289	27 Other money market deposits		-	-
7 Profit before tax and exceptional items		1,147,408	2,443,850	28 Borrowed funds		29,960	-
8 Exceptional items		-	-	29 Balances due to group companies		21,976	21,976
9 Profit after exceptional items		1,147,408	2,443,850	30 Tax payable		-	322,357
10 Current tax		(508,667)	(1,073,467)	31 Dividends payable		28,629	21,728
11 Deferred tax		91,011	175,730	32 Deferred tax liability		-	24,570
12 Profit after tax and exceptional items		729,752	1,546,113	33 Retirement benefit liability		-	-
13 Earnings Per Share - Basic & Diluted		Shs 1.49	Shs 3.19	34 Other liabilities		1,178,145	933,635
		31 Dec 12	31 Dec 11	35 Total Liabilities		56,704,829	58,208,042
		Shs'000	Shs'000	C Shareholders' Funds			
OTHER DISCLOSURES				36 Paid Up/Assigned Capital		7,075,000	7,075,000
1 Non-performing loans and advances				37 Share Premium/(discount)		-	-
a Gross non-performing loans and advances		2,247,477	1,196,826	38 Revaluation reserve		564,018	603,559
Less:				39 Retained Earnings/(Accumulated losses)		2,547,101	2,501,448
b Interest in suspense		51,405	42,151	40 Statutory Loan Loss Reserve		263,857	276,467
c Total Non-performing loans and advances (a-b)		2,196,072	1,154,675	41 Proposed Dividends		-	-
Less:				42 Capital grants		-	-
d Loan loss Provisions		1,543,344	854,456	43 Total Shareholders' Funds		10,449,976	10,456,474
e Net NPLs exposure (c-d)		652,728	300,219	44 Total Liabilities & Shareholders' Funds		67,154,805	68,664,516
f Discounted Value of Securities		652,728	300,219				
g Net NPLs exposure (e-f)		-	-	MESSAGE FROM DIRECTORS			
2 Insider loans and Advances				The high interest rate environment prevailing during the period adversely impacted the 2012 results. The bank paid high market rates on deposits but chose to cushion its borrowers by not passing the entire increase in the cost of funds onto the lending portfolio. The high rates also depressed lending volumes in the bank's significant retail portfolio. Expenses also grew on the back of significant investments in the year in new branches, new products, upgrade of the entire technology platform and inflationary pressures on the general cost base.			
a Shareholders and associates		-	-	DIVIDEND			
b Directors		6,322	11,233	1. The Directors are pleased to announce a dividend of Kshs 0.075 per share (1.5%) to preference			
c Employees		3,612,084	2,888,391	2. The Directors have resolved to recommend to the forthcoming Annual General Meeting a first and final dividend of Kshs 0.20 per share to ordinary and participating preference shareholders. The dividend will be payable in June to shareholders on register at close of business on 12th April 2013. The register will remain closed on 13th April 2013 for preparation of dividend warrants.			
d Total insider loans, advances and other facilities		3,618,406	2,899,624	CONSOLIDATION			
3 Off-Balance sheet items				Consolidated financial statements have not been prepared as the results and net assets of the subsidiaries are not material.			
a Letters of credit, guarantees and acceptances		5,292,850	4,211,887	APPROVAL			
b Other contingent liabilities		64,800	64,800	The above balance sheet and profit and loss account are extracts from the audited financial statements which were approved by the Board of Directors on 18th March 2013 and signed on its behalf by:			
c Total contingent liabilities		5,357,650	4,276,687	M.A. Hassan - Chairman			
4 Capital Strength				S.M. Kitonga (Ms) - Director/Chair - Audit & Risk Committee			
a Core capital		9,622,101	9,576,448	M.S. Ahmed - Managing Director			
b Minimum Statutory Capital		1,000,000	700,000	L.G. Kamweti - Company Secretary			
c Excess/(Deficiency) (a-b)		8,622,101	8,876,448	To get a full picture of the bank's performance, the full financial statements will be available in our offices after adoption by members at the annual general meeting.			
d Supplementary capital		404,862	427,357	The financial statements were audited by Deloitte & Touche and received an unqualified opinion.			
e Total capital (a+d)		10,026,963	10,003,805	ANNUAL GENERAL MEETING			
f Total risk weighted assets		35,280,348	34,286,442	Notice is hereby given that the Forty-fourth Annual General Meeting of the shareholders of National Bank of Kenya Limited will be held at the Tsavo Ball Room Kenyatta International Conference Centre, Nairobi on Friday 7 June 2013 at 10.00 a.m.			
g Core capital/total deposit liabilities		17%	17%	REGISTERED OFFICE			
h Minimum Statutory Ratio		8%	8%	National Bank Building, 18 Harambee Avenue, Nairobi.			
I Excess/(Deficiency) (g-h)		9%	9%	P.O. BOX 72866, 00200 Nairobi.			
j Core capital/total risk weighted assets		27%	28%	Telephone 2828000, 0711038000, 0732018000 Fax 311444.			
k Minimum Statutory Ratio		8%	8%	Website : www.nationalbank.co.ke			
I Excess/(Deficiency) (j-k)		19%	20%				
m Total capital/total risk weighted assets		28%	29%				
n Minimum Statutory Ratio		12%	12%				
o Excess (Deficiency)(m-n)		16%	17%				
5 Liquidity							
a Liquidity Ratio		30%	34%				
b Minimum Statutory Ratio		20%	20%				
c Excess (Deficiency)(a-b)		10%	14%				