

| | | | | | | | | | | | | | National Bank |
|--|--|---|--------------------------|------------------------------|--------------------|--|--------------------------|---|--|--|---|--|--------------------------------|
| The Board of Directors | of National | Bank o | f Kenya | Limite | d hereb | y anno | unce t | he un-a | udited results for the period e | nded 30 J | lune 201 | 9 | |
| I. STATEMENT OF FINANCIAL POSITION As at 30 June 2019 | BANK 30-Jun-18 Shs'000 Un-Audited | BANK 31-Dec-18 Shs'000 Audited | Shs'000 | BANK 30-Jun-19 Shs'000 | 30-Jun-18 | GROUP 31-Dec-18 Shs'000 Audited | Shs'000 | GROUP 30-Jun-19 Shs'000 Un-Audited | III. OTHER DISCLOSURES | BANK 30-Jun-18 Shs'000 Un-Audited | BANK 31-Dec-18 Shs'000 Audited | BANK 31-Mar-19 Shs'000 Un-Audited | 30-Jun-19 Shs'000 |
| A ASSETS 1 Cash (both Local & Foreign) | 1,397,596 | 1,744,785 | | 1,040,460 | | 1,744,785 | 1,128,849 | | 1 Non-performing loans and advances | Oll-Addited | Addited | OII-Addited | Oll-Addited |
| 2 Balances due from Central Bank of Kenya | 7,595,481 | 4,372,926 | | 15,966,321 | | 4,372,926 | | 15,966,321 | a Gross non-performing loans and advances | 30,143,893 | 31,461,391 | 31,480,900 | |
| 3 Kenya Government and other securities held for dealing purposes 4 Financial Assets at fair value through profit and loss | - | - | - | - | - | - | - | - | b Less: Interest in suspense c Total Non-performing loans and advances (a-b) | 4,155,894 25,987,999 | 4,468,241 26,993,150 | 4,524,488 26,956,41 2 | 4,921,259 27,489,010 |
| 5 Investment Securities:(a+b) | 41,301,855 | 46,310,604 | 39,018,080 | 34,043,729 | 41,311,935 | 46,341,772 | 39,050,231 | 34,077,392 | | 13,114,296 | 13,875,801 | 14,452,406 | |
| a) Held to Maturity:(i+ii) | 19,433,486 | | 18,410,400 | 17,904,188 | | | 18,420,001 | 17,910,127 | | 12,873,703 | 13,117,349 | 12,504,006 | |
| i. Kenya Government securities ii. Other securities | 19,433,486 | 18,178,199 | 18,410,400 | 17,904,188 | 19,426,117 | 18,178,199 | 18,420,001 | 17,910,127 | | 12,266,911 | 12,148,568 | 11,796,427 | |
| b) Available for sale:(i+ii) | 21,868,369 | 28,132,405 | 20,607,680 | | | | | 16,167,265 | g Net NPLs exposure (e-f) | 606,792 | 968,781 | 707,579 | 736,814 |
| i. Kenya Government securities ii. Other securities | 21,868,369 | 28,132,405 | 20,607,680 | 16,139,541 | 21,885,818 | 28,163,573 | 20,630,230 | 16,167,265 | 2 Insider loans and Advances | | | | |
| 6 Deposits and balances due from local banking institutions | 1,880,331 | 1,936,693 | | 2,687,208 | | 1,936,693 | 1,341,684 | 2,687,208 | a Directors, Shareholders and associates | 26,495 | 39,144 | 37,219 | |
| 7 Deposits and balances due from banking institutions abroad 8 Tax recoverable | 840,121 479,803 | 131,527 463,362 | 302,595 458,370 | 395,728 458,685 | 840,121 466,079 | 131,527 459,476 | 302,595 435,948 | 395,728 441,568 | | 4,869,686 | 5,155,000 | 5,281,345 | |
| 9 Loans and advances to customers (net) | 47,815,704 | 47,778,777 | | 47,332,487 | | 47,778,777 | 45,925,331 | 47,332,487 | c Total insider loans, advances and other facilities | 4,896,181 | 5,194,144 | 5,318,564 | 5,357,176 |
| 10 Balances due from banking institutions in the group | - 77/ 077 | 700,022 | - (20, (20, | - 474.500 | - 77/ 077 | 766 022 | - | - 474 560 | 3 Off-Balance sheet items | | | | |
| 11 Investments in associates12 Investments in subsidiary companies | 374,933 19,322 | 366,822 19,963 | 426,420 19,963 | 474,569 19,963 | 374,933 - | 366,822 | 426,420 - | 474,569 - | a Letters of credit, guarantees and acceptances | 8,145,277 | 5,285,441 | 5,246,336 | 6,043,674 |
| 13 Investments in joint ventures | - | - | - | - | - | - | - | - | b Forwards, swaps and options | 473,863 | 357,391 | 1,236,082 | 1,247,567 |
| 14 Investment properties 15 Property and equipment | - 3,516,911 | 3,998,390 | - 4,531,514 | - 4,367,117 | 3,518,652 | 3,998,833 | - 4,531,354 | | c Other contingent liabilities d Total contingent liabilities | 8,619,140 | 5,642,832 | 6,482,418 | 7,291,241 |
| 16 Prepaid lease rentals | - | - | - | - | - | - | - | - | a local contingent maximum | 9/015/110 | 5,012,002 | 07.027.10 | 7,201,211 |
| 17 Intangible assets18 Deferred tax asset | 1,256,824 1,973,554 | 1,300,050 2,289,527 | 1,321,193 2,190,256 | 1,241,539 2,198,433 | | 1,314,221 2,290,168 | 1,335,364 2,190,417 | 1,255,710 2,200,664 | 4 Capital Strength | | | | |
| 19 Retirement benefit asset | - | - | | - 2,130,433 | - | | | | a Core capital | 1,738,391 | 2,091,915 | 2,024,567 | 1,243,932 |
| 20 Other assets | 5,117,124 | 4,430,017 | | 4,696,079 | | 4,113,105 | 4,454,377 | 4,355,896 | | 1,000,000 | 1,000,000 | 1,000,000 | |
| 21 TOTAL ASSETS B LIABILITIES | 113,569,560 | 115,143,443 | 105,065,267 | 114,922,318 | 113,341,453 | 114,849,105 | 104,742,164 | 114,595,518 | c Excess/(Deficiency) (a-b) d Supplementary capital | 738,391 1,271,177 | 1,091,915 1,327,239 | 1,024,567 1,245,406 | 243,932 1,206,558 |
| 22 Balances due to Central Bank of Kenya | 1,997,400 | - | - | 7,448,550 | 1,997,400 | - | - | 7,448,550 | e Total capital (a+d) | 3,009,568 | 3,419,154 | 3,269,973 | 2,450,489 |
| 23 Customer deposits | 96,322,828 | 99,223,459 | | | 95,990,899 | | | | f Total risk weighted assets g Core capital/total deposit liabilities | 88,505,301 1.8% | 92,765,531 2.1% | 86,218,929 2.2% | |
| Deposits and balances due to local banking institutions Deposits and balances due to foreign banking institutions | 4,035,049 2,798,562 | 3,446,015 2,574,715 | 3,282,329 2,228,356 | 3,606,812 1,518,028 | | 3,446,015 2,574,715 | 3,282,329 2,228,356 | 3,606,812 1,518,028 | h Minimum Statutory Ratio | 8.0% | 8.0% | 8.0% | 8.0% |
| 26 Other money market deposits | 2,750,502 | | - | 1,510,020 | | | - | 1,510,020 | i Excess/(Deficiency) (g-h) | -6.2% | -5.9% 2.3% | -5.8% | |
| 27 Borrowed funds | - | - | - | - | - | - | = | - | j Core capital/total risk weighted assets k Minimum Statutory Ratio | 2.0% 10.5% | 10.5% | 2.4% 10.5% | |
| 28 Balances due to banking institutions in the group | = | = | - | - | = | - | = | - | l Excess/(Deficiency) (j-k) | -8.5% | -8.2% | -8.1% | |
| 29 Tax payable30 Dividends payable | 24,260 | 24,315 | - 24,315 | 24,315 | 24,260 | 24,315 | - 24,315 | - 24,315 | m Total capital/total risk weighted assets | 3.4% | 3.7% | 3.8% | |
| 31 Deferred tax liability | - | - | - | - | - | - | - | - | n Minimum Statutory Ratio o Excess/(Deficiency)(m-n) | 14.5% -11.1% | 14.5% -10.8% | 14.5% -10.7% | 14.5% -11.6% |
| 32 Retirement benefit liability 33 Other liabilities | 2,601,221 | 2.939.221 | - 2,861,270 | 3,308,785 | 2,642,973 | 2,965,247 | - 2,880,279 | - 3,342,117 | p Adjusted core capital/total deposit liabilities* | 2.2% | 2.8% | 3.1% | 1.8% |
| 34 TOTAL LIABILITIES | 107,779,320 | 108,207,725 | | | | | | 107,271,424 | q Adjusted core capital/total risk weighted assets* r Adjusted total capital/total risk weighted assets* | 2.4% | 3.1% | 3.3% | |
| C SHAREHOLDERS' FUNDS 35 Paid up /Assigned capital | 7,368,906 | 7,368,906 | 7,368,906 | 7,368,906 | 7,368,906 | 7,368,906 | 7,368,906 | 7,368,906 | 5 Liquidity | 3.9% | 4.5% | 4.7% | 3.4% |
| 36 Share premium/(discount) | | | | - | | | | | a Liquidity Ratio | 39.9% | 43.1% | 40.4% | |
| 37 Revaluation reserves | 659,443 | 1,261,907 | | 1,250,390 | | | 1,256,148 | 1,250,390 | b Minimum Statutory Ratio c Excess/(Deficiency)(a-b) | 20.0% 19.9% | 20.0% 23.1% | 20.0% 20.4% | |
| 38 Retained earnings/Accumulated losses 39 Statutory loan loss reserves | (4,935,548) 3,450,384 | (4,892,016) 3,333,324 | (5,100,120) 3,595,944 | (5,913,102) 4,456,204 | | (4,854,776) 3,333,324 | (5,022,792) 3,595,944 | (5,833,561) 4,456,204 | | | | | |
| 40 Other Reserves | (752,945) | (136,403) | 27,552 | 81,476 | | (136,506) | 27,449 | 82,155 | | | | | |
| 41 Proposed dividends | = | - | - | - | - | - | - | - | NOTES | | | | |
| 42 Capital grants 43 TOTAL SHAREHOLDERS' FUNDS | 5,790,240 | 6,935,718 | 7,148,430 | 7,243,874 | 5,849,310 | 6,972,854 | 7,225,655 | 7,324,094 | *The adjusted Capital Ratios includes the expected cre CBK Guidance Note issued in April 2018 on implementa | | ns added back | to Capital in | line with the |
| 44 TOTAL LIABILITIES & SHAREHOLDERS' FUNDS | 113,569,560 | | 105,065,267 | | | | | | CBK dolidance Note Issued III April 2016 on Implement | THOIT OF IFRS 5 | | | |
| II. STATEMENT OF COMPREHENSIVE INCOME | BANK | BANK | BANK | BANK | GROUP | GROUP | GROUP | GROUP | APPROVAL The unaudited financial statements are extracts of the | ne financial state | ments and rec | ords of the B | ank which wer |
| For the period ended 30 June 2019 | 30-Jun-18 | 31-Dec-18 Shs'000 | | 30-Jun-19 | 30-Jun-18 | 31-Dec-18 | 31-Mar-19 Shs'000 | 30-Jun-19 | approved by the Board of Directors on 27 th August 2011 | | | oras or the b | unik winen wen |
| | Shs'000 Un-Audited | Audited | | Shs'000 Un-Audited | | Shs'000 Audited | Un-Audited | Shs'000 Un-Audited | M.A. Hassan - Chairman, Board of Directors | | | | |
| 1 Interest Income | 2,096,533 | 4,427,606 | 1,169,496 | 2,195,733 | 2,096,686 | 4,427,606 | 1,169,496 | 2105 777 | J. Nzomo - Chairman, Board Audit Committee | | | | |
| 1.1 Loans and advances 1.2 Government securities | 1,983,281 | 4,431,954 | 1,178,895 | 2,209,500 | | 4,432,457 | 1,179,879 | | W. Musau - Managing Director & CEO H. Waswani - Company Secretary | | | | |
| 1.3 Deposits and placements with banking institutions | 42,496 | 52,829 | 8,286 | 18,190 | | | 8,286 | 18,190 | | | | | |
| 1.4 Other Interest Income 1.5 Total interest income | 4,122,310 | 8,912,389 | 2,356,677 | 4,423,423 | 4,122,463 | 8,912,892 | 2,357,661 | 4,424,950 | The complete set of financial statements, statutory website www.nationalbank.co.ke. | and qualitative | disclosures car | be accessed | I on the Bank' |
| 2 Interest Expense | 4,12,411 | 0,5 12,505 | _, | 4,, | 7, 100 | 0,000,000 | _, | 7 = 7000 | website www.hationalbank.co.ke. | | | | |
| 2.1 Customer deposits | 1,370,345 | 2,589,995 | 611,944 | 1,208,346 | | 2,565,274 | 604,464 | | They may also be accessed at the Bank's registered of | ice listed hereun | der. | | |
| 2.2 Deposits and placements from banking institutions2.3 Other interest expenses | 153,935 | 319,688 | 28,165 - | 101,270 | 153,935 | 319,688 | 28,165 | 101,270 | REGISTERED OFFICE | | | | |
| 2.4 Total Interest Expenses | 1,524,280 | 2,909,683 | 640,109 | 1,309,616 | 1,513,922 | 2,884,962 | 632,629 | 1,295,669 | | | | | |
| 3 NET INTEREST INCOME | 2,598,030 | 6,002,706 | 1,716,568 | 3,113,807 | 2,608,541 | 6,027,930 | 1,725,032 | 3,129,281 | 18 Harambee Avenue, Nairobi. P.O. BOX 72866, 00200, Nairobi. | | | | |
| | _,_ 50,000 | 0,002,100 | .,0,000 | 3,3,001 | _, 200,341 | _,, | .,5,03£ | -,5,201 | Telephone: 2828000, 0711038000, 0732018000 Fax : 311444 | | | | |
| 4.1 Fees and commissions on loans and advances | 37,607 | 38,964 | 2,056 | 62,831 | 37,607 | 38,964 | 2,056 | 62,831 | E-Mail : info@nationalbank.co.ke | | | | |
| 4.2 Other fees and commissions | 586,063 | 1,147,540 | 287,362 | 564,764 | 619,993 | | 287,362 | 564,764 | Website : www.nationalbank.co.ke | | | | |
| 4.3 Foreign exchange trading income (loss) | 284,978 | 601,114 | 145,644 | 241,476 | | | 145,644 | 241,476 | | | | | |
| 4.4 Dividend Income | 170,000 | 162,867 | - | - | - | 1,367 | - | - | | | | - | 1777 |
| 4.5 Other Income 4.6 TOTAL NON-INTEREST INCOME | 111,972 | 168,601 | 48,629 | (142,933) | 111,972 | | 66,605 | (116,662) | - | | The Real Property lies | | |
| THE TOTAL MONTHMEREST INCOME | 1,190,620 | 2,119,086 | 483,691 | 726,138 | 1,054,550 | 1,990,944 | 501,667 | 752,409 | | | - | 24 | |

3,839,945 3,663,091 8,018,874 2,226,699

185.099

28,535

443,714

549,616

475,506

2.015.483

7.562.523

456,351

(84,901)

(53,611)

145,520

(8,383)

695,867

598,421

3,864,570

357.097

974,137

9,721

61,938

176,515

89,553

400.195

2.069.156

157.543

(22.140)

(29.065)

106,338

234,228

163.955

270,293

98.269

99,675

380,949

194,920

175,357

(28,515)

150,070

150,070

2,069,920

(47.873)

1,888,971

23,811

204,180

269,481

195,605

969,488

3.503.663

159,428

533,272

(373,844)

(20,266)

107,770 (282,737)

107,770 (282,737)

311,254 (679,924)

217.878 (619.876)

325,648 (902,613) 605,429

111.373

3,788,650

(47,873)

23,811

204,180

269,605

195,605

985.120

3.526,492

528.607

(121)

111.373

(155,197)

(155,197)

(680,165)

(620.117)

(775,314)

(266,449)

1,896,044

6.1 Loan loss provision

6.2 Staff costs

6.4 Rental charges

6.6 Amortisation charges

8 Exceptional items

13 Minority interest

10 Current tax

11 Deferred tax

6.7 Other operating expenses

6.8 TOTAL OPERATING EXPENSES

9 Profit after exceptional items

15 Other Comprehensive Income

12 Profit after tax and exceptional items

14 Profit after tax, exceptional items and minority interest

15.2 Fair value changes in available for sale financial assets

15.3 Revaluation surplus on Property, plant and equipment

16 Other Comprehensive Income for the year net of tax

15.4 Share of other comprehensive income of associates

17 TOTAL COMPREHENSIVE INCOME FOR THE YEAR

6.5 Depreciation charge on property and equipment

7 PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS

8,121,792 2,200,259

357.097

997,115

9,721

61,903

176,490

89,553

408,334

2.100.213

100,046

(4.795)

(29,000)

234,227

163.954

230,205

98.269

99,535

380,901

194,920

860,641

3.724.858

115.087

(9,633)

2,072,847

185,099

28,535

443,186

549,430

475,506

1.996.711

7,534,290

587,502

536,587

50,915

(39,881)

145,105

156,139

156,139

(8,235)

695,867

598.525

754.664

3,855,823



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