


# NATIONAL BANK OF KENYA LIMITED

The Board of Directors of National Bank of Kenya Limited hereby announce the unaudited results for the half-year ended 30 June 2013

I. BALANCE SHEET as at 30 June 2013	BANK	BANK	BANK	BANK	GROUP	GROUP	GROUP	GROUP
	30-Jun-13 Shs'000 Un-audited	31-Mar-13 Shs'000 Un-audited	31-Dec-12 Shs'000 Audited	30-Jun-12 Shs'000 Un-audited	30-Jun-13 Shs'000 Un-audited	31-Mar-13 Shs'000 Un-audited	31-Dec-12 Shs'000 Audited	30-Jun-12 Shs'000 Un-audited
<b>A Assets</b>								
1 Cash (both Local & Foreign)	2,266,073	2,445,062	2,845,876	2,171,915	2,266,073	2,445,062	2,845,876	2,171,915
2 Balances due from Central Bank of Kenya	2,981,130	10,994,260	2,615,115	7,849,447	2,981,130	10,994,260	2,615,115	7,849,447
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)	33,159,624	28,346,331	26,881,334	26,552,438	33,159,624	28,346,331	26,881,334	26,552,438
a) Held to Maturity: (i+ii)	30,970,516	26,725,179	25,812,285	25,841,135	30,970,516	26,725,179	25,812,285	25,841,135
i. Kenya Government securities	30,877,291	26,631,955	25,719,061	25,776,478	30,877,291	26,631,955	25,719,061	25,776,478
ii. Other securities	93,224	93,224	93,224	64,657	93,224	93,224	93,224	64,657
b) Available for sale: (i+ii)	2,189,108	1,621,152	1,069,049	711,303	2,189,108	1,621,152	1,069,049	711,303
i. Kenya Government securities	2,189,108	1,621,152	1,069,049	711,303	2,189,108	1,621,152	1,069,049	711,303
ii. Other securities	-	-	-	-	-	-	-	-
6 Deposits and balances due from local banking institutions	152,234	5,150,000	335,595	1,328,675	152,234	5,150,000	335,595	1,328,675
7 Deposits and balances due from banking institutions abroad	814,735	887,997	1,021,359	847,732	814,735	887,997	1,021,359	847,732
8 Tax recoverable	93,982	250,170	371,691	250,804	93,982	250,170	371,691	250,804
9 Loans and advances to customers (net)	27,521,231	27,093,844	28,346,668	26,818,712	27,521,231	27,093,844	28,346,668	26,818,712
10 Balances due from banking institutions in the group	-	-	-	-	-	-	-	-
11 Investments in associates	-	-	-	-	-	-	-	-
12 Investments in subsidiary companies	19,963	19,963	19,963	19,963	-	-	-	-
13 Investments in joint ventures	-	-	-	-	-	-	-	-
14 Investment properties	-	-	-	-	-	-	-	-
15 Property and equipment	2,866,945	2,802,713	2,673,313	2,591,224	2,866,945	2,802,713	2,673,313	2,591,224
16 Prepaid lease rentals	11,393	11,430	11,467	11,541	11,393	11,430	11,467	11,541
17 Intangible assets	803,240	788,431	924,911	912,752	803,632	788,431	924,911	912,752
18 Deferred tax asset	66,441	66,441	66,441	-	66,441	66,441	66,666	-
19 Retirement benefit asset	-	-	-	-	-	-	-	-
20 Other assets	3,990,553	4,803,872	1,041,072	2,215,159	3,930,870	4,773,717	1,014,992	2,215,159
21 TOTAL ASSETS	74,747,543	83,660,514	67,154,805	71,570,362	74,668,289	83,610,396	67,108,987	71,550,399
<b>B Liabilities</b>								
22 Balances due to Central Bank of Kenya	-	-	-	-	-	-	-	-
23 Customer deposits	59,985,316	68,287,281	55,139,858	60,031,887	59,985,316	68,287,281	55,139,858	60,031,887
24 Deposits and balances due to local banking institutions	2,049,720	1,946,417	254,694	154,009	2,049,720	1,946,417	254,694	154,009
25 Deposits and balances due to foreign banking institutions	-	-	-	-	-	-	-	-
26 Other money market deposits	-	-	-	-	-	-	-	-
27 Borrowed funds	-	-	29,960	-	-	-	29,960	-
28 Balances due to banking institutions in the group	-	-	-	-	-	-	-	-
29 Tax payable	-	-	-	-	-	3,335	2,130	-
30 Dividends payable	37,854	27,722	28,629	40,127	37,854	27,722	28,629	40,127
31 Deferred tax liability	-	-	-	24,570	-	-	-	24,570
32 Retirement benefit liability	-	-	-	-	-	-	-	-
33 Other liabilities	1,917,223	2,654,987	1,251,688	1,024,321	1,814,718	2,577,894	1,182,659	1,002,345
34 TOTAL LIABILITIES	63,990,113	72,916,407	56,704,829	61,274,914	63,887,608	72,842,648	56,637,930	61,252,938
<b>C Shareholders' Funds</b>								
35 Paid up /Assigned capital	7,075,000	7,075,000	7,075,000	7,075,000	7,075,000	7,075,000	7,075,000	7,075,000
36 Share premium/ (discount)	-	-	-	-	-	-	-	-
37 Revaluation reserves	564,021	564,021	564,018	603,557	564,021	564,021	564,018	603,559
38 Retained earnings/Accumulated losses	2,894,552	2,954,253	2,547,101	2,340,424	2,917,803	2,977,894	2,568,182	2,342,435
39 Statutory loan loss reserves	223,857	150,833	263,857	276,467	223,857	150,833	263,857	276,467
40 Other Reserves	-	-	-	-	-	-	-	-
41 Proposed dividends	-	-	-	-	-	-	-	-
42 Capital grants	-	-	-	-	-	-	-	-
43 TOTAL SHAREHOLDERS' FUNDS	10,757,430	10,744,107	10,449,976	10,295,448	10,780,681	10,767,748	10,471,057	10,297,461
44 Total Liabilities & Shareholders' Funds	74,747,543	83,660,514	67,154,805	71,570,362	74,668,289	83,610,396	67,108,987	71,550,399
<b>II. PROFIT AND LOSS ACCOUNT for the half-year ended 30 June 2013</b>								
	BANK	BANK	BANK	BANK	GROUP	GROUP	GROUP	GROUP
	30-Jun-13	31-Mar-13	31-Dec-12	30-Jun-12	30-Jun-13	31-Mar-13	31-Dec-12	30-Jun-12
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
	Un-audited	Un-audited	Audited	Un-audited	Un-audited	Un-audited	Audited	Un-audited
<b>1 Interest Income</b>								
1.1 Loans and advances	2,251,105	1,147,321	5,376,734	2,774,590	2,251,105	1,147,321	5,376,734	2,774,590
1.2 Government securities	1,613,226	684,275	2,832,325	1,529,203	1,613,226	684,275	2,832,325	1,529,203
1.3 Deposits and placements with banking institutions	102,949	16,105	221,060	190,306	102,949	16,105	221,060	190,306
1.4 Other Interest Income	60,581	-	-	60,581	60,581	-	-	60,581
1.5 Total interest income	4,027,861	1,847,701	8,430,119	4,494,099	4,027,861	1,847,701	8,430,119	4,494,099
<b>2 Interest Expense</b>								
2.1 Customer deposits	1,209,229	531,410	3,568,939	2,006,911	1,209,229	531,410	3,568,939	2,006,911
2.2 Deposits and placements from banking institutions	44,172	22,341	86,386	18,650	44,172	22,341	86,386	18,650
2.3 Other interest expenses	-	-	-	-	-	-	-	-
2.4 Total Interest Expenses	1,253,401	553,751	3,655,325	2,025,561	1,253,401	553,751	3,655,325	2,025,561
<b>3 Net Interest Income</b>	2,774,460	1,293,950	4,774,794	2,468,538	2,774,460	1,293,950	4,774,794	2,468,538
<b>4 Non-Interest Income</b>								
4.1 Fees and commissions on loans and advances	91,817	44,655	210,327	67,481	91,817	44,655	210,327	67,481
4.2 Other fees and commissions	660,407	314,125	1,132,203	517,749	646,407	314,125	1,132,203	517,749
4.3 Foreign exchange trading income (loss)	135,159	80,043	229,273	4,651	135,159	80,043	229,273	4,651
4.4 Dividend Income	-	-	-	-	-	-	-	-
4.5 Other Income	242,948	156,610	1,263,721	801,072	258,697	166,725	1,287,393	801,072
4.6 Total Non-Interest Income	1,130,332	595,433	2,835,524	1,390,953	1,132,081	595,548	2,859,196	1,390,953
<b>5 Total Operating Income</b>	3,904,792	1,889,383	7,610,318	3,859,491	3,906,541	1,899,498	7,633,990	3,859,491
<b>6 Other Operating Expenses</b>								
6.1 Loan loss provision	113,074	47,579	725,626	150,000	113,074	47,579	725,626	150,000
6.2 Staff costs	1,715,635	846,742	3,110,702	1,535,508	1,751,763	852,469	3,121,564	1,535,508
6.3 Directors' emoluments	34,953	16,888	103,791	38,319	38,319	16,888	103,791	38,319
6.4 Rental charges	101,216	59,541	134,433	82,825	101,216	59,541	134,433	82,825
6.5 Depreciation charge on property and equipment	165,826	82,959	74,353	176,547	165,923	83,008	74,353	176,547
6.6 Amortisation charges	112,777	53,097	240,551	112,777	112,777	53,097	240,551	112,777
6.7 Other operating expenses	708,032	278,205	2,073,454	877,392	709,087	278,781	2,076,007	877,392
6.8 Total Operating Expenses	2,951,513	1,385,012	6,462,910	2,947,716	2,962,588	1,391,363	6,476,324	2,947,716
<b>7 Profit before tax and exceptional items</b>	953,279	504,371	1,147,408	911,775	943,953	508,135	1,157,665	911,775

II. PROFIT AND LOSS ACCOUNT for the half-year ended 30 June 2013		BANK 30-Jun-13 Shs'000 Un-audited	BANK 31-Mar-13 Shs'000 Un-audited	BANK 31-Dec-12 Shs'000 Audited	BANK 30-Jun-12 Shs'000 Un-audited	GROUP 30-Jun-13 Shs'000 Un-audited	GROUP 31-Mar-13 Shs'000 Un-audited	GROUP 31-Dec-12 Shs'000 Audited	GROUP 30-Jun-12 Shs'000 Un-audited
8	Exceptional items	-	-	-	-	-	-	-	-
9	<b>Profit after exceptional items</b>	<b>953,279</b>	<b>504,371</b>	<b>1,147,408</b>	<b>911,775</b>	<b>943,953</b>	<b>508,135</b>	<b>1,157,665</b>	<b>911,775</b>
10	Current tax	(277,709)	(136,211)	(508,667)	(336,548)	(277,709)	(137,416)	(510,224)	(336,548)
11	Deferred tax	-	-	91,011	-	-	-	91,011	-
12	<b>Profit after tax and exceptional items</b>	<b>675,569</b>	<b>368,160</b>	<b>729,752</b>	<b>575,227</b>	<b>666,243</b>	<b>370,719</b>	<b>738,452</b>	<b>575,227</b>
13	<b>Other Comprehensive Income</b>	-	-	-	-	-	-	-	-
13	Gains/(Losses) from translating the financial statements of foreign	-	-	-	-	-	-	-	-
13	Fair value changes in available for sale financial assets	-	-	-	-	-	-	-	-
13	Revaluation surplus on Property, plant and equipment	-	-	-	-	-	-	-	-
13	Share of other comprehensive income of associates	-	-	-	-	-	-	-	-
14	Income tax relating to components of other comprehensive income	-	-	-	-	-	-	-	-
14	<b>Other Comprehensive Income for the year net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
15	<b>Total comprehensive income for the year</b>	<b>675,569</b>	<b>368,160</b>	<b>729,752</b>	<b>575,227</b>	<b>666,243</b>	<b>370,719</b>	<b>738,452</b>	<b>575,227</b>

III. OTHER DISCLOSURES		BANK 30-Jun-13 Shs'000 Un-audited	BANK 31-Mar-13 Shs'000 Un-audited	BANK 31-Dec-12 Shs'000 Audited	BANK 30-Jun-12 Shs'000 Un-audited	DIVIDENDS The directors do not recommend the payment of an interim dividend.			
1	<b>Non-performing loans and advances</b>					<b>APPROVAL</b> The un-audited financial statements are extracts of the financial statements and records of the Bank which were approved by the Board of Directors on 10 July 2013. The complete set of quarterly financial statements, statutory and qualitative disclosures can be accessed on the Bank's website <a href="http://www.nationalbank.co.ke">www.nationalbank.co.ke</a> .			
a	Gross non-performing loans and advances	4,098,706	3,217,085	2,247,477	1,206,906	They may also be accessed at the Bank's registered office listed hereunder.			
b	Less: Interest in suspense	42,641	51,391	51,405	85,389	<b>BOARD OF DIRECTORS</b>			
c	<b>Total Non-performing loans and advances (a-b)</b>	<b>4,056,065</b>	<b>3,165,694</b>	<b>2,196,072</b>	<b>1,121,517</b>	M. A. Hassan S. M. Kitonga (Ms) W. Mwaniki (Ms) F. L. Atwoli Eng. E. K. Mwangera National Social Security Fund P. S. Treasury M. S. Ahmed R. Kibaara S. Okero L. G. Kamweti - Company Secretary			
d	Less: Loan loss Provisions	1,613,589	1,388,905	1,543,344	1,004,436	<b>REGISTERED OFFICE</b> National Bank Building, 18 Harambee Avenue, Nairobi. P. O. BOX 72866, 00200, Nairobi. Telephone: 2828000, 0711038000, 0732018000 Fax: 311444 E-Mail: <a href="mailto:info@nationalbank.co.ke">info@nationalbank.co.ke</a> Website: <a href="http://www.nationalbank.co.ke">www.nationalbank.co.ke</a>			
e	<b>Net NPLs exposure (c-d)</b>	<b>2,442,476</b>	<b>1,776,789</b>	<b>652,728</b>	<b>117,081</b>	 <b>National Bank</b> Bank on better			
f	Discounted Value of Securities	2,442,476	1,776,789	652,728	117,081				
g	<b>Net NPLs exposure (e-f)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>				
2	<b>Insider loans and Advances</b>								
a	Directors, Shareholders and associates	2,224	5,556	6,322	8,837				
b	Employees	3,878,910	3,736,378	3,612,084	3,097,980				
c	<b>Total insider loans, advances and other facilities</b>	<b>3,881,134</b>	<b>3,741,934</b>	<b>3,618,406</b>	<b>3,106,817</b>				
3	<b>Off-Balance sheet items</b>								
a	Letters of credit, guarantees and acceptances	4,668,308	4,991,571	5,290,214	4,681,590				
b	Forwards, swaps and options	476,485	1,192,597	2,636	-				
c	Other contingent liabilities	64,800	64,800	64,800	64,800				
d	<b>Total contingent liabilities</b>	<b>5,209,593</b>	<b>6,248,968</b>	<b>5,357,650</b>	<b>4,746,390</b>				
4	<b>Capital Strength</b>								
a	<b>Core capital</b>	<b>9,631,772</b>	<b>9,845,180</b>	<b>9,622,101</b>	<b>9,127,810</b>				
b	Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	700,000				
c	Excess/(Deficiency) (a-b)	8,631,772	8,845,180	8,622,101	8,427,810				
d	<b>Supplementary capital</b>	<b>364,861</b>	<b>291,837</b>	<b>404,862</b>	<b>427,356</b>				
e	<b>Total capital (a+d)</b>	<b>9,996,633</b>	<b>10,137,017</b>	<b>10,026,963</b>	<b>9,555,166</b>				
f	<b>Total risk weighted assets</b>	<b>35,890,498</b>	<b>39,550,911</b>	<b>35,280,348</b>	<b>34,383,137</b>				
g	<b>Core capital/total deposit liabilities</b>	<b>18%</b>	<b>14%</b>	<b>17%</b>	<b>15%</b>				
h	Minimum Statutory Ratio	11%	11%	8%	8%				
i	Excess/(Deficiency) (g-h)	8%	4%	9%	7%				
j	<b>Core capital/total risk weighted assets</b>	<b>27%</b>	<b>25%</b>	<b>27%</b>	<b>27%</b>				
k	Minimum Statutory Ratio	11%	11%	8%	8%				
l	Excess/(Deficiency) (j-k)	16%	14%	19%	19%				
m	<b>Total capital/total risk weighted assets</b>	<b>28%</b>	<b>26%</b>	<b>28%</b>	<b>28%</b>				
n	Minimum Statutory Ratio	12%	12%	12%	12%				
o	Excess/(Deficiency) (m-n)	16%	14%	16%	16%				
5	<b>Liquidity</b>								
a	<b>Liquidity Ratio</b>	<b>42%</b>	<b>43%</b>	<b>30%</b>	<b>37%</b>				
b	Minimum Statutory Ratio	20%	20%	20%	20%				
c	Excess/(Deficiency) (a-b)	22%	23%	10%	17%				