

National Bank of Kenya Limited

The Board of Directors of National Bank of Kenya Limited hereby announce the un-audited results of the Bank for the period ended 30 September 2009

PROFIT AND LOSS ACCOUNT for the period ended 30 September 2009	30-Sep-09 Shs'000 <i>Un-audited</i>	30-Jun-09 Shs'000 <i>Un-audited</i>	31-Mar-09 Shs'000 <i>Un-audited</i>	31-Dec-08 Shs'000 <i>Audited</i>	30-Sep-08 Shs'000 <i>Un-audited</i>	BALANCE SHEET as at 30 September 2009	30-Sep-09 Shs'000 <i>Un-audited</i>	30-Jun-09 Shs'000 <i>Un-audited</i>	31-Mar-09 Shs'000 <i>Un-audited</i>	31-Dec-08 Shs'000 <i>Audited</i>	30-Sep-08 Shs'000 <i>Un-audited</i>
1 Interest Income						A Assets					
1.1 Loans and advances	1,169,582	741,458	334,876	1,092,375	785,253	1 Cash (both local and foreign)	1,308,812	1,275,954	1,185,212	1,446,300	1,125,437
1.2 Government securities	2,071,701	1,367,399	686,125	2,550,760	2,011,474	2 Balances due from Central Bank Of Kenya	7,300,232	3,646,240	2,430,045	1,926,818	2,169,130
1.3 Deposits and placements with banking institutions	36,699	20,800	11,706	139,324	122,060	3 Kenya Government securities	26,314,742	23,832,665	23,692,900	23,502,736	24,213,340
1.4 Other Interest Income	-	-	-	-	-	4 Foreign Currency Treasury bills and bonds	-	-	-	-	-
1.5 Total Interest Income	3,277,982	2,129,657	1,032,707	3,782,459	2,928,927	5 Deposits and balances due from local banking institutions	3,490,469	2,764,409	1,452,831	1,283,073	1,325,994
2 Interest Expense						6 Deposits and balances due from banking institutions abroad	1,051,517	2,429,572	2,657,030	1,672,684	1,399,907
2.1 Customer deposits	766,010	428,022	219,392	796,966	585,477	7 Government and other securities held for dealing purposes	-	-	-	-	-
2.2 Deposits and placements from banking institutions	23,629	19,127	4,639	24,065	19,654	8 Tax recoverable	-	-	-	-	-
2.3 Other	-	-	-	-	-	9 Loans and advances to customers (net)	12,025,066	10,622,562	9,746,764	8,950,145	8,072,588
2.4 Total Interest Expenses	789,639	447,149	224,031	821,031	605,131	10 Investment securities	36,716	36,713	36,714	36,714	30,728
3 Net Interest Income	2,488,343	1,682,508	808,676	2,961,428	2,323,796	11 Balances due from group companies	-	-	-	-	-
4 Non-Interest Income						12 Investment in associates	-	-	-	-	-
4.1 Fees and commissions on loans and advances	106,283	76,461	47,188	138,485	64,139	13 Investment in subsidiary companies	19,963	19,963	19,963	19,963	19,963
4.2 Other fees and commissions	882,412	606,035	289,435	1,090,742	562,574	14 Investment in joint ventures	-	-	-	-	-
4.3 Foreign exchange trading income (loss)	229,465	160,748	74,132	354,403	229,798	15 Investment in properties	-	-	-	-	-
4.4 Dividend Income	-	-	-	-	-	16 Property and equipment	1,866,389	1,802,951	1,690,044	1,594,944	1,318,774
4.5 Other Income	378,590	280,014	93,831	517,787	406,774	17 Prepaid lease rentals	11,948	11,985	12,322	12,059	12,059
4.6 Total Non-Interest Income	1,596,750	1,123,258	504,586	2,101,437	1,563,285	18 Intangible assets	49,281	47,618	52,267	30,586	23,112
5 Total Operating Income	4,085,093	2,805,766	1,313,262	5,062,845	3,887,081	19 Deferred tax asset	-	-	-	-	-
6 Other Operating Expenses						20 Retirement benefit asset	-	-	-	-	-
6.1 Loan loss provision	113,708	126,675	50,670	361,712	358,009	21 Other Assets	1,746,014	1,636,908	1,590,634	2,219,678	1,333,951
6.2 Staff costs	1,528,091	1,024,889	496,169	1,693,849	1,300,937	22 Total Assets	55,240,949	48,127,558	44,566,426	42,695,700	41,065,020
6.3 Directors' emoluments	34,263	22,918	10,934	49,797	26,842	B Liabilities					
6.4 Rental charges	60,786	43,141	26,940	58,769	40,530	23 Balances due to Central Bank of Kenya	-	1,799,203	-	-	-
6.5 Depreciation charge on property and equipment	127,462	84,975	42,487	170,356	110,598	24 Customer deposits	41,438,209	34,485,998	33,109,480	34,277,654	32,652,446
6.6 Amortisation charges	23,172	15,448	7,724	31,043	19,515	25 Deposits and balances due to local banking institutions	64,768	306,334	60,865	69,325	37,625
6.7 Other operating expenses	766,915	485,316	240,119	900,754	676,603	26 Deposits and balances due to foreign banking institutions	-	-	-	-	-
6.8 Total Operating Expenses	2,654,397	1,803,362	875,051	3,266,280	2,533,034	27 Other money market deposits	-	-	-	-	-
7 Profit before tax and exceptional items	1,430,696	1,002,404	438,211	1,796,565	1,354,047	28 Borrowed funds	-	-	14,222	27,499	38,836
8 Exceptional items	-	-	-	-	-	29 Balances due to group companies	21,976	21,976	21,976	21,976	21,976
9 Profit after exceptional items	1,430,696	1,002,404	438,211	1,796,565	1,354,047	30 Tax payable	26,947	11,249	423,781	291,767	218,801
10 Current tax	(457,823)	(300,721)	(131,463)	(587,320)	(460,430)	31 Dividends payable	108,961	108,970	108,990	108,990	109,003
11 Deferred tax	-	-	-	31,365	-	32 Deferred tax liability	89,458	89,458	89,458	89,458	120,023
12 Profit after tax and exceptional items	972,873	701,683	306,748	1,240,610	893,617	33 Retirement benefit liability	-	-	-	-	-
13 Earnings per share - basic & diluted	Shs 3.59	Shs 2.66	Shs 1.11	Shs 4.50	Shs 3.19	34 Other liabilities	6,309,912	4,394,842	4,223,070	1,601,186	2,009,658
OTHER DISCLOSURES						35 Total Liabilities	48,060,231	41,218,030	38,051,833	36,487,855	35,204,168
1 Non-performing loans and advances						C Shareholders' Funds					
a Gross non-performing loans and advances	1,245,091	2,391,216	2,426,632	2,434,520	2,635,841	36 Paid Up/Assigned Capital	6,675,000	6,675,000	6,675,000	6,675,000	6,675,000
Less:						37 Share Premium/(Discount)	370,585	370,585	370,585	370,585	370,585
b Interest In suspense	31,080	463,974	461,010	464,198	542,833	38 Revaluation reserve	454,679	454,679	454,679	454,679	469,549
c Total Non-performing loans and advances (a-b)	1,214,011	1,927,242	1,965,622	1,970,322	2,093,008	39 Retained Earnings/(Accumulated losses)	(401,157)	(672,347)	(1,067,202)	(1,374,030)	(1,709,804)
Less:						40 Statutory Loan Loss Reserve	81,611	81,611	81,611	81,611	55,522
d Loan loss provisions	837,294	1,557,331	1,481,321	1,428,242	1,439,684	41 Proposed Dividends	-	-	-	-	-
e Net NPLs exposure (c-d)	377,517	369,911	484,301	542,080	653,324	42 Capital grants	-	-	-	-	-
f Discounted Value of Securities	377,517	369,911	484,301	542,080	653,324	43 Total Shareholders' Funds	7,180,718	6,909,528	6,514,593	6,207,845	5,860,852
g Net NPLs exposure (e-f)	-	-	-	-	-	44 Total Liabilities & Shareholders' Funds	55,240,949	48,127,558	44,566,426	42,695,700	41,065,020
2 Insider loans and Advances						CONSOLIDATION					
a Shareholders and associates	4,900	4,063	4,773	5,526	6,050	Consolidated financial statements have not been prepared as the subsidiary companies are dormant and the amounts involved are not material.					
b Directors	1,696,388	1,616,687	1,521,052	1,509,108	1,432,289	The directors do not recommend the payment of a dividend.					
c Employees	1,701,288	1,620,750	1,525,825	1,514,634	1,438,339	The un-audited financial statements are extracts of the financial statements and records of the Bank and were approved by the Board of Directors on 28 October 2009.					
d Total Insider loans, advances and other facilities						BOARD OF DIRECTORS					
3 Off-Balance sheet Items						M.E.G.Muhindi	National Social Security Fund				
a Letters of credit, guarantees and acceptances	2,632,681	2,214,438	4,468,993	2,988,957	2,685,511	A.C.Juma	Dr J.Ji.Riria				
b Other contingent liabilities	10,184	10,184	10,184	10,184	226,049	R.M.Marambil	F.L.Atwoli				
c Total contingent liabilities	2,642,865	2,224,622	4,479,177	2,999,141	2,911,560	P.S.Treasury	P.W.Igumi				
f Capital Strength						J.M.Mworia	L.G.Kamwet - Company Secretary				
a Core capital	6,157,992	6,022,395	5,024,929	5,671,555	4,888,972	A.N.Ismail					
b Minimum Statutory Capital	250,000	250,000	250,000	250,000	250,000	REGISTERED OFFICE					
c Excess/(Deficiency) (a-b)	5,907,992	5,772,395	5,574,929	5,421,555	4,638,972	National Bank Building, Harambee Avenue,					
d Supplementary capital	195,281	195,281	195,281	195,281	172,909	P.O. BOX 72866, 00200 Nairobi.					
e Total capital (e+d)	6,353,273	6,217,676	6,020,210	5,866,836	5,061,881	Telephone 2820000, 0711038000, 0732018000 Fax 311444.					
f Total risk weighted assets	17,463,905	15,758,732	16,656,673	14,699,753	12,612,285						
g Core capital/total deposit liabilities	15%	17%	18%	17%	15%						
h Minimum Statutory Ratio	8%	8%	8%	8%	8%						
i Excess/(Deficiency) (g-h)	7%	9%	10%	9%	7%						
j Core capital/total risk weighted assets	35%	38%	35%	39%	39%						
k Minimum Statutory Ratio	8%	8%	8%	8%	8%						
l Excess/(Deficiency) (j-k)	27%	30%	27%	31%	31%						
m Total capital/total risk weighted assets	36%	40%	36%	40%	40%						
n Minimum Statutory Ratio	12%	12%	12%	12%	12%						
o Excess/(Deficiency)(m-n)	24%	28%	24%	28%	28%						
Liquidity											
a Liquidity Ratio	43%	31%	29%	31%	23%						
b Minimum Statutory Ratio	20%	20%	20%	20%	20%						
c Excess/(Deficiency)(a-b)	23%	11%	9%	11%	3%						



STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2009

	Share capital	Share premium	Revaluation surplus	Revenue reserves (deficit)	Statutory Reserve	Total
	Sh'000	Sh'000	Sh'000	Sh'000	Sh'000	Sh'000
At 1 January 2008	6,675,000	370,585	469,549	(2,603,421)	55,522	4,967,235
Transfer of excess depreciation	-	-	(21,243)	21,243	-	-
Deferred tax adjustment on transfer of excess depreciation	-	-	6,373	(6,373)	-	-
Transfer to statutory reserve	-	-	-	(26,089)	26,089	-
Profit for the year	-	-	-	1,240,610	-	1,240,610
At 31 December 2008	6,675,000	370,585	454,679	(1,374,030)	81,611	6,207,845
At 1 January 2009	6,675,000	370,585	454,679	(1,374,030)	81,611	6,207,845
Profit for the period to 30 September 2009	-	-	-	972,873	-	972,873
At 30 SEPTEMBER 2009	6,675,000	370,585	454,679	(401,157)	81,611	7,180,718

**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2009**

	30 September 2009	31 December 2008
	Sh'000	Sh'000
OPERATING ACTIVITIES		
Cash (used in)/generated from operations	2,660,506	(1,648,113)
Taxation paid	(722,641)	(411,703)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	1,937,865	(2,059,816)
INVESTING ACTIVITIES		
Purchase of property and equipment	(424,700)	(675,943)
Purchase of intangible assets	(37,580)	(23,445)
Purchase of other investments	-	(6,384)
Proceeds from disposal of property and equipment	5,241	2,875
Proceeds from disposal of assets held for sale	-	14,551
NET CASH USED IN INVESTING ACTIVITIES	(457,039)	(688,346)
FINANCING ACTIVITIES		
Dividends paid	(29)	(74)
Loans repaid	(27,499)	(49,548)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	(27,528)	(49,622)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,453,298	(2,797,784)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	4,332,732	7,130,516
TOTAL CASH AND CASH EQUIVALENTS	5,786,030	4,332,732

Note