



# N a t i o n a l B a n k

## PRESS RELEASE

11<sup>th</sup> March 2010

### ANNOUNCEMENT OF END YEAR TRADING RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2009 BY NATIONAL BANK OF KENYA.

National Bank of Kenya has reported a profit before tax of **Ksh.2.2 billion** for the year ending 31<sup>st</sup> December 2009, reflecting a **20%** improvement over the same period in 2008. These results were announced by the Managing Director, Mr. Reuben Marambii at an investor briefing on 11<sup>th</sup> March 2010. He said he was happy because despite the tough economic times that characterized the year 2009, the bank was able to post such encouraging results.

Total operating income grew by **13%** to **Ksh. 5.7 billion** from **Ksh. 5.1 billion** in 2008. During the same period total operating expenses increased by **10%** from **Ksh. 3.3 billion** in 2008 to **Ksh. 3.6 billion**.

Interest income grew by **19%** to **Ksh. 4.5 billion** from **Ksh. 3.8 billion**.

Interest expense increased by **40%** from **Ksh. 0.8 billion** in 2008 to **Ksh. 1.2 billion** in 2009.

The Bank grew its lending to customers by **Ksh. 4.2 billion** which translates to a **47%** growth. Customer deposits also grew from **Ksh. 34 billion** to **Ksh. 42 billion** a **24 %** increase.

Profit after tax increased by **18%** from **Ksh. 1.24 billion** in 2008 to **Ksh. 1.46 billion** in 2009 thereby eliminating the accumulated deficit of **Ksh. 1.4 billion** as at 31<sup>st</sup> December 2008 and leaving a surplus of **Ksh. 54 million** as at 31<sup>st</sup> December 2009.

The banks total assets grew by **20%** to **Ksh. 51 billion** in 2009 up from **Ksh. 43 billion** as at 31 Dec 2008.

The improvement of the end year results is attributed mainly to business growth and recovery of old debts. Customers have been receptive to the Bank's out door sales strategy, product and service offering. The Bank continued in the provision of customized products and services to serve the varied yet unique financial requirements of both retail and corporate customers.

Last year the Bank slowed down on its expansion programme due to the global economic meltdown that affected business locally. This year the Bank will consider modest expansion to ensure that we bring the bank's products and services closer to the people especially in areas that are not well served.

The Managing Director while releasing the results announced that subject to regulatory approval and that of the shareholders, a bonus issue in the proportion of 2 new ordinary shares for every 5 ordinary shares held to the shareholders registered at the close of business on 9<sup>th</sup> April 2010. He also announced that the 41<sup>st</sup> Annual General Meeting of the shareholders will be held on Friday, June 18<sup>th</sup> 2010 at the KICC Tsavo Ball room.

He concluded by reiterating that the bank shall continue to study the market and listen to customers to ensure that we provide unequaled customer service and become a one stop shop for financial services. He thanked staff, customers, shareholders and other stakeholders for the role they played in helping the Bank actualize these positive results.

**The Bank's Vision: To be the Bank of choice in the provision of financial solutions.**

**The Banks Mission Statement:**

**"At National Bank, we are dedicated to excellence in providing competitive financial solutions, meeting the changing needs of our customers, being a responsible corporate citizen, providing attractive opportunities to our employees and improving shareholders value".**

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