

A new beginning of inspired results

The Board of Directors of National Bank of Kenya Limited hereby announce the audited results for the year ended 31 December 2013

**ABRIDGED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

	GROUP		BANK	
	2013 Sh'000	2012 Sh'000	2013 Sh'000	2012 Sh'000
ASSETS				
Cash and balances with Central Bank of Kenya	9,500,412	5,518,100	9,392,681	5,460,991
Deposits and balances due from banking institutions	8,283,461	1,356,954	8,283,461	1,356,954
Government securities	27,400,349	26,788,110	27,400,349	26,788,110
Loans and advances to customers (net)	39,566,678	28,346,668	39,566,678	28,346,668
Other assets	2,733,320	1,014,991	2,733,320	1,014,991
Other investments	136,667	93,224	136,667	93,224
Due from a subsidiary company	-	-	46,533	26,080
Tax recoverable	-	364,267	-	371,691
Deferred tax asset	-	66,638	-	66,441
Investment in subsidiary companies	19,963	19,963	19,963	19,963
Property and equipment	3,914,347	2,673,313	3,913,888	2,673,313
Operating lease pre-payments	425	11,467	425	11,467
Intangible assets	1,000,095	924,912	999,070	924,912
TOTAL ASSETS	92,555,717	67,178,607	92,493,035	67,154,805
LIABILITIES				
Customer deposits	77,992,820	55,191,425	77,992,820	55,191,425
Deposits and balances due to banking institutions	824,858	254,694	824,858	254,694
Other liabilities	1,438,920	1,184,747	1,417,492	1,178,145
Taxation payable	273,873	-	272,633	-
Due to a subsidiary company	21,976	21,976	21,976	21,976
Borrowings	-	29,960	-	29,960
Unclaimed dividends	31,070	28,629	31,070	28,629
Deferred tax liability	83,801	-	83,894	-
TOTAL LIABILITIES	80,667,318	56,711,431	80,644,743	56,704,829
CAPITAL RESOURCES				
Share capital	7,075,000	7,075,000	7,075,000	7,075,000
Revaluation surplus	1,201,022	564,018	1,201,022	564,018
Revenue reserve	3,277,535	2,564,301	3,237,428	2,547,101
Statutory reserve	334,842	263,857	334,842	263,857
SHAREHOLDERS' FUNDS	11,888,399	10,467,176	11,848,292	10,449,976
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	92,555,717	67,178,607	92,493,035	67,154,805

**ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Share capital Sh' 000	Revaluation surplus Sh' 000	Revenue reserve Sh' 000	Statutory reserve Sh' 000	Total Sh' 000
At 1 January 2012	7,075,000	603,559	2,512,034	276,467	10,467,060
Total comprehensive income for the year	-	-	736,366	-	736,366
Transfer of excess depreciation	-	(56,487)	56,487	-	-
Deferred tax on excess depreciation	-	16,946	(16,946)	-	-
Transfer to statutory reserve	-	-	12,610	(12,610)	-
Dividends declared - year 2011	-	-	(736,250)	-	(736,250)
At 31 December 2012	7,075,000	564,018	2,564,301	263,857	10,467,176
At 1 January 2013	7,075,000	564,018	2,564,301	263,857	10,467,176
Total comprehensive income for the year	-	676,545	1,112,803	-	1,789,348
Transfer of excess depreciation	-	(56,487)	56,487	-	-
Deferred tax on excess depreciation	-	16,946	(16,946)	-	-
Transfer to statutory reserve	-	-	(70,985)	70,985	-
Dividends declared - year 2012	-	-	(368,125)	-	(368,125)
At 31 December 2013	7,075,000	1,201,022	3,277,535	334,842	11,888,399

**ABRIDGED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013**

	GROUP		BANK	
	2013 Sh'000	2012 Sh'000	2013 Sh'000	2012 Sh'000
INTEREST INCOME	8,165,790	8,430,119	8,165,790	8,430,119
INTEREST EXPENSE	(2,527,676)	(3,655,325)	(2,527,676)	(3,655,325)
NET INTEREST INCOME	5,638,114	4,774,794	5,638,114	4,774,794
Fee and commission income	1,613,570	1,373,301	1,562,722	1,349,629
Fee and commission expense	(7,158)	(7,099)	(7,158)	(7,099)
NET FEE AND COMMISSION INCOME	1,606,412	1,366,202	1,555,564	1,342,530
Gains on foreign exchange dealings	309,323	229,273	309,323	229,273
Other operating income	941,303	1,263,721	941,303	1,263,721
NET OPERATING INCOME	8,495,152	7,633,990	8,444,304	7,610,318
Operating expenses	(6,395,344)	(5,751,508)	(6,377,220)	(5,737,284)
Impairment losses on loans and advances	(287,640)	(725,626)	(287,640)	(725,626)
PROFIT BEFORE TAXATION	1,812,168	1,156,856	1,779,444	1,147,408
TAXATION	(699,365)	(420,490)	(689,548)	(417,656)
PROFIT FOR THE YEAR	1,112,803	736,366	1,089,896	729,752
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Gain on revaluation of property (net)	966,493	-	966,493	-
Deferred tax on revaluation	(289,948)	-	(289,948)	-
TOTAL OTHER COMPREHENSIVE INCOME	676,545	-	676,545	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,789,348	736,366	1,766,441	729,752
EARNINGS PER SHARE - basic & diluted	Sh 2.32	Sh 1.52	Sh 2.24	Sh 1.49

**ABRIDGED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	GROUP		BANK	
	2013 Sh'000	2012 Sh'000	2013 Sh'000	2012 Sh'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash generated from operations	10,667,136	647,474	10,599,134	618,920
Taxation paid	(200,734)	(1,204,965)	(184,837)	(1,202,715)
Net cash generated from/(used in) from operating activities	10,466,402	(557,491)	10,414,297	(583,795)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property and equipment	(703,005)	(623,317)	(703,005)	(623,317)
Purchase of intangible assets	(219,964)	(448,066)	(219,964)	(448,066)
Proceeds from disposal of property and equipment	2,425	3,564	3,908	3,564
Purchase of other investments	-	(2,161)	-	(2,161)
Net cash used in investing activities	(920,544)	(1,069,980)	(919,061)	(1,069,980)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(365,684)	(729,349)	(365,684)	(729,349)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	9,180,174	(2,356,820)	9,129,552	(2,383,124)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	3,578,952	5,935,772	3,521,843	5,904,967
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	12,759,126	3,578,952	12,651,395	3,521,843

APPROVAL

These abridged financial statements are extracts from the books of the institution as audited by Deloitte & Touche and received unqualified opinion. The complete set of audited financial statements, statutory and qualitative disclosures can be accessed on the Institution's website www.nationalbank.co.ke.

The audited financial statements were approved by the Board of Directors on 20 March 2014 and signed on its behalf by:
M.A. Hassan - Chairman
S.M. Kitonga (Ms.) - Chair - Audit & Risk Committee
M.S. Ahmed - Managing Director/ CEO
H.Waswani - Company Secretary

Bank on better **National Bank**

3 wins at the National level.

National Bank bags 3 impressive wins at the recently concluded Banking Awards 2014. Most exciting is Mr Munir Sheikh Ahmed winning The Chief Executive of the Year Award. This was followed up with 2 more wins: Best Bank in Product Innovation (2nd Runners-up) for the Salary Advance Card and a 2nd Runners-up for The Fastest Growing Bank. While we appreciate these awards customer confidence is our greatest reward!

