

**The Board of Directors of National Bank of Kenya Limited hereby announce the un-audited results for the first quarter ended 31 March 2018**
**I. STATEMENT OF FINANCIAL POSITION  
As at 31 March 2018**

	BANK 31-Mar-17 Shs'000	BANK 31-Dec-17 Shs'000	BANK 31-Mar-18 Shs'000	GROUP 31-Mar-17 Shs'000	GROUP 31-Dec-17 Shs'000	GROUP 31-Mar-18 Shs'000
	Un-audited	Audited	Un-audited	Un-audited	Audited	Un-audited
<b>A ASSETS</b>						
1 Cash (both Local & Foreign)	1,466,679	2,006,948	1,427,692	1,673,374	2,006,948	1,427,692
2 Balances due from Central Bank of Kenya	7,625,369	5,493,224	3,328,339	7,625,369	5,493,224	3,328,339
3 Kenya Government and other securities held for dealing purposes	-	-	-	-	-	-
4 Financial Assets at fair value through profit and loss	-	-	-	-	-	-
<b>5 Investment Securities:(a+b)</b>	<b>35,452,606</b>	<b>35,707,852</b>	<b>33,920,283</b>	<b>35,452,606</b>	<b>35,718,032</b>	<b>33,931,383</b>
<b>a) Held to Maturity:(i+ii)</b>	<b>26,429,090</b>	<b>20,813,253</b>	<b>20,303,524</b>	<b>26,429,090</b>	<b>20,813,253</b>	<b>20,314,624</b>
i. Kenya Government securities	26,429,090	20,813,253	20,303,524	26,429,090	20,813,253	20,314,624
ii. Other securities	-	-	-	-	-	-
<b>b) Available for sale:(i+ii)</b>	<b>9,023,516</b>	<b>14,894,599</b>	<b>13,616,759</b>	<b>9,023,516</b>	<b>14,904,779</b>	<b>13,616,759</b>
i. Kenya Government securities	9,023,516	14,894,599	13,616,759	9,023,516	14,904,779	13,616,759
ii. Other securities	-	-	-	-	-	-
6 Deposits and balances due from local banking institutions	785,942	1,838,642	2,548,402	785,942	1,838,642	2,548,402
7 Deposits and balances due from banking institutions abroad	506,362	621,500	1,226,806	506,362	621,500	1,226,806
8 Tax recoverable	502,718	479,924	480,748	498,237	486,345	501,454
9 Loans and advances to customers (net)	58,126,112	52,361,043	51,149,483	58,126,112	52,361,043	51,149,483
10 Balances due from banking institutions in the group	-	-	-	-	-	-
11 Investments in associates	237,007	334,134	346,542	237,007	334,134	346,542
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	4,090,322	3,710,328	3,625,876	4,091,132	3,710,949	3,626,541
16 Prepaid lease rentals	-	-	-	-	-	-
17 Intangible assets	1,416,713	1,159,618	1,209,169	1,416,713	1,159,618	1,209,169
18 Deferred tax asset	482,668	1,862,181	2,067,021	483,299	1,862,363	2,067,203
19 Retirement benefit asset	-	-	-	-	-	-
20 Other assets	4,730,366	4,346,685	4,122,228	4,743,350	4,280,343	3,870,286
<b>21 TOTAL ASSETS</b>	<b>115,442,827</b>	<b>109,942,042</b>	<b>105,472,552</b>	<b>115,659,466</b>	<b>109,873,141</b>	<b>105,233,300</b>
<b>B LIABILITIES</b>						
22 Balances due to Central Bank of Kenya	6,487,585	-	4,391,812	6,487,585	-	4,391,812
23 Customer deposits	92,772,520	94,544,397	87,214,204	92,772,520	94,275,768	86,883,002
24 Deposits and balances due to local banking institutions	2,074,155	2,069,482	4,069,299	2,074,155	2,069,482	4,069,299
25 Deposits and balances due to foreign banking institutions	1,083,995	3,550,638	1,240,104	1,083,995	3,550,638	1,240,104
26 Other money market deposits	-	-	-	-	-	-
27 Borrowed funds	-	-	-	-	-	-
28 Balances due to banking institutions in the group	-	-	-	-	-	-
29 Tax payable	12,043	-	-	12,043	-	-
30 Dividends payable	24,663	24,446	24,260	24,663	24,446	24,260
31 Deferred tax liability	-	-	-	-	-	-
32 Retirement benefit liability	-	-	-	-	-	-
33 Other liabilities	2,000,111	2,705,542	2,118,185	2,030,741	2,718,899	2,161,804
<b>34 TOTAL LIABILITIES</b>	<b>104,455,072</b>	<b>102,894,505</b>	<b>99,057,863</b>	<b>104,485,702</b>	<b>102,639,233</b>	<b>98,770,280</b>
<b>C SHAREHOLDERS' FUNDS</b>						
35 Paid up /Assigned capital	7,214,976	7,368,906	7,368,906	7,214,976	7,368,906	7,368,906
36 Share premium/(discount)	-	-	-	-	-	-
37 Revaluation reserves	794,192	670,678	670,678	794,192	670,678	670,678
38 Retained earnings/Accumulated losses	2,793,451	(3,711,873)	(4,441,118)	2,979,460	(3,525,502)	(4,392,834)
39 Statutory loan loss reserves	302,058	2,852,654	2,959,458	302,058	2,852,654	2,959,458
40 Other Reserves	(116,922)	(132,828)	(143,235)	(116,922)	(132,828)	(143,188)
41 Proposed dividends	-	-	-	-	-	-
42 Capital grants	-	-	-	-	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>10,987,755</b>	<b>7,047,537</b>	<b>6,414,689</b>	<b>11,173,764</b>	<b>7,233,908</b>	<b>6,463,020</b>
<b>44 TOTAL LIABILITIES &amp; SHAREHOLDERS' FUNDS</b>	<b>115,442,827</b>	<b>109,942,042</b>	<b>105,472,552</b>	<b>115,659,466</b>	<b>109,873,141</b>	<b>105,233,300</b>

**II. STATEMENT OF COMPREHENSIVE INCOME  
For the quarter ended 31 March 2018**

	BANK 31-Mar-17 Shs'000	BANK 31-Dec-17 Shs'000	BANK 31-Mar-18 Shs'000	GROUP 31-Mar-17 Shs'000	GROUP 31-Dec-17 Shs'000	GROUP 31-Mar-18 Shs'000
	Un-audited	Audited	Un-audited	Un-audited	Audited	Un-audited
<b>1 Interest Income</b>						
1.1 Loans and advances	1,259,173	5,700,756	1,021,278	1,259,173	5,700,756	1,021,278
1.2 Government securities	1,047,872	4,164,096	945,171	1,047,872	4,164,277	945,171
1.3 Deposits and placements with banking institutions	7,133	97,462	20,545	9,901	97,462	20,545
1.4 Other Interest Income	-	-	-	-	-	-
<b>1.5 TOTAL INTEREST INCOME</b>	<b>2,314,178</b>	<b>9,962,314</b>	<b>1,986,994</b>	<b>2,316,946</b>	<b>9,962,495</b>	<b>1,986,994</b>
<b>2 Interest Expense</b>						
2.1 Customer deposits	711,846	2,941,176	680,980	711,846	2,924,384	676,079
2.2 Deposits and placements from banking institutions	159,621	313,189	93,417	159,621	313,189	93,417
2.3 Other interest expenses	-	-	-	-	-	-
<b>2.4 TOTAL INTEREST EXPENSES</b>	<b>871,467</b>	<b>3,254,365</b>	<b>774,397</b>	<b>871,467</b>	<b>3,237,573</b>	<b>769,496</b>
<b>3 NET INTEREST INCOME</b>	<b>1,442,711</b>	<b>6,707,949</b>	<b>1,212,597</b>	<b>1,445,479</b>	<b>6,724,922</b>	<b>1,217,498</b>
<b>4 Non-Interest Income</b>						
4.1 Fees and commissions on loans and advances	74,005	141,591	141,591	74,005	141,591	141,591
4.2 Other fees and commissions	252,226	1,236,806	165,732	302,115	1,293,871	182,699
4.3 Foreign exchange trading income (loss)	157,583	526,963	172,277	157,583	526,963	172,277
4.4 Dividend Income	-	1,806	170,000	-	1,806	-
4.5 Other Income	96,628	464,760	55,939	96,628	464,448	55,939
<b>4.6 TOTAL NON-INTEREST INCOME</b>	<b>580,442</b>	<b>2,371,926</b>	<b>705,539</b>	<b>630,331</b>	<b>2,428,679</b>	<b>552,506</b>
<b>5 TOTAL OPERATING INCOME</b>	<b>2,023,153</b>	<b>9,079,875</b>	<b>1,918,136</b>	<b>2,075,810</b>	<b>9,153,601</b>	<b>1,770,004</b>
<b>6 Other Operating Expenses</b>						
6.1 Loan loss provision	131,159	756,740	(70,817)	131,159	756,740	(70,817)
6.2 Staff costs	939,201	3,908,839	938,088	944,255	3,916,494	924,840
6.3 Directors' emoluments	9,552	55,635	6,214	9,552	55,635	6,214
6.4 Rental charges	98,224	394,986	95,094	98,224	394,986	95,094
6.5 Depreciation charge on property and equipment	98,599	565,520	133,215	98,644	565,759	133,234
6.6 Amortisation charges	59,044	539,854	103,837	59,044	539,854	103,837
6.7 Other operating expenses	647,231	2,117,928	516,743	649,995	2,139,051	500,975
<b>6.8 Total Operating Expenses</b>	<b>1,983,010</b>	<b>8,339,502</b>	<b>1,722,374</b>	<b>1,990,876</b>	<b>8,368,519</b>	<b>1,693,377</b>
<b>7 PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS</b>	<b>40,143</b>	<b>740,373</b>	<b>195,762</b>	<b>84,934</b>	<b>785,082</b>	<b>76,627</b>
8 Exceptional items	-	-	540,236	-	-	544,901
<b>9 Profit after exceptional items</b>	<b>40,143</b>	<b>740,373</b>	<b>(344,474)</b>	<b>84,934</b>	<b>785,082</b>	<b>(468,274)</b>
10 Current tax	12,043	14,974	824	25,480	29,078	15,109
11 Deferred tax	-	345,403	(204,840)	-	345,221	(204,840)
<b>12 Profit after tax and exceptional items</b>	<b>28,100</b>	<b>379,996</b>	<b>(140,458)</b>	<b>59,454</b>	<b>410,783</b>	<b>(278,543)</b>
13 Minority interest	-	-	-	-	-	-
<b>14 Profit after tax, exceptional items and minority interest</b>	<b>28,100</b>	<b>379,996</b>	<b>(140,458)</b>	<b>59,454</b>	<b>410,783</b>	<b>(278,543)</b>
<b>15 OTHER COMPREHENSIVE INCOME</b>						
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-	-	-
15.2 Fair value changes in available for sale financial assets	(51,922)	(124,755)	(67,333)	(51,922)	(124,755)	(67,286)
15.3 Revaluation surplus on Property,plant and equipment	-	-	-	-	-	-
15.4 Share of other comprehensive income of associates	-	-	-	-	-	-
15.5 Income tax relating to components of other comprehensive income	-	37,427	56,926	-	37,427	56,926
<b>16 Other Comprehensive Income for the year net of tax</b>	<b>(51,922)</b>	<b>(87,328)</b>	<b>(10,407)</b>	<b>(51,922)</b>	<b>(87,328)</b>	<b>(10,360)</b>
<b>17 TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>(23,822)</b>	<b>292,668</b>	<b>(150,865)</b>	<b>7,532</b>	<b>323,455</b>	<b>(288,903)</b>
<b>18 EARNINGS PER SHARE - basic and diluted</b>	<b>0.09</b>	<b>1.17</b>	<b>(0.41)</b>	<b>0.19</b>	<b>1.26</b>	<b>(0.82)</b>
19 Dividends per share - Declared	-	-	-	-	-	-

**III. OTHER DISCLOSURES**

	BANK 31-Mar-17 Shs'000	BANK 31-Dec-17 Shs'000	BANK 31-Mar-18 Shs'000
	Un-audited	Audited	Un-audited
<b>1 Non-performing loans and advances</b>			
a Gross non-performing loans and advances	29,025,058	27,657,893	28,939,790
b Less: Interest in suspense	3,402,539	3,779,813	3,934,609
<b>c Total Non-performing loans and advances (a-b)</b>	<b>25,622,519</b>	<b>23,878,080</b>	<b>25,005,181</b>
d Less: Loan loss Provisions	6,154,532	12,011,898	12,424,638
<b>e Net NPLs exposure (c-d)</b>	<b>19,467,987</b>	<b>11,866,182</b>	<b>12,580,543</b>
f Discounted Value of Securities	19,467,987	11,866,182	11,936,046
<b>g Net NPLs exposure (e-f)</b>	<b>-</b>	<b>-</b>	<b>644,498</b>
<b>2 Insider loans and Advances</b>			
a Directors, Shareholders and associates	30,269	19,151	20,068
b Employees	4,330,267	4,728,314	4,695,341
<b>c Total insider loans, advances and other facilities</b>	<b>4,360,536</b>	<b>4,747,465</b>	<b>4,715,409</b>
<b>3 Off-Balance sheet items</b>			
a Letters of credit, guarantees and acceptances	4,225,013	7,237,833	8,332,603
b Forwards, swaps and options	2,181,921	178,779	2,204,022
c Other contingent liabilities	-	-	-
<b>d Total contingent liabilities</b>	<b>6,406,934</b>	<b>7,416,612</b>	<b>10,536,625</b>
<b>4 Capital Strength</b>			
<b>a Core capital</b>	<b>9,994,377</b>	<b>3,503,284</b>	<b>2,835,161</b>
b Minimum Statutory Capital	1,000,000	1,000,000	1,000,000
c Excess/(Deficiency) (a-b)	8,994,377	2,503,284	1,835,161
d Supplementary capital	500,606	1,267,641	1,244,918
e Total capital (a+d)	10,494,983	4,770,925	4,080,079
f Total risk weighted assets	90,415,848	87,997,708	84,882,674
<b>g Core capital/total deposit liabilities</b>	<b>10.7%</b>	<b>3.5%</b>	<b>3.2%</b>
h Minimum Statutory Ratio	8.0%	8.0%	8.0%
i Excess/(Deficiency) (g-h)	2.7%	-4.5%	-4.8%
<b>j Core capital/total risk weighted assets</b>	<b>11.1%</b>	<b>4.0%</b>	<b>3.3%</b>
k Minimum Statutory Ratio	10.5%	10.5%	10.5%
l Excess/(Deficiency) (j-k)	0.6%	-6.5%	-7.2%
<b>m Total capital/total risk weighted assets</b>	<b>11.6%</b>	<b>5.4%</b>	<b>4.8%</b>
n Minimum Statutory Ratio	14.5%	14.5%	14.5%
o Excess/(Deficiency)(m-n)	-2.9%	-9.1%	-9.7%
<b>p Adjusted core capital/total deposit liabilities*</b>	<b>3.7%</b>		
<b>q Adjusted core capital/total risk weighted assets*</b>	<b>3.9%</b>		
<b>r Adjusted total capital/total risk weighted assets*</b>	<b>5.4%</b>		
<b>5 Liquidity</b>			