



UNAUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES

| I STATEMENT OF FINANCIAL POSITION | 30-09-2017 | 31-12-17 | 31-03-2018 | 30-06-2018 | 30-09-2018 |
|---|------------------------|----------------------|------------------------|------------------------|------------------------|
| | (Unaudited) (KES '000) | (Audited) (KES '000) | (Unaudited) (KES '000) | (Unaudited) (KES '000) | (Unaudited) (KES '000) |
| A ASSETS | | | | | |
| 1 Cash (both Local & Foreign) | 354,382 | 419,599 | 294,906 | 290,190 | 301,224 |
| 2 Balances due from Central Bank of Kenya | 573,374 | 524,657 | 441,737 | 681,322 | 527,180 |
| 3 Kenya Government and other securities held for dealing purposes | | | | | |
| 4 Financial Assets at fair value through profit and loss | | | | | |
| 5 Investment Securities: | | | | | |
| a) Held to Maturity: | 1,427,333 | 1,630,439 | 1,630,439 | 1,630,440 | 1,646,664 |
| a. Kenya Government securities | 1,427,333 | 1,630,439 | 1,630,439 | 1,630,440 | 1,646,664 |
| b. Other securities | - | - | - | - | - |
| b) Available for sale: | | | | | |
| a. Kenya Government securities | - | - | - | - | - |
| b. Other securities | - | - | - | - | - |
| 6 Deposits and balances due from local banking institutions | 342,165 | 480,749 | 179,257 | 98,578 | 136,677 |
| 7 Deposits and balances due from banking institutions abroad | 1,347 | 20,836 | 54,148 | 45,073 | 5,283 |
| 8 Tax recoverable | 41,504 | 6,131 | 6,131 | 6,131 | 6,131 |
| 9 Loans and advances to customers (net) | 6,640,613 | 6,637,482 | 6,740,819 | 6,781,343 | 6,849,476 |
| 10 Balances due from banking institutions in the group | | | | | |
| 11 Investments in associates | | | | | |
| 12 Investments in subsidiary companies | | | | | |
| 13 Investments in joint ventures | | | | | |
| 14 Investment properties | | | | | |
| 15 Property and equipment | 189,486 | 178,258 | 165,315 | 151,015 | 141,489 |
| 16 Prepaid lease rentals | | | | | |
| 17 Intangible assets | 47,687 | 38,370 | 29,872 | 21,477 | 61,847 |
| 18 Deferred tax asset | 94,474 | 122,731 | 122,731 | 122,731 | 122,731 |
| 19 Retirement benefit asset | | | | | |
| 20 Other assets | 425,550 | 236,100 | 311,821 | 291,296 | 306,386 |
| 21 TOTAL ASSETS | 10,137,915 | 10,295,352 | 9,977,176 | 10,119,596 | 10,105,088 |
| B LIABILITIES | | | | | |
| 22 Balances due to Central Bank of Kenya | | | | | |
| 23 Customer deposits | 7,629,048 | 7,873,819 | 7,573,578 | 7,669,446 | 7,793,781 |
| 24 Deposits and balances due to local banking institutions | 203,748 | 76,302 | 120,665 | 179,526 | 35,579 |
| 25 Deposits and balances due to foreign banking institutions | | | | | |
| 26 Other money market deposits | | | | | |
| 27 Borrowed funds | | | | | |
| 28 Balances due to banking institutions in the group | | | | | |
| 29 Tax payable | | | | | |
| 30 Dividends payable | | | | | |
| 31 Deferred tax liability | | | | | |
| 32 Retirement benefit liability | | | | | |
| 33 Other liabilities | 230,190 | 266,880 | 229,109 | 228,934 | 212,249 |
| 34 TOTAL LIABILITIES | 8,062,986 | 8,217,001 | 7,923,352 | 8,077,906 | 8,041,609 |
| C SHAREHOLDERS' FUNDS | | | | | |
| 35 Paid up /Assigned capital | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| 36 Share premium/(discount) | 42,236 | 42,235 | 42,236 | 42,236 | 42,236 |
| 37 Revaluation reserves | | | | | |
| 38 Retained earnings/Accumulated losses | 927,841 | 914,342 | 943,274 | 986,999 | 974,287 |
| 39 Statutory loan loss reserves | 104,852 | 121,774 | 68,314 | 12,455 | 46,956 |
| 40 Other Reserves | | | | | |
| 41 Proposed dividends | | | | | |
| 42 Capital grants | | | | | |
| 43 TOTAL SHAREHOLDERS' FUNDS | 2,074,929 | 2,078,351 | 2,053,824 | 2,041,690 | 2,063,479 |
| 44 Minority Interest | | | | | |
| 45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS | 10,137,915 | 10,295,352 | 9,977,176 | 10,119,596 | 10,105,088 |

| II PROFIT AND LOSS ACCOUNT | 30-09-2017 | 31-12-17 | 31-03-2018 | 30-06-2018 | 30-09-2018 |
|---|------------------------|----------------------|------------------------|------------------------|------------------------|
| | (Unaudited) (KES '000) | (Audited) (KES '000) | (Unaudited) (KES '000) | (Unaudited) (KES '000) | (Unaudited) (KES '000) |
| 1.0 INTEREST INCOME | | | | | |
| 1.1 Loans and advances | 741,079 | 938,182 | 238,116 | 476,942 | 722,067 |
| 1.2 Government securities | 122,982 | 162,620 | 36,825 | 74,420 | 112,014 |
| 1.3 Deposits and placements with banking institutions | 15,737 | 21,475 | 2,428 | 3,963 | 4,430 |
| 1.4 Other Interest Income | | | | | |
| 1.5 Total interest income | 879,797 | 1,122,277 | 277,369 | 555,325 | 838,511 |
| 2.0 INTEREST EXPENSE | | | | | |
| 2.1 Customer deposits | 312,046 | 423,920 | 98,887 | 200,274 | 307,072 |
| 2.2 Deposits and placement from banking institutions | 21,836 | 9,892 | 7,619 | 15,228 | 21,846 |
| 2.3 Other interest expenses | 1,344 | 1,581 | 185 | 458 | 707 |
| 2.4 Total interest expenses | 335,226 | 435,393 | 106,691 | 215,960 | 329,626 |
| 3.0 NET INTEREST INCOME/(LOSS) | 544,571 | 686,884 | 170,678 | 339,365 | 508,885 |
| 4.0 NON-INTEREST INCOME | | | | | |
| 4.1 Fees and commissions on loans and advances | 85,158 | 85,158 | 28,778 | 63,193 | 98,026 |
| 4.2 Other fees and commissions | 85,796 | 150,011 | 33,474 | 65,945 | 99,121 |
| 4.3 Foreign exchange trading income/(Loss) | 22,624 | 30,322 | 7,095 | 6,704 | 11,047 |
| 4.4 Dividend Income | | | | | |
| 4.5 Other income | 18,382 | 19,673 | 2,383 | 2,383 | 6,348 |
| 4.6 Total Non-interest income | 211,961 | 285,164 | 71,730 | 138,225 | 214,541 |
| 5.0 TOTAL OPERATING INCOME | 756,532 | 972,048 | 242,408 | 477,590 | 723,426 |
| 6.0 OTHER OPERATING EXPENSES | | | | | |
| 6.1 Loan loss provision | 64,866 | 80,248 | 27,460 | 55,663 | 85,881 |
| 6.2 Staff costs | 329,390 | 406,420 | 102,930 | 199,457 | 302,516 |
| 6.3 Directors' emoluments | 11,166 | 16,619 | 3,540 | 8,417 | 11,837 |
| 6.4 Rental charges | 58,913 | 80,735 | 20,117 | 39,546 | 58,535 |
| 6.5 Depreciation charge on property and equipment | 69,227 | 53,939 | 23,443 | 29,567 | 43,356 |
| 6.6 Amortisation charges | 5,451 | 5,451 | 16,894 | 26,239 | |
| 6.7 Other operating expenses | 184,510 | 274,652 | 52,785 | 117,865 | 179,936 |
| 6.8 Total Other Operating Expenses | 723,523 | 918,064 | 230,275 | 467,409 | 708,300 |
| 7.0 Profit/(Loss) Before Tax and Exceptional Items | 33,008 | 53,984 | 12,133 | 10,181 | 15,126 |
| 8.0 Exceptional Items | | | | | |
| 9.0 Profit/(Loss) After Exceptional Items | 33,008 | 53,984 | 12,133 | 10,181 | 15,126 |
| 10.0 Current Tax | 9,903 | 17,551 | 3,640 | 3,054 | 4,538 |
| 11.0 Deferred Tax | | | | | |
| 12.0 Profit/(Loss) After Tax and Exceptional Items | 23,106 | 36,433 | 8,493 | 7,127 | 10,589 |
| 13.0 Minority Interest | | | | | |
| 14.0 Profit/(Loss) after tax, exceptional items and Minority Interest | 23,106 | 36,433 | 8,493 | 7,127 | 10,589 |
| 15.0 Other Comprehensive Income | | | | | |
| 15.1 Gains/(Losses) from translating the financial statements of foreign operations | | | | | |
| 15.2 Fair value changes in available for sale financial assets | | | | | |
| 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 | | | | | |
| 16.0 Other Comprehensive Income for the year net of tax | - | - | - | - | - |
| 17.0 Total comprehensive income for the year | 23,106 | 36,433 | 8,493 | 7,127 | 10,589 |
| 18.0 EARNINGS PER SHARE- BASIC & DILUTED | 23.0% | 36.0% | 8.5% | 7.0% | 10.6% |
| 19.0 DIVIDEND PER SHARE - DECLARED | | | | | |

| III OTHER DISCLOSURES | 30-09-2017 | 31-12-17 | 31-03-2018 | 30-06-2018 | 30-09-2018 |
|---|------------------------|----------------------|------------------------|------------------------|------------------------|
| | (Unaudited) (KES '000) | (Audited) (KES '000) | (Unaudited) (KES '000) | (Unaudited) (KES '000) | (Unaudited) (KES '000) |
| 1.0 NON-PERFORMING LOANS AND ADVANCES | | | | | |
| (a) Gross Non-performing loans and advances | 1,141,482 | 1,595,247 | 1,547,522 | 1,601,295 | 1,974,544 |
| (b) Less: Interest in Suspense | 210,715 | 224,141 | 235,645 | 248,088 | 258,394 |
| (c) Total Non-Performing Loans and Advances (a-b) | 930,767 | 1,371,106 | 1,311,877 | 1,353,207 | 1,716,150 |
| (d) Less: Loan Loss Provision | 422,946 | 503,621 | 521,181 | 531,075 | 585,354 |
| (e) Net Non-Performing Loans and Advances (c-d) | 507,821 | 867,485 | 790,696 | 822,132 | 1,130,796 |
| (f) Discounted Value of Securities | 507,821 | 867,485 | 790,696 | 822,132 | 1,130,796 |
| (g) Net NPLs Exposure (e-f) | - | - | - | - | - |
| 2.0 INSIDER LOANS AND ADVANCES | | | | | |
| (a) Directors, Shareholders and Associates | 710,434 | 742,034 | 664,077 | 718,634 | 673,941 |
| (b) Employees | 287,905 | 295,915 | 307,644 | 319,555 | 312,093 |
| (c) Total Insider Loans and Advances and other facilities | 998,339 | 1,037,949 | 971,721 | 1,038,189 | 986,034 |
| 3.0 OFF-BALANCE SHEET ITEMS | | | | | |
| (a) Letters of credit, guarantees, acceptances | 455,339 | 641,799 | 559,244 | 535,946 | 367,298 |
| (b) Forwards, swaps and options | 64,779 | 325,650 | 196,430 | 126,962 | 243,408 |
| (c) Other contingent liabilities | | | | | |
| (d) Total Contingent Liabilities | 520,118 | 967,449 | 755,674 | 662,908 | 610,706 |
| 4.0 CAPITAL STRENGTH | | | | | |
| (a) Core capital | 1,953,573 | 1,887,831 | 1,977,624 | 2,032,799 | 2,008,959 |
| (b) Minimum Statutory Capital | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| (c) Excess/(Deficiency) (a-b) | 953,573 | 887,831 | 977,624 | 1,032,799 | 1,008,959 |
| (d) Supplementary Capital | 104,852 | 121,774 | 68,314 | 12,455 | 46,956 |
| (e) Total Capital (a+d) | 2,058,425 | 2,009,605 | 2,045,938 | 2,045,254 | 2,055,915 |
| (f) Total risk weighted assets | 9,722,395 | 6,662,951 | 9,895,291 | 9,818,463 | 9,740,953 |
| (g) Core Capital/Total deposits Liabilities | 25.6% | 24.0% | 26.1% | 26.5% | 25.8% |
| (h) Minimum statutory Ratio | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% |
| (i) Excess/(Deficiency) (g-h) | 17.6% | 16.0% | 18.1% | 18.5% | 17.8% |
| (j) Core Capital / total risk weighted assets | 20.1% | 28.3% | 20.0% | 20.7% | 20.6% |
| (k) Minimum Statutory Ratio | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% |
| (l) Excess (Deficiency) (j-k) | 9.6% | 17.8% | 9.5% | 10.2% | 10.1% |
| (m) Total Capital/total risk weighted assets | 21.2% | 30.2% | 20.7% | 20.8% | 21.1% |
| (n) Minimum statutory Ratio | 14.5% | 14.5% | 14.5% | 14.5% | 14.5% |
| (o) Excess/(Deficiency) (m-n) | 6.7% | 15.7% | 6.2% | 6.3% | 6.6% |
| (p) Adjusted Core Capital/Total Deposit Liabilities* | | 26.5% | 28.1% | 27.0% | 27.0% |
| (q) Adjusted Core Capital/Total Risk Weighted Assets* | | 20.3% | 21.9% | 21.6% | 21.6% |
| (r) Adjusted Total Capital/Total Risk Weighted Assets* | | 21.3% | 22.0% | 22.1% | 22.1% |
| 14 LIQUIDITY | | | | | |
| 14.1 (a) Liquidity Ratio | 31.7% | 37.1% | 31.9% | 32.6% | 32.2% |
| 14.2 (b) Minimum Statutory Ratio | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% |
| 14.3 (c) Excess (Deficiency) (a-b) | 11.7% | 17.1% | 11.9% | 12.6% | 12.2% |

These Financial statements are extracts from the books of the institution. The complete set of quarterly financial statements, statutory and qualitative disclosures can be accessed on the institutions website: www.tnbl.co.ke
 They may also be accessed at the Institution's Head Office located at Transnational Plaza, City Hall Way.

Signed: **SAMMY LANGAT** CHIEF EXECUTIVE OFFICER **PROF. HENRY KIPLANGAT** CHAIRMAN