



UNAUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES

I STATEMENT OF FINANCIAL POSITION					II PROFIT AND LOSS ACCOUNT					III OTHER DISCLOSURES							
	30-09-2018 (Unaudited) (KES '000)	31-12-18 (Audited) (KES '000)	31-03-2019 (Unaudited) (KES '000)	30-06-2019 (Unaudited) (KES '000)	30-09-2019 (Unaudited) (KES '000)												
A ASSETS						1.0 INTEREST INCOME						1.0 NON-PERFORMING LOANS AND ADVANCES					
1 Cash (both Local & Foreign)	301,224	362,931	342,165	373,341	344,430	1.1 Loans and advances	722,067	851,608	221,684	428,762	654,697	(a) Gross Non-performing loans and advances	1,974,544	1,850,062	1,843,792	1,871,940	1,874,470
2 Balances due from Central Bank of Kenya	527,180	745,976	389,970	827,820	747,409	1.2 Government securities	112,014	153,679	37,129	73,744	110,966	(b) Less: Interest In Suspense	258,394	385,106	398,880	427,115	435,220
3 Kenya Government and other securities held for dealing purposes						1.3 Deposits and placements with banking institutions	4,430	5,952	1,920	3,455	4,819	(c) Total Non-Performing Loans and Advances (a-b)	1,716,150	1,464,956	1,444,912	1,444,825	1,439,250
4 Financial Assets at fair value through profit and loss		1,110				1.4 Other Interest Income						(d) Less: Loan Loss Provision	585,354	635,052	666,286	699,255	724,259
5 Investment Securities:						1.5 Total interest income	838,511	1,011,239	260,733	505,961	770,482	(e) Net Non-Performing Loans and Advances (c-d)	1,130,796	829,904	778,626	745,570	714,991
a) Held to Maturity:						2.0 INTEREST EXPENSE						(f) Discounted Value of Securities	1,130,796	609,277	763,083	732,999	708,184
a. Kenya Government securities	1,646,664	1,614,217	1,635,967	1,604,101	1,422,460	2.1 Customer deposits	307,072	434,035	108,064	202,977	293,959	(g) Net NPLs Exposure (e-f)	-	220,627	15,543	12,571	6,807
b. Other securities	1,646,664	1,614,217	1,635,967	1,604,101	1,422,460	2.2 Deposits and placement from banking institutions	21,846	9,067	5,095	10,006	16,118	2.0 INSIDER LOANS AND ADVANCES					
b) Available for sale:						2.3 Other interest expenses	707		315	601	910	(a) Directors, Shareholders and Associates	673,941	630,384	535,410	582,318	600,643
a. Kenya Government securities			535,494			2.4 Total interest expenses	329,626	443,102	113,475	213,583	310,987	(b) Employees	312,093	325,518	308,607	315,092	342,780
b. Other securities			535,494			3.0 NET INTEREST INCOME/(LOSS)	508,885	568,137	147,258	292,378	459,495	(c) Total Insider Loans and Advances and other facilities	986,034	955,902	844,017	897,410	943,423
6 Deposits and balances due from local banking institutions	136,677	205,963	556,371	75,740	143,109	4.0 NON-INTEREST INCOME						3.0 OFF-BALANCE SHEET ITEMS					
7 Deposits and balances due from banking institutions abroad	5,283	5,385	6,039	527	2,346	4.1 Fees and commissions on loans and advances	98,026	117,132	24,878	53,829	81,937	(a) Letters of credit, guarantees, acceptances	367,298	250,544	272,557	254,470	283,364
8 Tax recoverable	6,131	28,985	28,985	28,985	28,985	4.2 Other fees and commissions	99,121	124,066	32,186	62,834	96,758	(b) Forwards, swaps and options	243,408	141,278	192,729	71,530	124,806
9 Loans and advances to customers (net)	6,849,476	6,625,522	6,290,296	6,164,503	6,270,018	4.3 Foreign exchange trading income/(Loss)	11,047	17,175	3,371	7,464	14,697	(c) Other contingent liabilities		228,069			
10 Balances due from banking institutions in the group						4.4 Dividend Income						(d) Total Contingent Liabilities	610,706	619,891	465,286	326,000	408,170
11 Investments in associates						4.5 Other income	6,348	6,861	10,524	19,622	19,772	4.0 CAPITAL STRENGTH					
12 Investments in subsidiary companies						4.6 Total Non-interest income	214,541	265,234	70,959	143,750	213,164	(a) Core capital	2,008,959	1,640,141	1,595,670	1,761,040	1,763,387
13 Investments in joint ventures						5.0 TOTAL OPERATING INCOME	723,426	833,371	218,217	436,127	672,659	(b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
14 Investment properties						6.0 OTHER OPERATING EXPENSES						(c) Excess/(Deficiency) (a-b)	1,008,959	640,141	595,670	761,040	763,387
15 Property and equipment	141,489	133,857	122,975	109,731	106,654	6.1 Loan loss provision	85,881	63,391	32,845	63,866	95,030	(d) Supplementary Capital	46,956	153,757	153,757	153,758	153,758
16 Prepaid lease rentals						6.2 Staff costs	302,516	388,284	92,165	182,702	275,533	(e) Total Capital (a+d)	2,055,915	1,793,898	1,749,427	1,914,798	1,917,144
17 Intangible assets	61,847	53,043	48,913	41,652	48,786	6.3 Directors' emoluments	11,837	16,992	3,363	5,455	8,633	(f) Total risk weighted assets	9,740,953	9,136,177	8,953,155	9,191,413	8,877,785
18 Deferred tax asset	122,731	170,608	170,608	170,609	170,609	6.4 Rental charges	58,535	82,308	21,514	44,736	67,568	(g) Core Capital/Total deposits Liabilities	25.8%	20.5%	19.1%	22.6%	24.2%
19 Retirement benefit asset						6.5 Depreciation charge on property and equipment	43,356	57,142	13,814	27,613	38,713	(h) Minimum statutory Ratio	8.0%	8.0%	8.0%	8.0%	8.0%
20 Other assets	306,386	287,927	364,956	642,696	289,214	6.6 Amortisation charges	26,239	36,569	5,696	11,392	16,938	(i) Excess/(Deficiency) (g-h)	17.8%	12.5%	11.1%	14.6%	16.2%
21 TOTAL ASSETS	10,105,088	10,235,524	10,492,739	10,039,705	9,574,020	6.7 Other operating expenses	179,936	287,148	65,936	128,355	193,543	(j) Core Capital / total risk weighted assets	20.6%	18.0%	17.8%	19.2%	19.9%
B LIABILITIES						6.8 Total Other Operating Expenses	708,300	931,834	235,333	464,119	695,958	(k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%	10.5%
22 Balances due to Central Bank of Kenya						7.0 Profit/(Loss) Before Tax and Exceptional Items	15,126	(98,463)	(17,117)	(27,992)	(23,299)	(l) Excess (Deficiency) (j-k)	10.1%	7.5%	7.3%	8.7%	9.4%
23 Customer deposits	7,793,781	8,018,770	8,344,960	7,777,716	7,275,096	8.0 Exceptional Items						(m) Total Capital/total risk weighted assets	21.1%	19.6%	19.5%	20.8%	21.6%
24 Deposits and balances due to local banking institutions	35,579	63,990	28,495		180,000	10.0 Current Tax	4,538	(26,622)				(n) Minimum statutory Ratio	14.5%	14.5%	14.5%	14.5%	14.5%
25 Deposits and balances due to foreign banking institutions						11.0 Deferred Tax						(o) Excess/(Deficiency) (m-n)	6.6%	5.1%	5.0%	6.3%	7.1%
26 Other money market deposits						12.0 Profit/(Loss) After Tax and Exceptional Items	10,589	(71,841)	(17,117)	(27,992)	(23,299)	(p) Adjusted Core Capital/Total Deposit Liabilities*	27.0%	21.0%	19.5%	23.1%	24.2%
27 Borrowed funds						13.0 Minority Interest						(q) Adjusted Core Capital/Total Risk Weighted Assets*	21.6%	18.4%	18.2%	19.5%	19.9%
28 Balances due to banking institutions in the group						14.0 Profit/(Loss) after tax, exceptional items and Minority Interest	10,589	(71,841)	(17,117)	(27,992)	(23,299)	(r) Adjusted Total Capital/Total Risk Weighted Assets*	22.1%	20.1%	19.5%	21.2%	21.2%
29 Tax payable						15.0 Other Comprehensive Income						14 LIQUIDITY					
30 Dividends payable						15.1 Gains/(Losses) from translating the financial statements of foreign operations						14.1 (a) Liquidity Ratio	32.2%	34.8%	40.2%	35.4%	33.3%
31 Deferred tax liability						15.2 Fair value changes in available for sale financial assets						14.2 (b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%	20.0%
32 Retirement benefit liability						15.3 Revaluation surplus on Property, plant and equipment						14.3 (c) Excess (Deficiency) (a-b)	12.2%	14.8%	20.2%	15.4%	13.3%
33 Other liabilities	212,249	224,178	207,799	361,187	213,429	15.4 Share of other comprehensive income of associates											
34 TOTAL LIABILITIES	8,041,609	8,306,938	8,581,254	8,138,903	7,668,525	15.5 Income tax relating to components of other comprehensive income											
C SHAREHOLDERS' FUNDS						16.0 Other Comprehensive Income for the year net of tax	-	-	-	-	-						
35 Paid up /Assigned capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	17.0 Total comprehensive income for the year	10,589	(71,841)	(17,117)	(27,992)	(23,299)						
36 Share premium/(discount)	42,236	42,236	42,236	42,236	42,236	18.0 EARNINGS PER SHARE- BASIC & DILUTED	0.01	(0.36)	(0.09)	0.00	(0.12)						
37 Revaluation reserves						19.0 DIVIDEND PER SHARE - DECLARED											
38 Retained earnings/Accumulated losses	974,287	732,593	715,492	704,809	709,501												
39 Statutory loan loss reserves	46,956	153,757	153,757	153,757	153,758												
40 Other Reserves																	
41 Proposed dividends																	
42 Capital grants																	
43 TOTAL SHAREHOLDERS' FUNDS	2,063,479	1,928,586	1,911,485	1,900,802	1,905,495												
44 Minority Interest																	
45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	10,105,088	10,235,524	10,492,739	10,039,705	9,574,020												

*The adjusted capital ratios include the expected credit loss provisions added back to capital in line with the CBK Guidance Note issued in April 2018 on implementation of IFRS 9.

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 LANG'AT** CHIEF EXECUTIVE OFFICER
Prof. HENRY KIPLANGAT CHAIRMAN

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