



AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES

I STATEMENT OF FINANCIAL POSITION

A ASSETS

	31-12-2015 Shs 000 (Audited)	31-12-2016 Shs 000 (Audited)
1 Cash (both Local & Foreign)	286,342	319,790
2 Balances due from Central Bank of Kenya	732,220	503,568
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	2,118,500	1,932,49
a. Kenya Government Securities	2,118,500	1,932,497
b. Other Securities	-	-
b) Available for sale	-	-
a. Kenya Government Securities	-	-
b. Other Securities	-	-
6 Deposits and balances due from local banking institutions	50,843	458,473
7 Deposits and balances due from banking institutions abroad	22,781	6,429
8 Tax recoverable	-	33,348
9 Loans and advances to customers (net)	6,804,914	6,471,250
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	122,790	168,172
16 Prepaid lease rentals	-	-
17 Intangible assets	99,087	70,525
18 Deferred tax asset	61,195	85,962
19 Retirement benefit asset	-	-
20 Other assets	234,650	414,486
21 TOTAL ASSETS	10,533,322	10,464,500
B LIABILITIES		
22 Balances due to Central Bank of Kenya	299,283	-
23 Customer deposits	7,593,180	8,000,002
24 Deposits and balances due to local banking institutions	192,621	102,500
25 Deposits and balances due to foreign banking institutions	-	-
26 Other money market deposits	-	-
27 Borrowed funds	-	-
28 Balances due to group companies	-	-
29 Tax payable	-	59,406
30 Dividends payable	1,353	-
31 Deferred tax liability	-	-
32 Retirement benefit liability	-	-
33 Other liabilities	414,096	229,184
34 TOTAL LIABILITIES	8,500,533	8,390,340
C SHAREHOLDERS' FUNDS		
35 Paid up /Assigned capital	1,000,000	1,000,000
36 Share premium	42,236	42,236
37 Revaluation reserves	-	-
38 Retained earnings/Accumulated losses	885,702	926,320
39 Statutory loan reserves	104,851	104,852
40 Other Reserves	-	-
41 Proposed dividends	-	-
42 Capital grants	-	-
43 TOTAL SHAREHOLDERS' FUNDS	2,032,789	2,073,408
44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	10,533,322	10,464,500

II STATEMENT OF PROFIT OR (LOSS) AND OTHER COMPREHENSIVE INCOME

1.0 INTEREST INCOME

	31-12-2015 Shs 000 (Audited)	31-12-2016 Shs 000 (Audited)
1.1 Loans and advances	1,235,804	1,200,042
1.2 Government securities	198,697	214,488
1.3 Deposits and placements with banking institutions	10,856	9,849
1.4 Other Interest Income	-	-
1.5 Total interest income	1,445,357	1,424,379
2.0 INTEREST EXPENSE		
2.1 Customer deposits	526,939	507,434
2.2 Deposits and placement from banking institutions	56,102	52,918
2.3 Other interest expenses	1,172	1,200
2.4 Total interest expenses	584,213	561,552
3.0 NET INTEREST INCOME/ (LOSS)	861,144	862,827
4.0 NON-INTEREST INCOME		
4.1 Fees and commissions on loans and advances	87,021	68,217
4.2 Other fees and commissions	100,656	117,942
4.3 Foreign exchange trading income	35,935	29,828
4.4 Dividend Income	-	1,770
4.5 Other income	1,841	(0)
4.6 Total non-interest income	225,453	217,757
5.0 TOTAL OPERATING INCOME	1,086,597	1,080,585
6.0 OTHER OPERATING EXPENSES		
6.1 Loan loss provision	76,500	96,842
6.2 Staff costs	368,247	393,302
6.3 Directors' emoluments	22,019	21,873
6.4 Rental charges	62,164	88,911
6.5 Depreciation charge on property and equipment	60,450	90,846
6.6 Amortisation charges	9,363	4,216
6.7 Other operating expenses	236,232	224,570
6.8 Total operating expenses	834,975	920,561
7.0 Profit before tax and exceptional items	251,622	160,024
8.0 Exceptional items	-	-
9.0 Profit after exceptional items	251,622	160,024
10. Current tax	108,409	84,173
11.0 Deferred tax	(24,816)	(24,767)
12.0 Profit after tax and exceptional items	168,030	100,618
13.0 Other Comprehensive Income		
13.1 Gains / (Losses) from translating the financial statements of foreign operations	-	-
13.2 Fair value changes in available for sale financial assets	-	-
13.3 Revaluation surplus on Property, plant and equipment	-	-
13.4 Share of other comprehensive income of associates	-	-
13.5 Income tax relating to components of other comprehensive income	-	-
14.0 Other Comprehensive Income for the year net of tax	-	-
15.0 Total comprehensive income for the year	168,030	100,618
16.0 EARNINGS PER SHARE- BASIC & DILUTED	0.84	0.50
9 DIVIDEND PER SHARE -DECLARED	-	-

III OTHER DISCLOSURES

1.0 NON-PERFORMING LOANS AND ADVANCES

	31-12-2015 Shs 000 (Audited)	31-12-2016 Shs 000 (Audited)
(a) Gross Non-performing loans and advances	732,580	891,374
(b) Less Interest in Suspense	94,990	189,078
(c) Total Non-Performing Loans and Advances (a-b)	637,590	702,296
(d) Less Loan Loss Provision	439,211	366,021
(e) Net Non-Performing Loans and Advances(c-d)	198,379	336,275
(f) Discounted Value of Securities	198,379	334,706
(g) Net NPLs Exposure (e-f)	-	1,569
2.0 INSIDER LOANS AND ADVANCES		
(a) Directors, Shareholders and Associates	704,477	780,026
(b) Employees	366,424	284,688
(c) Total Insider Loans and Advances and other facilities	1,070,901	1,064,714
3.0 OFF-BALANCE SHEET ITEMS		
(a) Letters of credit, guarantees, acceptances	347,549	695,953
(b) Forwards, Swaps and options	45,840	61,558
(c) Other contingent liabilities	-	-
(d) Total Contingent Liabilities	393,389	757,511
4.0 CAPITAL STRENGTH		
(a) Core capital	1,927,938	1,968,557
(b) Minimum Statutory Capital	1,000,000	1,000,000
(c) Excess/(Deficiency) (a-b)	927,938	968,557
(d) Supplementary Capital	104,851	104,852
(e) Total Capital (a+d)	2,032,789	2,073,409
(f) Total risk weighted assets	9,473,232	9,973,585
(g) Core Capital/Total deposits Liabilities	25.4%	24.6%
(h) Minimum statutory Ratio	8.0%	8.0%
(i) Excess/(Deficiency) (g-h)	17.4%	16.6%
(j) Core Capital / total risk weighted assets	20.4%	19.7%
(k) Minimum Statutory Ratio	10.5%	10.5%
(l) Excess (Deficiency) (j-k)	9.9%	9.2%
(m) Total Capital/total risk weighted assets	21.5%	20.8%
(n) Minimum statutory Ratio	14.5%	14.5%
(o) Excess (Deficiency) (m-n)	7.0%	6.3%
14 LIQUIDITY		
14.1 (a) Liquidity Ratio	33.9%	36.6%
14.1 (b) Minimum Statutory Ratio	20.0%	20.0%
14.3 (c) Excess (a-b)	13.9%	16.6%

These Financial statements are extracts of the Bank's Financial statements as audited by Ernest & Young LLP and received an unqualified opinion. The complete set of Annual financial statements, statutory and qualitative disclosures can be accessed on the Institution's 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

DR. HENRY KIPLANGAT
CHAIRMAN

www.tnbl.co.ke | Trans National Bank | @tnblkenya | 0704 331 786

Transnational Bank is regulated by the Central Bank of Kenya.