

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES

I STATEMENT OF FINANCIAL POSITION

	31-12-2016 Shs 000 (Audited)	31-12-2017 Shs 000 (Audited)
A ASSETS		
1 Cash (both Local & Foreign)	319,790	419,599
2 Balances with Central Bank of Kenya	503,568	524,657
3 Kenya Government & other Securities held for dealing purposes	-	-
4 Financial Assets at Fair Value through Profit & Loss	-	-
5 Investment Securities:	-	-
(i) Held to Maturity:	-	-
(a) Kenya Government Securities	1,932,497	1,630,439
(b) Other Securities	-	-
(ii) Available for Sale:	-	-
(a) Kenya Government Securities	-	-
(b) Other Securities	-	-
6 Deposits and Balances due from Local Banking Institutions	458,473	480,749
7 Deposits and Balances due from Banking Institutions Abroad	6,429	20,836
8 Tax Recoverable	33,348	6,131
9 Loans and Advances to Customers (Net)	6,471,250	6,637,482
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, Plant and Equipment	168,172	178,258
16 Prepaid Lease Rentals	-	-
17 Intangible Assets	70,525	38,370
18 Deferred Tax Asset	85,962	122,731
19 Retirement Benefit Asset	-	-
20 Other Assets	414,486	236,100
TOTAL ASSETS	10,464,500	10,295,352
B LIABILITIES		
21 Balances due to Central Bank of Kenya	-	-
22 Customer Deposits	8,000,002	7,873,819
23 Deposits and Balances due to Local Banking Institutions	102,500	76,302
24 Deposits and Balances due to Foreign Banking Institutions	-	-
25 Other Money Market Deposits	-	-
26 Borrowed Funds	-	-
27 Balances due to Banking Institutions Group Companies	-	-
28 Tax Payable	-	-
29 Dividends Payable	-	-
30 Deferred Tax Liability	-	-
31 Retirement Benefit Liability	-	-
32 Other liabilities	288,590	212,895
TOTAL LIABILITIES	8,391,092	8,163,016
C SHAREHOLDERS' FUNDS		
33 Paid Up/ Assigned Capital	1,000,000	1,000,000
34 Share Premium (Discount)	42,236	42,235
35 Revaluation Reserves	-	-
36 Retained Earnings/Accumulated Losses	926,320	968,327
37 Statutory Loan Reserves	104,852	121,774
38 Other Reserves	-	-
39 Proposed Dividends	-	-
40 Capital Grants	-	-
TOTAL SHAREHOLDERS' FUNDS	2,073,408	2,132,336
41 Minority Interest	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	10,464,500	10,295,352

II STATEMENT OF COMPREHENSIVE INCOME FOR PERIOD ENDED

	31-12-2016 Shs 000 (Audited)	31-12-2017 Shs 000 (Audited)
INTEREST INCOME		
1 Loans and Advances	1,200,042	938,182
2 Government Securities	214,488	162,620
3 Deposits and Placements with Banking Institutions	9,849	21,475
4 Other Interest Income	-	-
Total Interest Income	1,424,379	1,122,276
INTEREST EXPENSE		
5 Customer Deposits	507,434	423,920
6 Deposits and Placement from Banking Institutions	52,918	9,892
7 Other Interest Expenses	1,200	1,581
Total Interest Expenses	561,552	435,393
NET INTEREST INCOME /LOSS	862,827	686,884
NON INTEREST INCOME		
8 Fees and Commissions on Loans and Advances	68,217	85,158
9 Other Fees and Commissions	117,942	150,011
10 Foreign Exchange Trading Income (Loss)	29,828	30,322
11 Dividend Income	1,770	-
12 Other Income	-	19,673
Total Non-Interest Income	217,757	285,164
TOTAL OPERATING INCOME	1,080,584	972,048
OPERATING EXPENSES		
13 Loan Loss Provision	96,842	80,248
14 Staff Costs	393,302	406,420
15 Directors' Emoluments	21,873	16,619
16 Rental Charges	88,911	80,735
17 Depreciation Charge on Property and Equipment	90,846	53,939
18 Amortisation Charges	4,216	5,451
19 Other Operating Expenses	224,570	274,652
Total Operating Expenses	920,560	918,064
Profit/(Loss) Before Tax and Exceptional Items	160,024	53,984
20 Exceptional Items	-	-
Profit/(Loss) After Exceptional Items	160,024	53,984
21 Current tax	84,173	17,551
22 Deferred tax	(24,767)	-
Profit/(Loss) After Tax and Exceptional Items	100,618	36,433
23 Minority Interest	-	-
Profit/(Loss) After Tax, Exceptional Items & Minority Interest	100,618	36,433
Other Comprehensive Income:		
24 Gains/(Losses) from Translating the Financial Statements of Foreign Operations	-	-
25 Fair Value changes in Available-to-sale Financial Assets	-	-
26 Revaluation Surplus on Property, Plant and Equipment	-	-
27 Share of other Comprehensive Income of Associates	-	-
28 Income Tax Relating to Components of other Comprehensive Income	-	-
Other Comprehensive Income for the Year Net of Tax	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	100,618	36,433
EARNINGS PER SHARE- BASIC & DILUTED	50.0%	36.0%
DIVIDEND PER SHARE - DECLARED	-	-

III OTHER DISCLOSURES

	31-12-2016 Shs 000 (Audited)	31-12-2017 Shs 000 (Audited)
1.0 NON-PERFORMING LOANS AND ADVANCES		
1.1 (a) Gross Non-Performing Loans and Advances	891,374	1,595,247
1.2 (b) Less Interest in Suspense	189,078	224,141
1.3 (c) Total Non-Performing Loans and Advances (a-b)	702,296	1,371,106
1.4 (d) Less Loan Losses Provision	366,021	503,621
1.5 (e) Net Non-Performing Loans and Advances(c-d)	336,275	867,485
1.6 (f) Discounted Value of Securities	334,706	867,485
1.7 (g) Net NPLs Exposure (e-f)	1,569	-
2.0 INSIDER LOANS AND ADVANCES		
2.1 (a) Directors, Shareholders and Associates	780,026	742,034
2.2 (b) Employees	284,688	295,915
2.3 (c) Total Insider Loans and Advances and other facilities	1,064,714	1,037,949
3.0 OFF-BALANCE SHEET ITEMS		
3.1 (a) Letters of credit, Guarantees & Acceptances	695,953	641,799
3.2 (b) Forwards Swaps & Options	61,558	325,650
3.3 (c) Other Contingent Liabilities	-	-
3.4 (d) Total Contingent Liabilities	757,511	967,449
4.0 CAPITAL STRENGTH		
4.1 (a) Core capital	1,968,557	1,887,831
4.2 (b) Minimum Statutory Capital	1,000,000	1,000,000
4.3 (c) Excess/ (Deficiency) (a-b)	968,557	887,831
4.4 (d) Supplementary Capital	104,852	121,774
4.5 (e) Total Capital (a+d)	2,073,409	2,009,605
4.6 (f) Total risk weighted assets	9,973,585	6,662,951
4.7 (g) Core Capital/Total Deposit Liabilities	24.6%	24.0%
4.8 (h) Minimum Statutory Ratio	8.0%	8.0%
4.9 (i) Excess/ (Deficiency) (g-h)	16.6%	16.0%
4.10 (j) Core Capital / Total Risk Weighted Assets	19.7%	28.3%
4.11 (k) Minimum Statutory Ratio	10.5%	10.5%
4.12 (l) Excess/(Deficiency) (j-k)	9.2%	17.8%
4.13 (m) Total Capital/Total Risk Weighted Assets	20.8%	30.2%
4.14 (n) Minimum statutory Ratio	14.5%	14.5%
4.15 (o) Excess/(Deficiency) (m-n)	6.3%	15.7%
5.0 LIQUIDITY		
5.1 (a) Liquidity Ratio	36.6%	37.1%
5.2 (b) Minimum Statutory Ratio	20.0%	20.0%
5.3 (c) Excess/(Deficiency) (a-b)	16.6%	17.1%

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 LANGAT** CHIEF EXECUTIVE OFFICER **PROF. HENRY KIPLANGAT** CHAIRMAN