

**The Board of Directors of National Bank of Kenya Limited hereby announce the audited results for the period ended 31 December 2018**
**I. STATEMENT OF FINANCIAL POSITION  
As at 31 December 2018**

|   | BANK<br>31-Dec-17<br>Shs'000<br>Audited | BANK<br>31-Dec-18<br>Shs'000<br>Audited | GROUP<br>31-Dec-17<br>Shs'000<br>Audited | GROUP<br>31-Dec-18<br>Shs'000<br>Audited |
|---|---|---|--|--|
| <b>A ASSETS</b>   |   |   |  |  |
| 1 Cash (both Local & Foreign)                                     | 2,006,948                               | 1,744,785                               | 2,006,948                                | 1,744,785                                |
| 2 Balances due from Central Bank of Kenya                         | 5,493,224                               | 4,372,926                               | 5,493,224                                | 4,372,926                                |
| 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>35,707,852</b>                       | <b>46,310,604</b>                       | <b>35,718,032</b>                        | <b>46,341,772</b>                        |
| <b>a) Held to Maturity:(i+ii)</b>                                 | <b>20,813,253</b>                       | <b>18,178,199</b>                       | <b>20,813,253</b>                        | <b>18,178,199</b>                        |
| i. Kenya Government securities                                    | 20,813,253                              | 18,178,199                              | 20,813,253                               | 18,178,199                               |
| ii. Other securities  | -                                       | -                                       | -  | -  |
| <b>b) Available for sale:(i+ii)</b>                               | <b>14,894,599</b>                       | <b>28,132,405</b>                       | <b>14,904,779</b>                        | <b>28,163,573</b>                        |
| i. Kenya Government securities                                    | 14,894,599                              | 28,132,405                              | 14,904,779                               | 28,163,573                               |
| ii. Other securities  | -                                       | -                                       | -  | -  |
| 6 Deposits and balances due from local banking institutions       | 1,838,642                               | 1,936,693                               | 1,838,642                                | 1,936,693                                |
| 7 Deposits and balances due from banking institutions abroad      | 621,500                                 | 131,527                                 | 621,500                                  | 131,527                                  |
| 8 Tax recoverable   | 479,924                                 | 463,362                                 | 486,345                                  | 459,476                                  |
| 9 Loans and advances to customers (net)                           | 52,361,043                              | 47,778,777                              | 52,361,043                               | 47,778,777                               |
| 10 Balances due from banking institutions in the group            | -                                       | -                                       | -  | -  |
| 11 Investments in associates                                      | 334,134                                 | 366,822                                 | 334,134                                  | 366,822                                  |
| 12 Investments in subsidiary companies                            | 19,963                                  | 19,963                                  | -  | -  |
| 13 Investments in joint ventures                                  | -                                       | -                                       | -  | -  |
| 14 Investment properties  | -                                       | -                                       | -  | -  |
| 15 Property and equipment   | 3,710,328                               | 3,998,390                               | 3,710,949                                | 3,998,833                                |
| 16 Prepaid lease rentals  | -                                       | -                                       | -  | -  |
| 17 Intangible assets  | 1,159,618                               | 1,300,050                               | 1,159,618                                | 1,314,221                                |
| 18 Deferred tax asset   | 1,862,181                               | 2,289,527                               | 1,862,363                                | 2,290,168                                |
| 19 Retirement benefit asset                                       | -                                       | -                                       | -  | -  |
| 20 Other assets   | 4,346,685                               | 4,430,017                               | 4,280,343                                | 4,113,105                                |
| <b>21 TOTAL ASSETS</b>  | <b>109,942,042</b>                      | <b>115,143,443</b>                      | <b>109,873,141</b>                       | <b>114,849,105</b>                       |
| <b>B LIABILITIES</b>  |   |   |  |  |
| 22 Balances due to Central Bank of Kenya                          | -                                       | -                                       | -  | -  |
| 23 Customer deposits  | 94,544,397                              | 99,223,459                              | 94,275,768                               | 98,865,959                               |
| 24 Deposits and balances due to local banking institutions        | 2,069,482                               | 3,446,015                               | 2,069,482                                | 3,446,015                                |
| 25 Deposits and balances due to foreign banking institutions      | 3,550,638                               | 2,574,715                               | 3,550,638                                | 2,574,715                                |
| 26 Other money market deposits                                    | -                                       | -                                       | -  | -  |
| 27 Borrowed funds   | -                                       | -                                       | -  | -  |
| 28 Balances due to banking institutions in the group              | -                                       | -                                       | -  | -  |
| 29 Tax payable  | -                                       | -                                       | -  | -  |
| 30 Dividends payable  | 24,446                                  | 24,315                                  | 24,446                                   | 24,315                                   |
| 31 Deferred tax liability   | -                                       | -                                       | -  | -  |
| 32 Retirement benefit liability                                   | -                                       | -                                       | -  | -  |
| 33 Other liabilities  | 2,705,542                               | 2,939,221                               | 2,718,899                                | 2,965,246                                |
| <b>34 TOTAL LIABILITIES</b>                                       | <b>102,894,505</b>                      | <b>108,207,725</b>                      | <b>102,639,233</b>                       | <b>107,876,250</b>                       |
| <b>C SHAREHOLDERS' FUNDS</b>                                      |   |   |  |  |
| 35 Paid up /Assigned capital                                      | 7,368,906                               | 7,368,906                               | 7,368,906                                | 7,368,906                                |
| 36 Share premium/(discount)                                       | -                                       | -                                       | -  | -  |
| 37 Revaluation reserves   | 670,678                                 | 1,261,907                               | 670,678                                  | 1,261,907                                |
| 38 Retained earnings/Accumulated losses                           | (3,711,873)                             | (4,892,016)                             | (3,525,502)                              | (4,854,776)                              |
| 39 Statutory loan loss reserves                                   | 2,852,654                               | 3,333,324                               | 2,852,654                                | 3,333,324                                |
| 40 Other Reserves   | (132,828)                               | (136,403)                               | (132,828)                                | (136,506)                                |
| 41 Proposed dividends   | -                                       | -                                       | -  | -  |
| 42 Capital grants   | -                                       | -                                       | -  | -  |
| <b>43 TOTAL SHAREHOLDERS' FUNDS</b>                               | <b>7,047,537</b>                        | <b>6,935,718</b>                        | <b>7,233,908</b>                         | <b>6,972,855</b>                         |
| <b>44 TOTAL LIABILITIES &amp; SHAREHOLDERS' FUNDS</b>             | <b>109,942,042</b>                      | <b>115,143,443</b>                      | <b>109,873,141</b>                       | <b>114,849,105</b>                       |

**II. STATEMENT OF COMPREHENSIVE INCOME  
For the period ended 31 December 2018**

|   | BANK<br>31-Dec-17<br>Shs'000<br>Audited | BANK<br>31-Dec-18<br>Shs'000<br>Audited | GROUP<br>31-Dec-17<br>Shs'000<br>Audited | GROUP<br>31-Dec-18<br>Shs'000<br>Audited |
|---|---|---|--|--|
| <b>1 Interest Income</b>  |   |   |  |  |
| 1.1 Loans and advances  | 5,700,756                               | 4,427,606                               | 5,700,756                                | 4,427,606                                |
| 1.2 Government securities   | 4,164,096                               | 4,431,954                               | 4,164,277                                | 4,432,457                                |
| 1.3 Deposits and placements with banking institutions                               | 97,462                                  | 52,829                                  | 97,462                                   | 52,829                                   |
| 1.4 Other Interest Income   | -                                       | -                                       | -  | -  |
| <b>1.5 TOTAL INTEREST INCOME</b>  | <b>9,962,314</b>                        | <b>8,912,389</b>                        | <b>9,962,495</b>                         | <b>8,912,892</b>                         |
| <b>2 Interest Expense</b>   |   |   |  |  |
| 2.1 Customer deposits   | 2,941,176                               | 2,589,995                               | 2,924,384                                | 2,565,274                                |
| 2.2 Deposits and placements from banking institutions                               | 313,189                                 | 319,688                                 | 313,189                                  | 319,688                                  |
| 2.3 Other interest expenses   | -                                       | -                                       | -  | -  |
| <b>2.4 TOTAL INTEREST EXPENSES</b>  | <b>3,254,365</b>                        | <b>2,909,683</b>                        | <b>3,237,573</b>                         | <b>2,884,962</b>                         |
| <b>3 NET INTEREST INCOME</b>  | <b>6,707,949</b>                        | <b>6,002,706</b>                        | <b>6,724,922</b>                         | <b>6,027,930</b>                         |
| <b>4 Non-Interest Income</b>  |   |   |  |  |
| 4.1 Fees and commissions on loans and advances                                      | 141,591                                 | 38,964                                  | 141,591                                  | 38,964                                   |
| 4.2 Other fees and commissions  | 1,236,806                               | 1,147,540                               | 1,293,871                                | 1,190,202                                |
| 4.3 Foreign exchange trading income (loss)  | 526,963                                 | 601,114                                 | 526,963                                  | 601,114                                  |
| 4.4 Dividend Income   | 1,806                                   | 162,867                                 | 1,806                                    | 1,367                                    |
| 4.5 Other Income  | 464,760                                 | 168,601                                 | 464,448                                  | 159,297                                  |
| <b>4.6 TOTAL NON-INTEREST INCOME</b>  | <b>2,371,926</b>                        | <b>2,119,086</b>                        | <b>2,428,679</b>                         | <b>1,990,944</b>                         |
| <b>5 TOTAL OPERATING INCOME</b>   | <b>9,079,875</b>                        | <b>8,159,792</b>                        | <b>9,153,601</b>                         | <b>8,018,874</b>                         |
| <b>6 Other Operating Expenses</b>   |   |   |  |  |
| 6.1 Loan loss provision   | 756,740                                 | 185,099                                 | 756,740                                  | 185,099                                  |
| 6.2 Staff costs   | 3,908,839                               | 3,855,823                               | 3,916,494                                | 3,864,570                                |
| 6.3 Directors' emoluments   | 55,635                                  | 28,535                                  | 55,635                                   | 28,535                                   |
| 6.4 Rental charges  | 394,986                                 | 443,186                                 | 394,986                                  | 443,714                                  |
| 6.5 Depreciation charge on property and equipment                                   | 565,520                                 | 549,430                                 | 565,759                                  | 549,616                                  |
| 6.6 Amortisation charges  | 539,854                                 | 475,506                                 | 539,854                                  | 475,506                                  |
| 6.7 Other operating expenses  | 2,117,928                               | 1,999,711                               | 2,139,051                                | 2,018,483                                |
| <b>6.8 Total Operating Expenses</b>   | <b>8,339,502</b>                        | <b>7,534,290</b>                        | <b>8,368,519</b>                         | <b>7,562,523</b>                         |
| <b>7 PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS</b>                                    | <b>740,373</b>                          | <b>587,502</b>                          | <b>785,082</b>                           | <b>456,351</b>                           |
| 8 Exceptional items   | -                                       | 536,587                                 | -  | 541,252                                  |
| <b>9 Profit after exceptional items</b>   | <b>740,373</b>                          | <b>50,915</b>                           | <b>785,082</b>                           | <b>(84,901)</b>                          |
| 10 Current tax  | (14,974)                                | (39,881)                                | (29,078)                                 | (53,611)                                 |
| 11 Deferred tax   | (345,403)                               | 145,105                                 | (345,221)                                | 145,520                                  |
| <b>12 Profit after tax and exceptional items</b>                                    | <b>379,996</b>                          | <b>156,139</b>                          | <b>410,783</b>                           | <b>7,008</b>                             |
| <b>13 Other Comprehensive Income</b>  |   |   |  |  |
| 13.1 Gains/(Losses) from translating the financial statements of foreign operations | -                                       | -                                       | -  | -  |
| 13.2 Fair value changes in available for sale financial assets                      | (124,755)                               | (8,235)                                 | (124,755)                                | (8,383)                                  |
| 13.3 Revaluation surplus on Property, plant and equipment                           | -                                       | 695,867                                 | -  | 695,867                                  |
| 13.4 Share of other comprehensive income of associates                              | -                                       | -                                       | -  | -  |
| 13.5 Income tax relating to components of other comprehensive income                | 37,427                                  | (89,107)                                | 37,427                                   | (89,063)                                 |
| <b>14 Other Comprehensive Income for the year net of tax</b>                        | <b>(87,328)</b>                         | <b>598,525</b>                          | <b>(87,328)</b>                          | <b>598,421</b>                           |
| <b>15 TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>                                   | <b>292,668</b>                          | <b>754,664</b>                          | <b>323,456</b>                           | <b>605,429</b>                           |

**III. OTHER DISCLOSURES**

|   | BANK<br>31-Dec-17<br>Shs'000<br>Audited | BANK<br>30-Dec-18<br>Shs'000<br>Audited |
|---|---|---|
| <b>1 Non-performing loans and advances</b>                  |   |   |
| a Gross non-performing loans and advances                   | 27,657,893                              | 31,461,391                              |
| b Less: Interest in suspense                                | 3,779,813                               | 4,468,241                               |
| <b>c Total Non-performing loans and advances (a-b)</b>      | <b>23,878,080</b>                       | <b>26,993,150</b>                       |
| d Less: Loan loss Provisions                                | 12,011,898                              | 13,875,802                              |
| <b>e Net NPLs exposure (c-d)</b>                            | <b>11,866,182</b>                       | <b>13,117,347</b>                       |
| f Discounted Value of Securities                            | 11,866,182                              | 12,148,568                              |
| <b>g Net NPLs exposure (e-f)</b>                            | <b>-</b>                                | <b>968,779</b>                          |
| <b>2 Insider loans and Advances</b>                         |   |   |
| a Directors, Shareholders and associates                    | 19,151                                  | 39,144                                  |
| b Employees   | 4,728,314                               | 5,155,000                               |
| <b>c Total insider loans, advances and other facilities</b> | <b>4,747,465</b>                        | <b>5,194,144</b>                        |
| <b>3 Off-Balance sheet items</b>                            |   |   |
| a Letters of credit, guarantees and acceptances             | 7,237,833                               | 5,285,441                               |
| b Forwards, swaps and options                               | 178,779                                 | 357,391                                 |
| c Other contingent liabilities                              | -                                       | -                                       |
| <b>d Total contingent liabilities</b>                       | <b>7,416,612</b>                        | <b>5,642,833</b>                        |
| <b>4 Capital Strength</b>                                   |   |   |
| <b>a Core capital</b>                                       | <b>3,503,284</b>                        | <b>2,091,915</b>                        |
| b Minimum Statutory Capital                                 | 1,000,000                               | 1,000,000                               |
| c Excess/(Deficiency) (a-b)                                 | 2,503,284                               | 1,091,915                               |
| <b>d Supplementary capital</b>                              | <b>1,267,641</b>                        | <b>1,327,239</b>                        |
| e Total capital (a+d)                                       | <b>4,770,925</b>                        | <b>3,419,154</b>                        |
| f Total risk weighted assets                                | <b>87,997,708</b>                       | <b>92,765,531</b>                       |
| <b>g Core capital/total deposit liabilities</b>             | <b>3.7%</b>                             | <b>2.1%</b>                             |
| h Minimum Statutory Ratio                                   | 8.0%                                    | 8.0%                                    |
| i Excess/(Deficiency) (g-h)                                 | -4.3%                                   | -5.9%                                   |
| <b>j Core capital/total risk weighted assets</b>            | <b>4.0%</b>                             | <b>2.3%</b>                             |
| k Minimum Statutory Ratio                                   | 10.5%                                   | 10.5%                                   |
| l Excess/(Deficiency) (j-k)                                 | -6.5%                                   | -8.2%                                   |
| <b>m Total capital/total risk weighted assets</b>           | <b>5.4%</b>                             | <b>3.7%</b>                             |
| n Minimum Statutory Ratio                                   | 14.5%                                   | 14.5%                                   |
| o Excess/(Deficiency) (m-n)                                 | -9.1%                                   | -10.8%                                  |
| <b>p Adjusted core capital/total deposit liabilities*</b>   |   | <b>2.8%</b>                             |
| <b>q Adjusted core capital/total risk weighted assets*</b>  |   | <b>3.1%</b>                             |
| <b>r Adjusted total capital/total risk weighted assets*</b> |   | <b>4.5%</b>                             |
| <b>5 Liquidity</b>  |   |   |
| <b>a Liquidity Ratio</b>                                    | <b>36.3%</b>                            | <b>43.1%</b>                            |
| b Minimum Statutory Ratio                                   | 20.0%                                   | 20.0%                                   |
| c Excess/(Deficiency) (a-b)                                 | 16.3%                                   | 23.1%                                   |

**NOTES**

\*The adjusted capital ratios includes 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.

The above are extracts from the Group's financial statements. The Group's financial statements includes those of subsidiaries namely; Natbank Trustee & Investment services Limited and National Bank Insurance Agency. The financial statements were audited by PricewaterhouseCoopers and received an unqualified opinion.

In March 2018, the principal shareholders gave formal commitment for a comprehensive capital solution. The board notes that this process is on-going.

**DIVIDENDS**

The directors do not recommend payment of any dividend

**AGM NOTICE**

Notice is hereby given that the Fiftieth Annual General Meeting of the Shareholders of National Bank of Kenya Limited will be held on Friday, 24<sup>th</sup> May 2019. The venue will be advised later.

**APPROVAL**

The audited financial statements are extracts of the financial statements and records of the Bank which were approved by the Board of Directors on 28<sup>th</sup> March 2019 and signed on its behalf by:

M.A. Hassan - Chairman, Board of Directors  
J. Nzomo - Chairman, Board Audit Committee  
W. Musau - Managing Director & CEO  
H. Waswani - Company Secretary

The complete set of financial statements, statutory and qualitative disclosures can be accessed on the Bank's website [www.nationalbank.co.ke](http://www.nationalbank.co.ke).

They may also be accessed at the Bank's registered office listed hereunder.

**REGISTERED OFFICE**

National Bank Building,  
18 Harambee Avenue, Nairobi.  
P.O. BOX 72866, 00200, Nairobi.  
Telephone: 2828000, 0711038000, 0732018000  
Fax : 311444  
E-Mail : [info@nationalbank.co.ke](mailto:info@nationalbank.co.ke)  
Website : [www.nationalbank.co.ke](http://www.nationalbank.co.ke)



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Tel: +254 703 088 900 | +254 (020) 282 8900  
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**Consolidated statement of changes in equity**

|   | Share capital    | Revaluation reserve | Retained earnings  | Statutory credit reserve | Other reserves   | Total            |
|---|------------------|---------------------|--------------------|--------------------------|------------------|------------------|
|   | Sh'000           | Sh'000              | Sh'000             | Sh'000                   | Sh'000           | Sh'000           |
| <b>Year ended 31 December 2017</b>                                      |                  |                     |                    |                          |                  |                  |
| At start of year  | 7,214,976        | 680,430             | (1,367,738)        | 428,282                  | (45,500)         | 6,910,450        |
| <b>Comprehensive income for the year</b>                                |                  |                     |                    |                          |                  |                  |
| Profit for the year   | -                | -                   | 410,784            | -                        | -                | 410,784          |
| Other comprehensive income:   |                  |                     |                    |                          |                  |                  |
| - Fair value loss on revaluation of available for sale financial assets | -                | -                   | -                  | -                        | (87,328)         | (87,328)         |
| Transfer of excess depreciation   | -                | (13,931)            | 13,931             | -                        | -                | -                |
| Deferred tax on excess depreciation                                     | -                | 4,179               | (4,179)            | -                        | -                | -                |
| Transfer to statutory credit reserve                                    | -                | -                   | (2,424,372)        | 2,424,372                | -                | -                |
| <b>Transaction with owners recorded in equity</b>                       |                  |                     |                    |                          |                  |                  |
| Bonus shares issued   | 153,930          | -                   | (153,930)          | -                        | -                | -                |
| At end of year  | <u>7,368,906</u> | <u>670,678</u>      | <u>(3,525,502)</u> | <u>2,852,654</u>         | <u>(132,828)</u> | <u>7,233,908</u> |
| <b>Year ended 31 December 2018</b>                                      |                  |                     |                    |                          |                  |                  |
| At start of year  | 7,368,906        | 670,678             | (3,525,502)        | 2,852,654                | (132,828)        | 7,233,908        |
| Impact of initial application of IFRS 9:                                |                  |                     |                    |                          |                  |                  |
| - Additional impairment loss  | -                | -                   | (866,482)          | -                        | -                | (866,482)        |
| - Transfer from statutory credit reserve                                | -                | -                   | 1,143,541          | (1,143,541)              | -                | -                |
|   | <u>7,368,906</u> | <u>670,678</u>      | <u>(3,248,443)</u> | <u>1,709,113</u>         | <u>(132,828)</u> | <u>6,367,426</u> |
| <b>Comprehensive income for the year</b>                                |                  |                     |                    |                          |                  |                  |
| Profit for the year   | -                | -                   | 7,008              | -                        | -                | 7,008            |
| Other comprehensive income:   |                  |                     |                    |                          |                  |                  |
| - Fair value loss on financial instruments at FVOCI                     | -                | -                   | -                  | -                        | (3,678)          | (3,678)          |
| - Revaluation surplus, net of tax                                       | -                | 602,098             | -                  | -                        | -                | 602,098          |
| Transfer of excess depreciation   | -                | (15,528)            | 15,528             | -                        | -                | -                |
| Deferred tax on excess depreciation                                     | -                | 4,658               | (4,658)            | -                        | -                | -                |
| Transfer to statutory credit reserve                                    | -                | -                   | (1,624,211)        | 1,624,211                | -                | -                |
| At end of year  | <u>7,368,906</u> | <u>1,261,906</u>    | <u>(4,854,776)</u> | <u>3,333,324</u>         | <u>(136,506)</u> | <u>6,972,854</u> |



## Bank statement of changes in equity

|   | Share capital    | Revaluation reserve | Accumulated losses | Statutory credit reserve | Other reserves   | Total            |
|---|------------------|---------------------|--------------------|--------------------------|------------------|------------------|
|   | Sh'000           | Sh'000              | Sh'000             | Sh'000                   | Sh'000           | Sh'000           |
| <b>Year ended 31 December 2017</b>                                      |                  |                     |                    |                          |                  |                  |
| At start of year  | 7,214,976        | 680,430             | (1,523,321)        | 428,282                  | (45,500)         | 6,754,867        |
| <b>Comprehensive income for the year</b>                                |                  |                     |                    |                          |                  |                  |
| Profit for the year   | -                | -                   | 379,998            | -                        | -                | 379,998          |
| Other comprehensive income:   |                  |                     |                    |                          |                  |                  |
| - Fair value loss on revaluation of available for sale financial assets | -                | -                   | -                  | -                        | (87,328)         | (87,328)         |
| Transfer of excess depreciation   | -                | (13,931)            | 13,931             | -                        | -                | -                |
| Deferred tax on excess depreciation                                     | -                | 4,179               | (4,179)            | -                        | -                | -                |
| Transfer to statutory reserve   | -                | -                   | (2,424,372)        | 2,424,372                | -                | -                |
| Bonus shares issued   | 153,930          | -                   | (153,930)          | -                        | -                | -                |
| At end of year  | <u>7,368,906</u> | <u>670,678</u>      | <u>(3,711,873)</u> | <u>2,852,654</u>         | <u>(132,828)</u> | <u>7,047,537</u> |
| <b>Year ended 31 December 2018</b>                                      |                  |                     |                    |                          |                  |                  |
| At start of year  | 7,368,906        | 670,678             | (3,711,873)        | 2,852,654                | (132,828)        | 7,047,537        |
| Impact of initial application of IFRS 9:                                |                  |                     |                    |                          |                  |                  |
| - Additional impairment loss  | -                | -                   | (866,482)          | -                        | -                | (866,482)        |
| - Transfer from statutory credit reserve                                | -                | -                   | 1,143,541          | (1,143,541)              | -                | -                |
|   | <u>7,368,906</u> | <u>670,678</u>      | <u>(3,434,814)</u> | <u>1,709,113</u>         | <u>(132,828)</u> | <u>6,181,054</u> |
| <b>Comprehensive income for the year</b>                                |                  |                     |                    |                          |                  |                  |
| Profit for the year   | -                | -                   | 156,139            | -                        | -                | 156,139          |
| Other comprehensive income:   |                  |                     |                    |                          |                  |                  |
| - Fair value loss on financial instruments at FVOCI                     | -                | -                   | -                  | -                        | (3,574)          | (3,574)          |
| - Revaluation surplus, net of tax                                       | -                | 602,098             | -                  | -                        | -                | 602,098          |
| Transfer of excess depreciation   | -                | (15,528)            | 15,528             | -                        | -                | -                |
| Deferred tax on excess depreciation                                     | -                | 4,658               | (4,658)            | -                        | -                | -                |
| Transfer to statutory credit reserve                                    | -                | -                   | (1,624,211)        | 1,624,211                | -                | -                |
| At end of year  | <u>7,368,906</u> | <u>1,261,906</u>    | <u>(4,892,016)</u> | <u>3,333,324</u>         | <u>(136,402)</u> | <u>6,935,718</u> |



## Consolidated and Bank statement of cash flows

|  | Group                     |                           | Bank                      |                           |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
|  | 2018<br>Sh'000            | 2017<br>Sh'000            | 2018<br>Sh'000            | 2017<br>Sh'000            |
| <b>Cash flows from operating activities</b>      |                           |                           |                           |                           |
| Cash generated from operating activities         | (1,439,852)               | 735,528                   | (1,455,070)               | 860,456                   |
| Income tax paid                                  | (3,109)                   | (42,072)                  | (2,076)                   | (24,825)                  |
| Net cash generated from operating activities     | <u>(1,442,961)</u>        | <u>693,456</u>            | <u>(1,457,146)</u>        | <u>835,631</u>            |
| <b>Cash flows from investing activities</b>      |                           |                           |                           |                           |
| Purchase of property and equipment               | (141,631)                 | (232,825)                 | (141,623)                 | (232,825)                 |
| Purchase of intangible assets                    | (630,115)                 | (279,493)                 | (615,938)                 | (279,493)                 |
| Proceeds from disposal of property               | 73,134                    | -                         | 73,134                    | -                         |
| Net cash used in investing activities            | <u>(698,612)</u>          | <u>(512,318)</u>          | <u>(684,427)</u>          | <u>(512,318)</u>          |
| (Decrease)/increase in cash and cash equivalents | (2,141,572)               | 181,138                   | (2,141,573)               | 323,313                   |
| Cash and cash equivalents at 1 January           | <u>(2,079,772)</u>        | <u>(2,260,910)</u>        | <u>(2,079,772)</u>        | <u>(2,403,085)</u>        |
| <b>Cash and cash equivalents at 31 December</b>  | <u><u>(4,221,344)</u></u> | <u><u>(2,079,772)</u></u> | <u><u>(4,221,344)</u></u> | <u><u>(2,079,772)</u></u> |