

The Board of Directors of NIC Bank Limited is pleased to announce the Audited financial results of the Group and Bank for the period ended 31st December 2015

STATEMENT OF FINANCIAL POSITION	GROUP		BANK	
	31st Dec, 2015 Audited Shs '000	31st Dec, 2014 Audited Shs '000	31st Dec, 2015 Audited Shs '000	31st Dec, 2014 Audited Shs '000
<b>ASSETS</b>				
Cash ( both Local & Foreign)	1,662,734	1,472,964	1,290,137	1,026,642
Balances due from Central Banks	7,277,322	9,066,532	6,001,492	8,079,859
Kenyan Government securities held for dealing purposes	-	-	-	-
Financial assets at fair value through profit & loss	78,929	126,762	-	-
<b>Investment Securities:</b>				
<b>a) Held to Maturity:</b>				
a. Kenya Government securities	5,309,953	3,197,123	5,309,953	3,197,123
b. Other securities	2,158,244	2,319,274	-	-
<b>b) Available for sale:</b>				
a. Kenya Government securities	19,703,042	13,256,989	19,703,042	13,256,989
b. Other securities	661,739	323,537	-	-
Deposits and balances due from local banking institutions	996,948	569,774	188,670	145,853
Deposits and balances due from banking institutions abroad	5,678,692	8,184,135	5,275,450	7,698,050
Tax recoverable	112,729	185,185	-	56,570
Loans and advances to customers (net)	116,009,302	102,042,135	107,867,710	94,424,035
Balances due from banking institutions in the group	-	-	2,409,572	2,080,028
Investments in associates	-	-	-	-
Investments in subsidiary companies	-	-	4,357,701	3,931,501
Investments in joint ventures	-	-	-	-
Investment properties	-	-	-	-
Property and equipment	1,063,760	1,595,110	809,600	843,775
Prepaid lease rentals	523,000	7,125	7,000	7,125
Intangible assets	991,513	1,045,559	511,896	548,776
Deferred tax asset	1,352,550	313,702	1,167,586	109,113
Retirement benefit asset	-	-	-	-
Other assets	2,207,811	2,074,599	1,862,416	1,682,025
<b>TOTAL ASSETS</b>	<b>165,788,268</b>	<b>145,780,505</b>	<b>156,762,225</b>	<b>137,087,464</b>
<b>LIABILITIES</b>				
Balances due to Central Banks	-	-	-	-
Customer deposits	112,364,637	100,434,954	105,194,000	92,791,078
Deposits and balances due to local banking institutions	3,725,753	2,405,488	2,991,350	1,619,236
Deposits and balances due to foreign banking institutions	5,338,799	3,006,176	4,743,263	3,006,170
Other money market deposits	-	-	-	-
Borrowed funds	15,356,190	14,358,480	14,131,007	13,844,209
Balances due to banking institutions in the group	-	-	337,431	168,093
Tax payable	148,480	12,613	138,567	-
Dividends payable	-	-	-	-
Deferred tax liability	-	-	-	-
Retirement benefit liability	-	-	-	-
Other liabilities	2,508,267	2,212,081	2,772,221	2,400,661
<b>TOTAL LIABILITIES</b>	<b>139,442,126</b>	<b>122,429,792</b>	<b>130,307,839</b>	<b>113,829,447</b>
<b>EQUITY</b>				
Paid up /Assigned capital	3,199,728	3,199,728	3,199,728	3,199,728
Share premium	2,700,017	2,731,255	2,700,017	2,731,255
Revaluation reserves	179,982	184,764	179,982	184,764
Retained earnings	19,421,924	16,012,992	19,363,527	15,785,977
Statutory loan reserves	1,314,333	1,041,058	937,629	919,004
Other reserves	(1,595,132)	(936,604)	(566,443)	(202,657)
Proposed dividends	639,946	639,946	639,946	639,946
Capital grants	-	-	-	-
<b>Non-controlling interests</b>	<b>25,860,798</b>	<b>22,873,139</b>	<b>26,454,386</b>	<b>23,258,017</b>
<b>TOTAL EQUITY</b>	<b>26,346,142</b>	<b>23,350,713</b>	<b>26,454,386</b>	<b>23,258,017</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>165,788,268</b>	<b>145,780,505</b>	<b>156,762,225</b>	<b>137,087,464</b>

STATEMENT OF COMPREHENSIVE INCOME	GROUP		BANK	
<b>INTEREST INCOME</b>				
Loans and advances	13,958,009	11,369,024	12,907,925	10,379,895
Government securities	2,721,959	2,079,755	2,339,852	1,784,591
Deposits and placements with banking institutions	334,164	262,289	261,460	211,839
Other Interest Income	-	-	-	-
<b>TOTAL INTEREST INCOME</b>	<b>17,014,132</b>	<b>13,711,068</b>	<b>15,509,237</b>	<b>12,376,325</b>
<b>INTEREST EXPENSE</b>				
Customer deposits	5,836,296	5,062,509	5,406,341	4,567,464
Deposits and placement from banking institutions	238,465	209,689	170,924	163,289
Other interest expenses	1,196,838	440,750	1,083,900	366,093
<b>TOTAL INTEREST EXPENSE</b>	<b>7,271,599</b>	<b>5,712,948</b>	<b>6,661,165</b>	<b>5,096,846</b>
<b>NET INTEREST INCOME</b>	<b>9,742,533</b>	<b>7,998,120</b>	<b>8,848,072</b>	<b>7,279,479</b>
<b>OTHER OPERATING INCOME</b>				
Fees and commissions on loans and advances	1,202,807	1,073,526	1,116,683	983,368
Other fees and commissions	641,622	458,767	554,093	372,781
Foreign exchange trading income	1,431,231	1,142,181	1,257,433	1,039,583
Dividend Income	-	-	-	-
Other income	756,500	898,705	490,621	591,330
<b>TOTAL NON-INTEREST INCOME</b>	<b>4,032,160</b>	<b>3,573,179</b>	<b>3,418,830</b>	<b>2,987,062</b>
<b>TOTAL OPERATING INCOME</b>	<b>13,774,693</b>	<b>11,571,299</b>	<b>12,266,902</b>	<b>10,266,541</b>
<b>OPERATING EXPENSES</b>				
Loan loss provision	1,652,475	329,133	1,539,452	295,494
Staff costs	2,816,867	2,340,544	2,298,037	1,903,480
Directors' emoluments	247,042	220,398	168,119	148,459
Rental charges	338,681	299,709	189,908	173,819
Depreciation charge on property and equipment	276,977	297,278	199,458	215,413
Amortisation charges	215,478	207,357	183,066	176,441
Other operating expenses	1,829,898	1,646,230	1,429,206	1,272,154
<b>TOTAL OPERATING EXPENSES</b>	<b>7,377,418</b>	<b>5,340,649</b>	<b>6,007,246</b>	<b>4,185,260</b>
Profit before tax and exceptional items	6,397,275	6,230,650	6,259,656	6,081,281
Exceptional items	-	-	-	-
<b>PROFIT AFTER EXCEPTIONAL ITEMS</b>	<b>6,397,275</b>	<b>6,230,650</b>	<b>6,259,656</b>	<b>6,081,281</b>
Current tax	(2,388,860)	(2,024,456)	(2,331,269)	(1,973,563)
Deferred tax	476,710	(89,520)	462,936	(88,551)
<b>PROFIT AFTER TAX AND EXCEPTIONAL ITEMS</b>	<b>4,485,125</b>	<b>4,116,674</b>	<b>4,391,323</b>	<b>4,019,167</b>
<b>Other Comprehensive Income:</b>				
a. Exchange differences on translation of foreign operations	(316,478)	42,269	-	-
b. Fair value changes in available-for-sale financial assets	(342,050)	(79,089)	(363,786)	7,166
c. Revaluation surplus on property, plant and equipment	-	-	-	-
d. Share of comprehensive income of associates	-	-	-	-
e. Income tax relating to components of other comprehensive income	-	-	-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX</b>	<b>(658,528)</b>	<b>(36,820)</b>	<b>(363,786)</b>	<b>7,166</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>3,826,597</b>	<b>4,079,854</b>	<b>4,027,537</b>	<b>4,026,333</b>
EARNINGS PER SHARE- BASIC & DILUTED	7.00	7.07	6.86	6.90
INTERIM DIVIDEND PER SHARE - PAID	0.25	-	0.25	-
FINAL DIVIDEND PER SHARE - PROPOSED	1.00	1.00	1.00	1.00

OTHER DISCLOSURES	GROUP		BANK	
	31st Dec, 2015 Audited Shs '000	31st Dec, 2014 Audited Shs '000	31st Dec, 2015 Audited Shs '000	31st Dec, 2014 Audited Shs '000
<b>1. NON-PERFORMING LOANS AND ADVANCES</b>				
(a) Gross Non-performing loans and advances	14,351,893	6,899,672	13,194,946	5,968,828
(b) Less interest in suspense	1,123,359	2,867,664	1,029,881	2,724,737
<b>(c) TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)</b>	<b>13,228,534</b>	<b>4,032,008</b>	<b>12,165,065</b>	<b>3,244,091</b>
(d) Less loan loss provision	2,776,627	2,680,360	2,388,738	2,301,711
<b>(e) NET NON-PERFORMING LOANS AND ADVANCES (c-d)</b>	<b>10,451,907</b>	<b>1,351,648</b>	<b>9,776,327</b>	<b>942,380</b>
(f) Discounted value of securities	10,451,907	1,351,648	9,776,327	942,380
<b>(g) NET NPLS EXPOSURE (e-f)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2. INSIDER LOANS AND ADVANCES</b>				
(a) Directors, shareholders and Associates	752,748	1,707,952	713,365	1,664,953
(b) Employees	1,303,042	1,037,274	1,273,710	999,931
<b>(c) TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES</b>	<b>2,055,790</b>	<b>2,745,226</b>	<b>1,987,075</b>	<b>2,664,884</b>
<b>3. OFF-BALANCE SHEET ITEMS</b>				
(a) Letters of credit, guarantees, acceptances	14,087,329	16,156,604	13,819,894	16,379,472
(b) Forwards, swaps and options	21,346,126	32,567,890	21,346,126	30,381,438
(c) Other contingent liabilities	821,955	133,924	-	-
<b>(d) TOTAL CONTINGENT LIABILITIES</b>	<b>36,255,410</b>	<b>48,858,418</b>	<b>35,166,020</b>	<b>46,760,910</b>
<b>4. CAPITAL STRENGTH</b>				
(a) Core capital	23,427,721	20,722,594	21,529,429	18,826,499
(b) Minimum statutory capital	1,000,000	1,000,000	1,000,000	1,000,000
<b>(c) Excess (a-b)</b>	<b>22,427,721</b>	<b>19,722,594</b>	<b>20,529,429</b>	<b>17,826,499</b>
(d) Supplementary capital	8,898,701	8,630,471	8,827,078	8,513,693
<b>(e) TOTAL CAPITAL (a+d)</b>	<b>32,326,422</b>	<b>29,353,065</b>	<b>30,356,507</b>	<b>27,340,192</b>
<b>(f) TOTAL RISK WEIGHTED ASSETS</b>	<b>157,017,833</b>	<b>139,496,634</b>	<b>148,255,517</b>	<b>131,044,542</b>
(g) Core capital / Total deposits liabilities	20.85%	20.63%	20.47%	20.47%
(h) Minimum statutory ratio	8.00%	8.00%	8.00%	8.00%
<b>(i) Excess (g-h)</b>	<b>12.85%</b>	<b>12.63%</b>	<b>12.47%</b>	<b>12.47%</b>
(j) Core capital / Total risk weighted assets	14.92%	14.86%	14.52%	14.37%
(k) Minimum statutory ratio	10.50%	10.50%	10.50%	10.50%
<b>(l) Excess (j-k)</b>	<b>4.42%</b>	<b>4.36%</b>	<b>4.02%</b>	<b>3.87%</b>
(m) Total capital / Total risk weighted assets	20.59%	21.04%	20.48%	20.86%
(n) Minimum statutory ratio	14.50%	14.50%	14.50%	14.50%
<b>(o) Excess (m-n)</b>	<b>6.09%</b>	<b>6.54%</b>	<b>5.98%</b>	<b>6.36%</b>
<b>5. LIQUIDITY</b>				
(a) Liquidity ratio	29.22%	35.14%	29.80%	33.08%
(b) Minimum statutory ratio	20.00%	20.00%	20.00%	20.00%
<b>(c) Excess (a-b)</b>	<b>9.22%</b>	<b>15.14%</b>	<b>9.80%</b>	<b>13.08%</b>

## ANNUAL GENERAL MEETING

Notice is hereby given that the fifty sixth Annual General Meeting of the shareholders of NIC Bank Limited will be held at the Kenyatta International Convention Centre (KICC) – Tsavo Ball Room, Nairobi, on Tuesday, 17th May 2016 at 11.00a.m.

## DIVIDEND

An interim dividend of Shs 0.25 was paid on 22nd October, 2015.

The Directors recommend payment of a final dividend of Shs 1.00 per share (2014 – first and final dividend of Shs 1.00 per share). The dividend payment is subject to the approval of the shareholders at the Annual General Meeting and dividend warrants will be posted on or about 17th May 2016 to all members on the register at the close of business on 7th April 2016.

The register of members will be closed for one day on 8th April 2016.

## MESSAGE FROM THE DIRECTORS

The Statement of Financial Position and Statement of Comprehensive Income are extracts from the Bank's financial statements as audited by PricewaterhouseCoopers and have received an unqualified opinion.

A full set of published accounts will be available from our Registrars and Transfers Office, Custody & Registrar Services Ltd, Bruce House, Nairobi and online at [www.nic-bank.com](http://www.nic-bank.com) after approval by members at the Annual General Meeting.

The financial statements were approved and authorized for issue by the Board of Directors on 2nd March 2016 and were signed on its behalf by:

J P M Ndegwa	J Gachora
Chairman	Group Managing Director
F N Mwanzia	L Murage
Director	Group Company Secretary