



The Board of Directors of NIC Bank Limited is pleased to announce the Un-audited financial results of the Group and Bank for the period ended 30th June, 2014.

STATEMENT OF FINANCIAL POSITION	Group				Bank			
	30th June, 2014 Un-audited Shs '000	31st March, 2014 Un-audited Shs '000	31st Dec, 2013 Audited Shs '000	30th June, 2013 Un-audited Shs '000	30th June, 2014 Un-audited Shs '000	31st March, 2014 Un-audited Shs '000	31st Dec, 2013 Audited Shs '000	30th June, 2013 Un-audited Shs '000
ASSETS								
Cash (both Local & Foreign)	1,731,141	1,288,303	1,470,152	1,184,684	939,043	852,338	1,094,149	657,171
Balances due from Central Banks	5,019,369	7,425,165	7,273,392	4,663,732	4,131,454	6,342,261	5,950,797	3,899,903
Kenyan Government securities held for dealing purposes	-	-	-	-	-	-	-	-
Financial assets at fair value through profit & loss	253,042	246,568	155,334	117,178	-	-	-	-
Investment Securities:								
a) Held to Maturity								
a. Kenya Government securities	2,790,518	7,649,289	3,972,106	1,753,566	2,790,518	7,649,289	3,972,106	1,753,566
b. Other securities	1,962,854	1,480,225	1,516,326	1,248,848	-	-	-	-
b) Available for sale:								
a. Kenya Government securities	17,502,704	11,434,613	11,974,223	9,269,197	17,502,704	11,434,613	11,974,223	9,269,197
b. Other securities	393,068	882,556	475,161	217,041	-	-	-	-
Deposits and balances due from local banking institutions	886,919	1,140,466	518,795	4,676,383	580,025	639,231	174,441	4,296,879
Deposits and balances due from banking institutions abroad	1,493,948	2,692,801	5,401,404	5,125,509	1,296,485	2,262,720	4,014,967	4,317,272
Tax recoverable	217,748	80,025	188,847	85,552	186,740	-	-	36,823
Loans and advances to customers (net)	91,517,322	85,458,931	83,493,313	71,006,628	83,958,444	78,558,601	77,114,087	64,016,944
Balances due from banking institutions in the group	-	-	-	-	1,475,521	1,909,522	2,029,916	2,316,279
Investments in associates	-	-	-	-	-	-	-	-
Investments in subsidiary companies	-	-	-	-	3,915,493	3,365,493	3,365,493	2,988,932
Investments in joint ventures	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-
Property and equipment	1,165,000	1,127,697	1,119,264	1,038,581	825,873	831,308	825,910	757,794
Prepaid lease rentals	7,187	7,219	7,250	7,312	7,187	7,219	7,250	7,312
Intangible assets	1,023,855	1,047,921	1,095,155	1,095,527	568,150	586,707	629,560	610,765
Deferred tax asset	516,449	328,840	328,788	245,536	302,270	302,270	302,269	241,808
Retirement benefit asset	-	-	-	-	-	-	-	-
Other assets	3,122,737	2,544,612	2,073,229	1,957,781	2,205,698	2,150,383	1,461,646	1,438,069
TOTAL ASSETS	129,603,862	124,835,231	121,062,739	103,693,055	120,685,605	116,891,955	112,916,814	96,608,714
LIABILITIES								
Balances due to Central Banks	-	-	-	-	-	-	-	-
Customer deposits	93,481,606	92,373,728	91,565,005	79,991,713	85,988,836	85,589,814	84,236,189	73,919,424
Deposits and balances due to local banking institutions	4,424,814	4,042,566	3,417,396	1,202,236	3,362,160	3,351,558	2,431,233	18,226
Deposits and balances due to foreign banking institutions	4,106,293	2,721,209	2,478,938	31,671	4,106,293	2,721,209	2,478,938	31,671
Other money market deposits	-	-	-	-	-	-	-	-
Borrowed funds	6,021,182	4,109,685	3,628,169	3,631,380	5,706,388	3,646,611	3,628,169	3,631,380
Balances due to banking institutions in the group	-	-	-	-	206,150	9,991	47,741	426,147
Tax payable	4,029	659,884	306,709	3,228	-	648,785	296,595	-
Dividends payable	-	-	-	-	-	-	-	-
Deferred tax liability	-	-	-	-	-	-	-	-
Retirement benefit liability	-	-	-	-	-	-	-	-
Other liabilities	2,336,798	2,073,026	2,097,616	1,917,143	2,305,664	2,036,698	2,167,020	1,948,137
TOTAL LIABILITIES	110,374,722	105,980,098	103,493,833	86,777,371	101,675,491	98,004,666	95,285,885	79,974,985
EQUITY								
Paid up / Assigned capital	3,257,905	2,714,921	2,714,921	2,714,921	2,986,413	2,714,921	2,714,921	2,714,921
Share premium	665,084	1,208,068	1,208,068	1,208,068	936,576	1,208,068	1,208,068	1,208,068
Revaluation reserves	189,545	189,545	189,545	155,083	189,545	189,545	189,545	155,083
Retained earnings	14,596,326	13,994,746	12,592,743	11,988,645	14,418,506	13,478,136	12,591,876	11,660,145
Statutory loan reserves	989,313	939,021	975,617	664,215	809,873	752,081	729,104	605,165
Other reserves	(942,220)	(990,320)	(896,738)	(309,790)	(330,799)	137,298	(209,823)	290,347
Proposed dividends	-	407,240	407,238	-	-	407,240	407,238	-
Capital grants	-	-	-	-	-	-	-	-
	18,755,953	18,463,221	17,191,394	16,421,142	19,010,114	18,887,289	17,630,929	16,633,729
Non-controlling interests	473,187	391,911	377,512	494,542	-	-	-	-
TOTAL EQUITY	19,229,140	18,855,132	17,568,906	16,915,684	19,010,114	18,887,289	17,630,929	16,633,729
TOTAL LIABILITIES AND EQUITY	129,603,862	124,835,230	121,062,739	103,693,055	120,685,605	116,891,955	112,916,814	96,608,714

STATEMENT OF COMPREHENSIVE INCOME	Group				Bank			
	30th June, 2014 Un-audited Shs '000	31st March, 2014 Un-audited Shs '000	31st Dec, 2013 Audited Shs '000	30th June, 2013 Un-audited Shs '000	30th June, 2014 Un-audited Shs '000	31st March, 2014 Un-audited Shs '000	31st Dec, 2013 Audited Shs '000	30th June, 2013 Un-audited Shs '000
INTEREST INCOME								
Loans and advances	5,378,962	2,576,728	9,604,199	4,524,852	4,898,206	2,346,809	8,592,080	4,058,219
Government securities	1,135,941	497,928	1,792,456	914,535	981,141	428,576	1,568,197	828,280
Deposits and placements with banking institutions	143,970	122,376	245,761	133,638	112,759	80,191	152,981	93,227
Other Interest Income	-	-	-	-	-	-	-	-
TOTAL INTEREST INCOME	6,658,873	3,197,032	11,642,416	5,573,025	5,992,106	2,855,576	10,313,258	4,979,726
INTEREST EXPENSE								
Customer deposits	2,640,860	1,345,717	4,001,168	1,975,941	2,372,593	1,218,444	3,535,051	1,762,996
Deposits and placement from banking institutions	198,390	96,503	216,494	86,261	147,228	48,108	122,930	40,545
Other interest expenses	41,884	20,141	156,775	79,160	34,713	17,476	121,497	65,190
TOTAL INTEREST EXPENSE	2,881,134	1,462,361	4,374,437	2,141,362	2,554,534	1,284,028	3,779,478	1,868,731
NET INTEREST INCOME	3,777,739	1,734,671	7,267,979	3,431,663	3,437,572	1,571,548	6,533,780	3,110,995
OTHER OPERATING INCOME								
Fees and commissions on loans and advances	474,804	232,984	880,429	325,832	426,278	203,131	799,318	353,891
Other fees and commissions	228,758	108,925	634,665	192,442	188,691	90,451	336,894	157,189
Foreign exchange trading income	600,748	340,401	1,146,510	596,515	542,806	314,860	1,018,443	504,772
Dividend Income	-	-	-	-	-	-	-	-
Other income	310,779	161,095	556,714	498,649	187,422	112,311	465,460	227,199
TOTAL NON-INTEREST INCOME	1,615,089	843,405	3,218,318	1,613,438	1,345,197	720,753	2,620,115	1,243,051
TOTAL OPERATING INCOME	5,392,828	2,578,076	10,486,297	5,045,101	4,782,769	2,292,301	9,153,895	4,354,046
OPERATING EXPENSES								
Loan loss provision	198,656	118,961	1,092,873	342,573	251,972	146,072	479,185	201,744
Staff costs	1,146,018	570,046	2,151,757	1,068,789	913,796	465,554	1,744,568	855,086
Directors' emoluments	64,081	34,771	215,751	53,546	47,876	22,958	152,282	39,004
Rental charges	155,298	72,246	252,667	125,449	90,652	42,840	138,420	68,917
Depreciation charge on property and equipment	139,353	63,190	249,232	120,983	106,880	52,074	202,772	101,737
Amortisation charges	98,959	50,007	196,875	92,295	87,470	43,592	161,193	76,885
Other operating expenses	681,984	314,156	1,317,571	613,876	559,268	257,281	1,054,618	490,829
TOTAL OPERATING EXPENSES	2,484,349	1,223,377	5,476,726	2,417,511	2,057,914	1,030,371	3,933,038	1,834,202
Profit before tax and exceptional items	2,908,479	1,354,699	5,009,571	2,627,590	2,724,855	1,261,930	5,220,857	2,519,844
Exceptional items	-	-	-	-	-	-	-	-
PROFIT AFTER EXCEPTIONAL ITEMS	2,908,479	1,354,699	5,009,571	2,627,590	2,724,855	1,261,930	5,220,857	2,519,844
Current tax	(872,949)	(380,716)	(1,803,410)	(760,861)	(817,456)	(352,694)	(1,854,684)	(728,141)
Deferred tax	5,906	-	31,140	-	-	-	19,403	-
PROFIT AFTER TAX AND EXCEPTIONAL ITEMS	2,041,436	973,983	3,237,301	1,866,729	1,907,399	909,236	3,385,576	1,791,703
Other Comprehensive Income:								
a. Exchange differences on translation of foreign operations	78,235	113,562	(122,324)	(16,593)	-	-	-	-
b. Fair value changes in available-for-sale financial assets	(123,522)	347,121	(175,407)	321,134	(120,976)	347,121	(179,036)	321,134
c. Revaluation surplus on property, plant and equipment	-	-	39,243	-	-	-	39,243	-
d. Share of comprehensive income of associates	-	-	-	-	-	-	-	-
e. Income tax relating to components of other comprehensive income	(45,287)	-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX	(45,287)	460,683	(258,488)	304,541	(120,976)	347,121	(139,793)	321,134
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,996,149	1,434,666	2,978,813	2,171,270	1,786,423	1,256,357	3,245,783	2,112,837
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
EARNINGS PER SHARE- BASIC & DILUTED	3.42	1.79	6.12	3.44	3.19	1.67	6.24	3.30
INTERIM DIVIDEND PER SHARE - DECLARED	-	-	0.25	0.25	-	-	0.25	0.25
FINAL DIVIDEND PER SHARE - DECLARED	-	-	0.75	-	-	-	0.75	-

OTHER DISCLOSURES	Group				Bank			
	30th June, 2014 Un-audited Shs '000	31st March, 2014 Un-audited Shs '000	31st Dec, 2013 Audited Shs '000	30th June, 2013 Un-audited Shs '000	30th June, 2014 Un-audited Shs '000	31st March, 2014 Un-audited Shs '000	31st Dec, 2013 Audited Shs '000	30th June, 2013 Un-audited Shs '000
1. NON-PERFORMING LOANS AND ADVANCES								
(a) Gross Non-performing loans and advances	5,687,408	6,065,222	6,597,413	4,306,751	5,058,203	5,444,319	5,082,652	3,861,633
(b) Less Interest in Suspense	2,375,101	2,221,853	2,076,487	1,651,288	2,279,992	2,134,240	1,943,931	1,576,517
(c) TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)	3,312,307	3,843,369	4,520,926	2,655,463	2,778,211	3,310,079	3,138,721	2,285,116
(d) Less Loan Loss Provision	2,628,317	2,564,779	2,592,033	1,837,840	2,271,653	2,196,983	1,996,325	1,746,166
(e) NET NON-PERFORMING LOANS AND ADVANCES (c-d)	683,990	1,278,590	1,928,893	817,623	506,558	1,113,096	1,142,396	538,950
(f) Discounted Value of Securities	683,990	1,278,590	1,928,893	817,623	506,558	1,113,096	1,142,396	538,950
(g) NET NPLS EXPOSURE (e-f)	-	-	-	-	-	-	-	-
2. INSIDER LOANS AND ADVANCES								
(a) Directors, Shareholders and Associates	1,423,504	822,917	1,133,253	1,218,579	1,392,060	791,888	1,133,253	1,210,618
(b) Employees	910,731	866,351	822,165	708,634	902,847	858,577	781,758	694,852
(c) TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES	2,334,235	1,689,268	1,955,418	1,927,213	2,294,907	1,650,465	1,915,011	1,905,470
3. OFF-BALANCE SHEET ITEMS								
(a) Letters of credit, guarantees, acceptances	19,002,502	19,905,113	15,173,538	14,138,405	18,564,130	19,465,125	14,502,794	13,999,785
(b) Forwards, Swaps and options	32,716,147	28,681,353	34,630,655	16,812,096	30,836,430	28,016,063	24,858,686	16,497,723
(c) Other contingent liabilities	-	216,816	132,300	-	-	-	-	-
(d) TOTAL CONTINGENT LIABILITIES	51,718,650	48,803,281	49,936,493	30,950,501	49,400,560	47,481,188	39,361,480	30,497,508
4. CAPITAL STRENGTH								
(a) Core capital					14,513,343	14,132,515	14,108,111	12,249,852
(b) Minimum Statutory Capital					1,000,000	1,000,000	1,000,000	1,000,000
(c) Excess (a-b)					13,513,343	13,132,515	13,108,111	11,249,852
(d) Supplementary Capital					857,259	799,467	767,875	643,936
(e) TOTAL CAPITAL (a+d)					15,370,602	14,931,982	14,875,986	12,893,787
(f) TOTAL RISK WEIGHTED ASSETS					122,768,389	120,013,924	95,219,586	81,775,916
(g) Core Capital / Total deposits liabilities					16.94%	16.56%	16.79%	16.63%
(h) Minimum statutory ratio					8.00%	8.00%	8.00%	8.00%
(I) Excess (g-h)					8.94%	8.56%	8.79%	8.63%
(j) Core Capital / Total risk weighted assets					11.82%	11.78%	14.82%	14.98%
(k) Minimum statutory ratio					8.00%	8.00%	8.00%	8.00%
(l) Excess (j-k)					3.82%	3.78%	6.82%	6.98%
(m) Total Capital / Total risk weighted assets					12.52%	12.44%	15.62%	15.77%
(n) Minimum statutory ratio					12.00%	12.00%	12.00%	12.00%
(o) Excess (m-n)					0.52%	0.44%	3.62%	3.77%
5. LIQUIDITY								
(a) Liquidity Ratio					24.46%	29.17%	28.54%	35.16%
(b) Minimum statutory ratio					20.00%	20.00%	20.00%	20.00%
(c) Excess (a-b)					4.46%	9.17%	8.54%	15.16%

The 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 institution's website www.nic-bank.com. They may also be accessed at the institution's head office located at NIC House, Masaba Road, Nairobi.

JPM NDEGWA
CHAIRMAN

J GACHORA
GROUP MANAGING DIRECTOR

L MURAGE
GROUP COMPANY SECRETARY