



The Board of Directors of NIC Bank Limited is pleased to announce the Audited financial results of the Group and Bank for the year ended 31st December 2013

| STATEMENT OF FINANCIAL POSITION | GROUP | | BANK | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | 31st Dec, 2013 Audited Shs '000 | 31st Dec, 2012 Audited Shs '000 | 31st Dec, 2013 Audited Shs '000 | 31st Dec, 2012 Audited Shs '000 |
| ASSETS | | | | |
| Cash (both Local & Foreign) | 1,470,152 | 1,081,131 | 1,094,149 | 830,855 |
| Balances due from Central Banks | 7,273,392 | 5,969,831 | 5,950,797 | 5,132,414 |
| Kenyan Government securities held for dealing purposes | - | - | - | - |
| Financial assets at fair value through profit & loss | 155,334 | 138,509 | - | - |
| Investment Securities: | | | | |
| a) Held to Maturity | | | | |
| a. Kenya Government securities | 3,972,106 | 9,194,971 | 3,972,106 | 9,194,971 |
| b. Other securities | 1,516,326 | 1,146,224 | - | - |
| b) Available for sale: | | | | |
| a. Kenya Government securities | 11,974,223 | 7,027,460 | 11,974,223 | 7,027,460 |
| b. Other securities | 475,161 | 214,999 | - | - |
| Deposits and balances due from local banking institutions | 518,795 | 2,046,810 | 174,441 | 586,836 |
| Deposits and balances due from banking institutions abroad | 5,401,404 | 6,141,906 | 4,014,967 | 5,983,128 |
| Tax recoverable | 188,847 | 17,860 | - | - |
| Loans and advances to customers (net) | 83,493,313 | 71,540,092 | 77,114,087 | 66,381,215 |
| Balances due from banking institutions in the group | - | - | 2,029,916 | 1,593,244 |
| Investments in associates | - | - | - | - |
| Investments in subsidiary companies | - | - | 3,365,493 | 2,285,324 |
| Investments in joint ventures | - | - | - | - |
| Investment properties | - | - | - | - |
| Property and equipment | 1,119,264 | 1,009,891 | 825,910 | 785,612 |
| Prepaid lease rentals | 7,250 | 7,375 | 7,250 | 7,375 |
| Intangible assets | 1,095,155 | 1,127,492 | 629,560 | 642,337 |
| Deferred tax asset | 328,788 | 257,632 | 302,269 | 241,808 |
| Retirement benefit asset | - | - | - | - |
| Other assets | 2,073,229 | 1,426,410 | 1,461,646 | 1,079,126 |
| TOTAL ASSETS | 121,062,739 | 108,348,593 | 112,916,814 | 101,771,705 |
| LIABILITIES | | | | |
| Balances due to Central Banks | - | - | - | - |
| Customer deposits | 91,565,005 | 83,379,576 | 84,236,189 | 77,466,042 |
| Deposits and balances due to local banking institutions | 3,417,396 | 598,531 | 2,431,233 | 72,210 |
| Deposits and balances due to foreign banking institutions | 2,478,938 | 2,972,749 | 2,478,938 | 2,972,749 |
| Other money market deposits | - | - | - | - |
| Borrowed funds | 3,628,169 | 3,655,414 | 3,628,169 | 3,655,414 |
| Balances due to banking institutions in the group | - | - | 47,741 | 205,929 |
| Tax payable | 306,709 | 383,325 | 296,595 | 382,138 |
| Dividends payable | - | - | - | - |
| Deferred tax liability | - | - | - | - |
| Retirement benefit liability | - | - | - | - |
| Other liabilities | 2,097,616 | 1,877,376 | 2,167,020 | 1,952,616 |
| TOTAL LIABILITIES | 103,493,833 | 92,866,971 | 95,285,885 | 86,707,098 |
| EQUITY | | | | |
| Paid up / Assigned capital | 2,714,921 | 2,714,921 | 2,714,921 | 2,714,921 |
| Share premium | 1,208,068 | 1,208,799 | 1,208,068 | 1,208,799 |
| Revaluation reserves | 189,545 | 155,083 | 189,545 | 155,083 |
| Retained earnings | 12,592,743 | 10,095,639 | 12,591,876 | 9,836,433 |
| Statutory loan reserves | 975,617 | 687,543 | 729,104 | 637,174 |
| Other reserves | (896,738) | (444,881) | (209,823) | (30,787) |
| Proposed dividends | 407,238 | 542,984 | 407,238 | 542,984 |
| Capital grants | - | - | - | - |
| | 17,191,394 | 14,960,088 | 17,630,929 | 15,064,607 |
| Non-controlling interests | 377,512 | 521,534 | - | - |
| TOTAL EQUITY | 17,568,906 | 15,481,622 | 17,630,929 | 15,064,607 |
| TOTAL LIABILITIES AND EQUITY | 121,062,739 | 108,348,593 | 112,916,814 | 101,771,705 |

| STATEMENT OF COMPREHENSIVE INCOME | 31st Dec, 2013 | 31st Dec, 2012 | 31st Dec, 2013 | 31st Dec, 2012 |
|--|---------------------|---------------------|---------------------|---------------------|
| | Audited Shs '000 | Audited Shs '000 | Audited Shs '000 | Audited Shs '000 |
| INTEREST INCOME | | | | |
| Loans and advances | 9,604,199 | 9,894,132 | 8,592,080 | 9,074,435 |
| Government securities | 1,792,456 | 1,161,118 | 1,568,197 | 1,081,419 |
| Deposits and placements with banking institutions | 245,761 | 412,324 | 152,981 | 290,551 |
| Other Interest Income | - | - | - | - |
| TOTAL INTEREST INCOME | 11,642,416 | 11,467,574 | 10,313,258 | 10,446,405 |
| INTEREST EXPENSE | | | | |
| Customer deposits | 4,001,168 | 5,735,877 | 3,535,051 | 5,342,007 |
| Deposits and placement from banking institutions | 216,494 | 187,865 | 122,930 | 124,874 |
| Other interest expenses | 156,775 | 59,964 | 121,497 | 59,964 |
| TOTAL INTEREST EXPENSE | 4,374,437 | 5,983,706 | 3,779,478 | 5,526,845 |
| NET INTEREST INCOME | 7,267,979 | 5,483,868 | 6,533,780 | 4,919,560 |
| OTHER OPERATING INCOME | | | | |
| Fees and commissions on loans and advances | 880,429 | 727,923 | 799,318 | 662,228 |
| Other fees and commissions | 211,735 | 542,662 | 336,894 | 429,763 |
| Foreign exchange trading income | 1,146,510 | 1,164,312 | 1,018,443 | 1,074,248 |
| Dividend Income | - | - | - | - |
| Other income | 979,645 | 461,633 | 465,460 | 328,477 |
| TOTAL NON-INTEREST INCOME | 3,218,319 | 2,896,530 | 2,620,115 | 2,494,716 |
| TOTAL OPERATING INCOME | 10,486,298 | 8,380,398 | 9,153,895 | 7,414,276 |
| OPERATING EXPENSES | | | | |
| Loan loss provision | 1,092,873 | 297,485 | 479,185 | 265,264 |
| Staff costs | 2,150,877 | 1,814,769 | 1,744,568 | 1,482,668 |
| Directors' emoluments | 216,631 | 163,882 | 152,282 | 109,886 |
| Rental charges | 252,667 | 169,317 | 138,420 | 101,037 |
| Depreciation charge on property and equipment | 249,233 | 204,471 | 202,772 | 173,730 |
| Amortisation charges | 196,874 | 113,461 | 161,193 | 97,213 |
| Other operating expenses | 1,317,571 | 1,099,046 | 1,054,618 | 873,529 |
| TOTAL OPERATING EXPENSES | 5,476,726 | 3,862,431 | 3,933,038 | 3,103,327 |
| Profit before tax and exceptional items | 5,009,572 | 4,517,967 | 5,220,857 | 4,310,949 |
| Exceptional items | - | - | - | - |
| PROFIT AFTER EXCEPTIONAL ITEMS | 5,009,572 | 4,517,967 | 5,220,857 | 4,310,949 |
| Current tax | (1,803,410) | (1,561,372) | (1,854,684) | (1,470,111) |
| Deferred tax | 31,140 | 80,199 | 19,403 | 67,024 |
| PROFIT AFTER TAX AND EXCEPTIONAL ITEMS | 3,237,302 | 3,036,794 | 3,385,576 | 2,907,862 |
| Other Comprehensive Income: | | | | |
| a. Exchange differences on translation of foreign operations | (122,324) | (335,010) | - | - |
| b. Fair value changes in available-for-sale financial assets | (175,407) | 406,377 | (179,036) | 406,377 |
| 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 | - | - | - | - |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX | (258,488) | 71,367 | (139,793) | 406,377 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 2,978,814 | 3,108,161 | 3,245,783 | 3,314,239 |
| | Shs | Shs | Shs | Shs |
| EARNINGS PER SHARE- BASIC & DILUTED | 5.96 | 5.59 | 6.24 | 5.36 |
| INTERIM DIVIDEND PER SHARE - DECLARED | 0.25 | - | 0.25 | - |
| FINAL DIVIDEND PER SHARE - DECLARED | 0.75 | 1.00 | 0.75 | 1.00 |

| OTHER DISCLOSURES | | | | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | 31st Dec, 2013 Audited Shs '000 | 31st Dec, 2012 Audited Shs '000 | 31st Dec, 2013 Audited Shs '000 | 31st Dec, 2012 Audited Shs '000 |
| 1. NON-PERFORMING LOANS AND ADVANCES | | | | |
| (a) Gross Non-performing loans and advances | 6,597,413 | 3,551,222 | 5,082,652 | 3,209,075 |
| (b) Less Interest in Suspense | 2,076,487 | 1,218,521 | 1,943,931 | 1,158,201 |
| (c) TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b) | 4,520,926 | 2,332,701 | 3,138,721 | 2,050,874 |
| (d) Less Loan Loss Provision | 2,592,033 | 1,652,986 | 1,996,325 | 1,583,147 |
| (e) NET NON-PERFORMING LOANS AND ADVANCES (c-d) | 1,928,893 | 679,715 | 1,142,396 | 467,727 |
| (f) Discounted Value of Securities | 1,928,893 | 679,715 | 1,142,396 | 467,727 |
| (g) NET NPLS EXPOSURE (e-f) | - | - | - | - |
| 2. INSIDER LOANS AND ADVANCES | | | | |
| (a) Directors, Shareholders and Associates | 1,133,253 | 1,327,022 | 1,133,253 | 1,302,049 |
| (b) Employees | 822,165 | 664,900 | 781,758 | 620,288 |
| (c) TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES | 1,955,418 | 1,991,922 | 1,915,011 | 1,922,337 |
| 3. OFF-BALANCE SHEET ITEMS | | | | |
| (a) Letters of credit, guarantees, acceptances | 15,173,538 | 14,112,010 | 14,502,794 | 13,486,049 |
| (b) Forwards, Swaps and options | 34,630,655 | 10,904,232 | 24,858,686 | 10,366,805 |
| (c) Other contingent liabilities | 132,300 | - | - | - |
| (d) TOTAL CONTINGENT LIABILITIES | 49,936,493 | 25,016,242 | 39,361,480 | 23,852,854 |
| 4. CAPITAL STRENGTH | | | | |
| (a) Core capital | | | 14,108,111 | 12,569,308 |
| (b) Minimum Statutory Capital | | | 1,000,000 | 1,000,000 |
| (c) Excess (a-b) | | | 13,108,111 | 11,569,308 |
| (d) Supplementary Capital | | | 767,875 | 677,140 |
| (e) TOTAL CAPITAL (a+d) | | | 14,875,986 | 13,246,448 |
| (f) TOTAL RISK WEIGHTED ASSETS | | | 95,219,586 | 80,565,229 |
| (g) Core Capital / Total deposits liabilities | | | 16.79% | 16.29% |
| (h) Minimum statutory ratio | | | 8.00% | 8.00% |
| (I) Excess (g-h) | | | 8.79% | 8.29% |
| (j) Core Capital / Total risk weighted assets | | | 14.82% | 15.60% |
| (k) Minimum statutory ratio | | | 8.00% | 8.00% |
| (l) Excess (j-k) | | | 6.82% | 7.60% |
| (m) Total Capital / Total risk weighted assets | | | 15.62% | 16.44% |
| (n) Minimum statutory ratio | | | 12.00% | 12.00% |
| (o) Excess (m-n) | | | 3.62% | 4.44% |
| 5. LIQUIDITY | | | | |
| (a) Liquidity Ratio | | | 28.54% | 35.38% |
| (b) Minimum statutory ratio | | | 20.00% | 20.00% |
| (c) Excess (a-b) | | | 8.54% | 15.38% |

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