

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, 2008



BALANCE SHEET	Group		Bank	
	31st Dec, 2008	31st Dec, 2007	31st Dec, 2008	31st Dec, 2007
	Audited Shs '000	Audited Shs '004	Audited Shs '000	Audited Shs '000
ASSETS				
Cash (both Local & Foreign)	492,080	502,813	492,080	502,813
Balances due from Central Bank of Kenya	2,178,782	1,916,395	2,178,782	1,916,395
Kenya Government securities	3,670,220	2,411,997	3,670,220	2,411,997
Foreign Currency Treasury Bills & Bonds			-	-
Deposits and balances due from local banking institutions	958,139	103,184	955,826	103,184
Deposits and balances due from banking institutions abroad	3,137,712	2,579,207	3,137,712	2,579,207
Kenya Government and other securities held for dealing purposes	304,698		304,698	-
Tax recoverable	2,264		-	-
Loans and advances to customers (net)	29,954,948	22,209,186	29,954,948	22,209,186
Investment securities	34,229	-	-	-
Balances due from group companies	-	-	262,598	63
Investments in associates	-	-	-	-
Investments in subsidiary companies	-	157,138	278,666	277,666
Investments in joint ventures	-	-	-	-
Investment properties	-	-	-	-
Property and equipment	673,997	506,813	671,790	506,813
Prepaid lease rentals	7,875	8,000	7,875	8,000
Intangible assets	424,281	45,203	53,910	45,203
Deferred tax asset	-	-	-	-
Retirement benefit asset	-	-	-	-
Other assets	779,894	841,082	735,066	835,815
TOTAL ASSETS	42,619,119	31,281,018	42,704,171	31,396,342
LIABILITIES				
Balances due to Central Bank of Kenya	-	-	-	-
Customer deposits	35,238,381	24,805,595	35,238,381	24,805,595
Deposits and balances due to local banking institutions	-	-	-	-
Deposits and balances due to foreign banking institutions	4,843	-	4,843	-
Other money market deposits	-	-	-	-
Borrowed funds	663,275	650,100	663,275	650,100
Balances due to group companies	-	-	290,413	134,872
Tax payable	94,766	90,525	94,724	90,808
Dividends payable	-	-	-	-
Deferred tax liability	22,137	7,222	22,303	7,319
Retirement benefit liability	-	-	-	-
Other liabilities	1,029,967	989,843	861,090	972,451
TOTAL LIABILITIES	37,053,369	26,543,285	37,175,029	26,661,145
EQUITY				
Paid up / Assigned capital	1,483,462	1,483,462	1,483,462	1,483,462
Share premium	340,946	340,946	340,946	340,946
Revaluation reserves	161,284	101,775	174,207	101,775
Retained earnings	3,179,910	2,371,458	3,171,658	2,368,922
Statutory loan reserves	284,696	202,738	284,696	202,738
Proposed dividends	74,173	237,354	74,173	237,354
Capital grants	-	-	-	-
	5,524,471	4,737,733	5,529,142	4,735,197
Minority Interest	41,279	-	-	-
TOTAL EQUITY	5,565,750	4,737,733	5,529,142	4,735,197
TOTAL LIABILITIES AND EQUITY	42,619,119	31,281,018	42,704,171	31,396,342

PROFIT AND LOSS ACCOUNT	Group		Bank	
	31st Dec, 2008 Audited Shs '000	31st Dec, 2007 Audited Shs '000	31st Dec, 2008 Audited Shs '000	31st Dec, 2007 Audited Shs '000
INTEREST INCOME				
Loans and advances	3,417,825	2,543,740	3,417,825	2,543,740
Government securities	255,731	152,348	255,731	152,064
Deposits and placements with banking institutions	70,060	101,279	70,060	101,279
Other Interest Income	3,685	2,557	3,685	2,557
TOTAL INTEREST INCOME	3,747,301	2,799,924	3,747,301	2,799,640
INTEREST EXPENSE				
Customer deposits	1,634,944	1,097,023	1,635,874	1,098,787
Deposits and placement from banking institutions	60,878	18,359	60,878	18,359
Other interest expenses	36,257	44,447	36,257	44,447
TOTAL INTEREST EXPENSE	1,732,079	1,159,829	1,733,009	1,161,593
NET INTEREST INCOME	2,015,222	1,640,095	2,014,292	1,638,047
OTHER OPERATING INCOME				
Fees and commissions on loans and advances	248,881	150,598	248,881	150,598
Other fees and commissions	320,940	283,597	322,091	273,222
Foreign exchange trading income	385,784	206,731	385,690	206,731
Dividend Income	-	-	-	-
Other income	220,510	113,217	165,778	113,141
TOTAL NON-INTEREST INCOME	1,176,115	754,143	1,122,440	743,692
TOTAL OPERATING INCOME	3,191,337	2,394,238	3,136,732	2,381,739
OPERATING EXPENSES				
Loan loss provision	194,551	100,067	194,551	100,067
Staff costs	742,171	609,415	736,512	599,392
Directors' emoluments	71,225	52,042	43,718	52,042
Rental charges	58,390	35,070	54,677	35,070
Depreciation charge on property and equipment	102,235	102,283	101,476	102,283
Amortisation charges	20,522	26,209	20,522	26,209
Other operating expenses	518,069	419,245	511,031	418,565
TOTAL OPERATING EXPENSES	1,707,163	1,344,331	1,662,487	1,333,628
Profit before tax and exceptional items	1,484,174	1,049,907	1,474,245	1,048,111
Exceptional items	-	-	-	-
PROFIT AFTER EXCEPTIONAL ITEMS	1,484,174	1,049,907	1,474,245	1,048,111
Current tax	(463,902)	(329,956)	(461,539)	(329,312)
Deferred tax	17,409	25,736	17,341	25,639
PROFIT AFTER TAX AND EXCEPTIONAL ITEMS	1,037,681	745,687	1,030,047	744,438
	Shs	Shs	Shs	Shs
EARNINGS PER SHARE- BASIC & DILUTED	3.49	2.57	3.47	2.57
INTERIM DIVIDEND PER SHARE - PAID	0.25	-	0.25	-
FINAL DIVIDEND PER SHARE - DECLARED	0.25	0.80	0.25	0.80

OTHER DISCLOSURES

	Bank	
	31st Dec, 2008 Audited Shs '000	31st Dec, 2007 Audited Shs '000
1. NON-PERFORMING LOANS AND ADVANCES		
(a) Gross Non-performing loans and advances	1,315,902	1,156,255
(b) Less Interest in Suspense	283,914	188,531
(c) TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)	1,031,988	967,724
(d) Less Loan Loss Provision	621,360	479,884
(e) NET NON-PERFORMING LOANS AND ADVANCES (c-d)	410,628	487,840
(f) Discounted Value of Securities	410,628	487,840
(g) NET NPLS EXPOSURE (e-f)	-	-
2. INSIDER LOANS AND ADVANCES		
(a) Directors, Shareholders and Associates	746,613	471,340
(b) Employees	300,014	315,361
(c) TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES	1,046,627	786,701
3. OFF-BALANCE SHEET ITEMS		
(a) Letters of credit, guarantees, acceptances	5,392,847	4,550,164
(b) Other contingent liabilities	9,902,541	5,391,772
(c) TOTAL CONTINGENT LIABILITIES	15,295,388	9,941,936
4. CAPITAL STRENGTH		
(a) Core capital	5,070,239	4,058,465
(b) Minimum Statutory Capital	250,000	250,000
(c.) Excess (a-b)	4,820,239	3,808,465
(d) Supplementary Capital	328,248	228,182
(e) TOTAL CAPITAL (a+d)	5,398,487	4,286,647
(f) TOTAL RISK WEIGHTED ASSETS	35,678,506	25,625,430
(g) Core Capital / Total deposits liabilities	14%	16%
(h) Minimum statutory ratio	8%	8%
(I) Excess (g-h)	6%	8%
(j) Core Capital / Total risk weighted assets	14%	16%
(k) Minimum statutory ratio	8%	8%
(I) Excess (j-k)	6%	8%
(m) Total Capital / Total risk weighted assets	15%	17%
(n) Minimum statutory ratio	12%	12%
(o) Excess (m-n)	3%	5%
5. LIQUIDITY		
(a) Liquidity Ratio	31%	29%
(b) Minimum statutory ratio	20%	20%
(c) Excess (a-b)	11%	9%

The Balance Sheet and Profit & Loss statements are extracts from the Bank's financial statements as audited by Deloitte & Touche and have received an unqualified opinion.

The accounts were approved by the Board of Directors on 18th February, 2009 and signed on it's behalf by:

J P M Ndegwa
Chairman

F N Mwanzia
Director

J W Macharia
Managing Director

L Murage
Company Secretary