



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, 2009

BALANCE SHEET	Group				Bank			
	30th June 2008	31st Dec, 2008	31st March 2009	30th June 2009	30th June 2008	31st Dec, 2008	31st March 2009	30th June 2009
	Un-audited Shs '000	Audited Shs '000	Un-audited Shs '000	Un-audited Shs '000	Un-audited Shs '000	Audited Shs '000	Un-audited Shs '000	Un-audited Shs '000
<b>ASSETS</b>								
Cash ( both Local & Foreign)	449,620	492,080	372,833	640,822	449,620	492,080	372,833	493,158
Balances due from Central Bank	2,495,733	2,178,782	1,908,344	2,754,377	2,495,733	2,178,782	1,908,344	2,426,825
Government securities	1,958,357	3,670,220	3,994,416	2,963,702	1,958,357	3,670,220	3,994,416	2,753,345
Foreign Currency Treasury Bills & Bonds	-	-	-	-	-	-	-	-
Deposits and balances due from local banking institutions	95,698	958,139	1,548,238	1,413,126	95,698	955,826	1,541,168	451,512
Deposits and balances due from banking institutions abroad	5,006,509	3,137,712	6,990,369	5,972,457	5,006,509	3,137,712	6,990,369	5,802,035
Government and other securities held for dealing purposes	290,846	304,698	134,171	591,261	290,846	304,698	134,171	591,261
Tax recoverable	-	2,264	5,568	13,391	-	-	-	-
Loans and advances to customers (net)	25,727,316	29,954,948	27,920,413	29,616,616	25,727,316	29,954,948	27,920,413	28,154,581
Investment securities	47,152	34,229	34,229	30,999	-	-	-	-
Balances due from group companies	-	-	-	-	84,158	262,598	-	389
Investments in associates	-	-	-	-	-	-	-	-
Investments in subsidiary companies	-	-	-	-	277,666	278,666	551,501	1,147,786
Investments in joint ventures	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-
Property and equipment	536,504	673,997	701,419	728,900	533,574	671,790	699,394	705,891
Prepaid lease rentals	7,937	7,875	7,844	7,844	7,937	7,875	7,844	7,844
Intangible assets	412,785	424,281	304,894	688,648	42,671	53,910	53,894	54,424
Deferred tax asset	98	-	-	-	-	-	-	-
Retirement benefit asset	-	-	-	-	-	-	-	-
Other assets	664,638	779,894	750,970	583,112	620,186	735,066	622,060	513,396
<b>TOTAL ASSETS</b>	<b>37,693,193</b>	<b>42,619,119</b>	<b>44,673,708</b>	<b>46,005,255</b>	<b>37,590,271</b>	<b>42,704,171</b>	<b>44,796,407</b>	<b>43,102,447</b>
<b>LIABILITIES</b>								
Balances due to Central Bank	-	-	-	-	-	-	-	-
Customer deposits	29,944,506	35,238,381	35,404,387	37,827,599	29,944,506	35,238,381	35,404,387	35,309,334
Deposits and balances due to local banking institutions	801,430	-	1,635,450	350,011	801,430	-	1,635,450	300,000
Deposits and balances due to foreign banking institutions	-	4,843	-	-	-	4,843	-	-
Other money market deposits	-	-	-	-	-	-	-	-
Borrowed funds	644,320	663,275	650,131	559,317	644,320	663,275	650,131	559,317
Balances due to group companies	-	-	-	-	339,075	290,413	273,596	258,783
Tax payable	18,835	94,766	219,145	2,875	11,707	94,724	218,775	2,764
Dividends payable	-	-	-	-	-	-	-	-
Deferred tax liability	7,319	22,137	22,138	20,258	7,319	22,303	22,303	22,303
Retirement benefit liability	-	-	-	-	-	-	-	-
Other liabilities	1,253,740	1,029,967	926,439	951,805	889,224	861,090	806,498	661,821
<b>TOTAL LIABILITIES</b>	<b>32,670,150</b>	<b>37,053,369</b>	<b>38,857,690</b>	<b>39,711,865</b>	<b>32,637,581</b>	<b>37,175,029</b>	<b>39,011,140</b>	<b>37,114,322</b>
<b>EQUITY</b>								
Paid up / Assigned capital	1,483,462	1,483,462	1,483,462	1,631,808	1,483,462	1,483,462	1,483,462	1,631,808
Share premium	340,946	340,946	340,946	192,600	340,946	340,946	340,946	192,600
Revaluation reserves	101,775	161,284	161,284	103,926	101,775	174,207	174,207	174,207
Retained earnings	2,789,993	3,179,910	3,453,179	3,738,314	2,787,915	3,171,658	3,450,601	3,737,266
Statutory loan reserves	238,592	284,696	261,878	252,244	238,592	284,696	261,878	252,244
Proposed dividends	-	74,173	74,173	-	-	74,173	74,173	-
Capital grants	-	-	-	-	-	-	-	-
	<b>4,954,768</b>	<b>5,524,471</b>	<b>5,774,922</b>	<b>5,918,892</b>	<b>4,952,690</b>	<b>5,529,142</b>	<b>5,785,267</b>	<b>5,988,125</b>
<b>Minority Interest</b>	<b>68,275</b>	<b>41,279</b>	<b>41,096</b>	<b>374,498</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY</b>	<b>5,023,043</b>	<b>5,565,750</b>	<b>5,816,018</b>	<b>6,293,390</b>	<b>4,952,690</b>	<b>5,529,142</b>	<b>5,785,267</b>	<b>5,988,125</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>37,693,193</b>	<b>42,619,119</b>	<b>44,673,708</b>	<b>46,005,255</b>	<b>37,590,271</b>	<b>42,704,171</b>	<b>44,796,407</b>	<b>43,102,447</b>

PROFIT AND LOSS ACCOUNT	Group				Bank			
	30th June 2008	31st Dec, 2008	31st March 2009	30th June 2009	30th June 2008	31st Dec, 2008	31st March 2009	30th June 2009
	Un-audited Shs '000	Audited Shs '000	Un-audited Shs '000	Un-audited Shs '000	Un-audited Shs '000	Audited Shs '000	Un-audited Shs '000	Un-audited Shs '000
<b>INTEREST INCOME</b>								
Loans and advances	1,529,419	3,417,825	945,072	1,944,117	1,529,419	3,417,825	945,072	1,902,402
Government securities	109,746	255,731	81,070	157,796	109,746	255,731	81,070	151,652
Deposits and placements with banking institutions	31,180	70,060	20,124	56,883	31,180	70,060	20,124	47,357
Other Interest Income	-	3,685	5,025	10,105	-	3,685	5,025	10,105
<b>TOTAL INTEREST INCOME</b>	<b>1,670,345</b>	<b>3,747,301</b>	<b>1,051,291</b>	<b>2,168,901</b>	<b>1,670,345</b>	<b>3,747,301</b>	<b>1,051,291</b>	<b>2,111,516</b>
<b>INTEREST EXPENSE</b>								
Customer deposits	696,999	1,634,944	505,111	971,829	698,002	1,635,874	505,111	945,031
Deposits and placement from banking institutions	48,885	60,878	3,189	25,244	48,885	60,878	3,189	25,244
Other interest expenses	18,715	36,257	7,068	12,714	18,715	36,257	7,068	12,714
<b>TOTAL INTEREST EXPENSE</b>	<b>764,599</b>	<b>1,732,079</b>	<b>515,368</b>	<b>1,009,787</b>	<b>765,602</b>	<b>1,733,009</b>	<b>515,368</b>	<b>982,989</b>
<b>NET INTEREST INCOME</b>	<b>905,746</b>	<b>2,015,222</b>	<b>535,923</b>	<b>1,159,114</b>	<b>904,743</b>	<b>2,014,292</b>	<b>535,923</b>	<b>1,128,527</b>
<b>OTHER OPERATING INCOME</b>								
Fees and commissions on loans and advances	90,800	248,881	61,692	127,796	90,800	248,881	61,692	126,953
Other fees and commissions	150,895	320,940	91,288	198,557	150,895	322,091	91,288	193,680
Foreign exchange trading income	193,726	385,784	131,415	259,634	193,726	385,690	131,415	255,023
Dividend Income	-	-	-	-	-	-	-	-
Other income	105,908	220,510	40,472	95,463	70,724	165,778	34,172	84,169
<b>TOTAL NON-INTEREST INCOME</b>	<b>541,329</b>	<b>1,176,115</b>	<b>324,867</b>	<b>681,450</b>	<b>506,145</b>	<b>1,122,440</b>	<b>318,567</b>	<b>659,825</b>
<b>TOTAL OPERATING INCOME</b>	<b>1,447,075</b>	<b>3,191,337</b>	<b>860,790</b>	<b>1,840,564</b>	<b>1,410,888</b>	<b>3,136,732</b>	<b>854,490</b>	<b>1,788,352</b>
<b>OPERATING EXPENSES</b>								
Loan loss provision	94,405	194,551	48,736	148,182	94,405	194,551	48,736	148,202
Staff costs	299,215	742,171	243,340	495,233	287,350	736,512	235,474	464,506
Directors' emoluments	22,052	71,225	12,300	27,737	22,052	43,718	12,300	27,270
Rental charges	24,920	58,390	15,262	32,156	23,883	54,677	14,379	29,421
Depreciation charge on property and equipment	47,446	102,235	27,984	56,527	46,650	101,476	27,802	55,224
Amortisation charges	9,407	20,522	5,896	12,122	9,407	20,522	5,896	12,122
Other operating expenses	285,945	518,069	135,329	284,859	276,991	511,031	129,590	261,098
<b>TOTAL OPERATING EXPENSES</b>	<b>783,390</b>	<b>1,707,163</b>	<b>488,847</b>	<b>1,056,816</b>	<b>760,738</b>	<b>1,662,487</b>	<b>474,177</b>	<b>997,843</b>
Profit before tax and exceptional items	663,685	1,484,174	371,943	783,748	650,150	1,474,245	380,313	790,509
Exceptional items	-	-	-	-	-	-	-	-
<b>PROFIT AFTER EXCEPTIONAL ITEMS</b>	<b>663,685</b>	<b>1,484,174</b>	<b>371,943</b>	<b>783,748</b>	<b>650,150</b>	<b>1,474,245</b>	<b>380,313</b>	<b>790,509</b>
Current tax	(199,105)	(463,902)	(121,692)	(254,922)	(195,045)	(461,539)	(124,203)	(257,357)
Deferred tax	-	17,409	-	-	-	17,341	-	-
<b>PROFIT AFTER TAX AND EXCEPTIONAL ITEMS</b>	<b>464,580</b>	<b>1,037,681</b>	<b>250,251</b>	<b>528,826</b>	<b>455,105</b>	<b>1,030,047</b>	<b>256,110</b>	<b>533,152</b>
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
<b>EARNINGS PER SHARE- BASIC &amp; DILUTED</b>	<b>1.42</b>	<b>3.18</b>	<b>0.77</b>	<b>1.62</b>	<b>1.39</b>	<b>3.16</b>	<b>0.78</b>	<b>1.63</b>
<b>INTERIM DIVIDEND PER SHARE - DECLARED</b>	<b>0.25</b>	<b>0.25</b>	<b>-</b>	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>	<b>-</b>	<b>0.25</b>
<b>FINAL DIVIDEND PER SHARE - DECLARED</b>	<b>-</b>	<b>0.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.25</b>	<b>-</b>	<b>-</b>

## OTHER DISCLOSURES

	Bank			
	30th June 2008 Un-audited Shs '000	31st Dec, 2008 Audited Shs '000	31st March 2009 Un-audited Shs '000	30th June 2009 Un-audited Shs '000
<b>1. NON-PERFORMING LOANS AND ADVANCES</b>				
(a) Gross Non-performing loans and advances	1,188,612	1,315,902	1,386,464	1,539,871
(b) Less Interest in Suspense	227,823	283,914	325,696	410,362
<b>(c) TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)</b>	<b>960,789</b>	<b>1,031,988</b>	<b>1,060,768</b>	<b>1,129,509</b>
(d) Less Loan Loss Provision	533,781	621,360	666,923	747,411
<b>(e) NET NON-PERFORMING LOANS AND ADVANCES (c-d)</b>	<b>427,008</b>	<b>410,628</b>	<b>393,845</b>	<b>382,098</b>
(f) Discounted Value of Securities	427,008	410,628	393,845	382,098
<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	875,499	746,613	761,918	1,026,549
(b) Employees	271,349	300,014	307,278	323,427
<b>(c) TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES</b>	<b>1,146,848</b>	<b>1,046,627</b>	<b>1,069,196</b>	<b>1,349,976</b>
<b>3. OFF-BALANCE SHEET ITEMS</b>				
(a) Letters of credit, guarantees, acceptances	4,673,053	5,392,847	7,355,443	5,114,490
(b) Other contingent liabilities	6,368,708	9,902,541	10,892,688	8,959,973
<b>(c) TOTAL CONTINGENT LIABILITIES</b>	<b>11,041,761</b>	<b>15,295,388</b>	<b>18,248,131</b>	<b>14,074,463</b>
<b>4. CAPITAL STRENGTH</b>				
(a) Core capital	4,384,771	5,070,239	5,146,954	4,698,813
(b) Minimum Statutory Capital	250,000	250,000	250,000	250,000
<b>(c) Excess (a-b)</b>	<b>4,134,771</b>	<b>4,820,239</b>	<b>4,896,954</b>	<b>4,448,813</b>
(d) Supplementary Capital	264,036	328,248	305,430	295,795
<b>(e) TOTAL CAPITAL (a+d)</b>	<b>4,648,806</b>	<b>5,398,487</b>	<b>5,452,384</b>	<b>4,994,608</b>
<b>(f) TOTAL RISK WEIGHTED ASSETS</b>	<b>30,575,977</b>	<b>35,678,506</b>	<b>34,789,915</b>	<b>34,252,940</b>
(g) Core Capital / Total deposits liabilities	14.54%	14.43%	14.58%	13.35%
(h) Minimum statutory ratio	8.00%	8.00%	8.00%	8.00%
<b>(i) Excess (g-h)</b>	<b>6.54%</b>	<b>6.43%</b>	<b>6.58%</b>	<b>5.35%</b>
(j) Core Capital / Total risk weighted assets	14.34%	14.21%	14.79%	13.72%
(k) Minimum statutory ratio	8.00%	8.00%	8.00%	8.00%
<b>(l) Excess (j-k)</b>	<b>6.34%</b>	<b>6.21%</b>	<b>6.79%</b>	<b>5.72%</b>
(m) Total Capital / Total risk weighted assets	15.20%	15.13%	15.67%	14.58%
(n) Minimum statutory ratio	12.00%	12.00%	12.00%	12.00%
<b>(o) Excess (m-n)</b>	<b>3.20%</b>	<b>3.13%</b>	<b>3.67%</b>	<b>2.58%</b>
<b>5. LIQUIDITY</b>				
(a) Liquidity Ratio	30.15%	30.92%	37.08%	34.09%
(b) Minimum statutory ratio	20.00%	20.00%	20.00%	20.00%
<b>(c) Excess (a-b)</b>	<b>10.15%</b>	<b>10.92%</b>	<b>17.08%</b>	<b>14.09%</b>

The financial statements are extracts from the books of the institution.

**Message from the Directors**

The Directors have approved payment of an interim dividend of Shs 0.25 per Ordinary share of Shs 5.00. Dividends warrants will be posted on or about 2nd October, 2009 to all members in the register at the close of business on 16th September, 2009. The register of members will therefore be closed on 17th September, 2009 for purposes of preparing dividend warrants.

J P M Ndegwa  
Chairman

J W Macharia  
Managing Director

L Murage  
Company Secretary