

The Board of Directors of NIC Bank Limited is pleased to announce the un-audited financial results of the Bank for the period ended 30th September, 2008

BALANCE SHEET	30th Sept, 2008	30th June, 2008	31st Mar, 2008	31st Dec, 2007	30th Sept, 2007
	Unaudited Shs '000	Unaudited Shs '000	Unaudited Shs '000	Audited Shs '000	Unaudited Shs '000
ASSETS					
Cash (both Local & Foreign)	345,622	449,620	457,433	502,813	325,912
Balances due from Central Bank of Kenya	2,181,672	2,495,733	4,778,881	1,916,395	3,393,074
Kenya Government securities	2,887,437	1,958,357	2,172,097	2,411,997	988,225
Foreign Currency Treasury Bills & Bonds	-	-	-	-	-
Deposits and balances due from local banking institutions	1,431,682	95,698	471,524	103,184	565,263
Deposits and balances due from banking institutions abroad	1,315,915	5,006,509	3,513,061	2,579,207	3,376,189
Kenya Government and other securities held for dealing purposes	323,409	290,846	209,091	-	-
Tax recoverable	-	-	-	-	-
Loans and advances to customers (net)	29,304,257	25,727,316	23,696,461	22,209,186	20,319,162
Investment securities	-	-	-	-	-
Balances due from group companies	88,308	84,158	-	63	3,815
Investments in associates	-	-	-	-	-
Investments in subsidiary companies	277,666	277,666	277,666	277,666	90,501
Investments in joint ventures	-	-	-	-	-
Investment properties	-	-	-	-	-
Property and equipment	533,861	533,574	458,211	506,813	458,608
Prepaid lease rentals	7,906	7,937	7,969	8,000	8,031
Intangible assets	52,874	42,671	44,045	45,203	43,046
Deferred tax asset	-	-	-	-	-
Retirement benefit asset	-	-	-	-	-
Other assets	886,462	620,186	897,955	835,815	1,046,104
TOTAL ASSETS	39,637,071	37,590,271	36,984,394	31,396,342	30,617,930
LIABILITIES					
Balances due to Central Bank of Kenya	-	-	-	-	-
Customer deposits	32,145,993	30,164,742	28,985,172	24,805,595	25,778,320
Deposits and balances due to local banking institutions	209,725	801,430	1,470,000	-	-
Deposits and balances due to foreign banking institutions	335,483	-	-	-	-
Other money market deposits	-	-	-	-	-
Borrowed funds	687,014	644,320	663,693	650,100	518,532
Balances due to group companies	109,190	118,839	65,195	134,872	46,865
Tax payable	40,143	11,707	180,867	90,808	42,073
Dividends payable	-	-	-	-	-
Deferred tax liability	7,319	7,319	7,319	7,319	32,958
Retirement benefit liability	-	-	-	-	-
Other liabilities	869,284	889,224	666,823	972,451	807,576
TOTAL LIABILITIES	34,404,151	32,637,581	32,039,069	26,661,145	27,226,324
SHAREHOLDERS' FUNDS					
Paid up / Assigned capital	1,483,462	1,483,462	1,483,462	1,483,462	412,073
Share premium	340,946	340,946	340,946	340,946	299,944
Revaluation reserves	101,775	101,775	101,775	101,775	104,768
Retained earnings	2,958,395	2,787,915	2,563,623	2,368,922	2,424,671
Statutory loan reserves	274,169	238,592	218,165	202,738	150,150
Proposed dividends	74,173	-	237,354	237,354	-
Capital grants	-	-	-	-	-
TOTAL SHAREHOLDERS' FUNDS	5,232,920	4,952,690	4,945,325	4,735,197	3,391,606
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	39,637,071	37,590,271	36,984,394	31,396,342	30,617,930

PROFIT AND LOSS ACCOUNT

	30th Sept, 2008 Unaudited Shs '000	30th June, 2008 Unaudited Shs '000	31st Mar, 2008 Unaudited Shs '000	31st Dec, 2007 Audited Shs '000	30th Sept, 2007 Unaudited Shs '000
INTEREST INCOME					
Loans and advances	2,436,829	1,529,419	723,576	2,543,740	1,826,259
Government securities	176,499	109,746	48,896	152,064	115,889
Deposits and placements with banking institutions	54,397	31,180	16,498	101,279	76,033
Other Interest Income	-	-	-	2,557	1,539
TOTAL INTEREST INCOME	2,667,725	1,670,345	788,970	2,799,640	2,019,720
INTEREST EXPENSE					
Customer deposits	1,142,347	698,002	327,509	1,098,787	792,624
Deposits and placement from banking institutions	56,002	48,885	15,242	18,359	13,320
Other interest expenses	27,283	18,715	11,876	44,447	32,201
TOTAL INTEREST EXPENSE	1,225,632	765,602	354,627	1,161,593	838,145
NET INTEREST INCOME	1,442,093	904,743	434,343	1,638,047	1,181,575
OTHER OPERATING INCOME					
Fees and commissions on loans and advances	166,064	90,800	32,253	150,598	101,630
Other fees and commissions	236,703	150,895	73,273	273,222	205,570
Foreign exchange trading income	289,695	193,726	119,754	206,731	160,844
Dividend Income	-	-	-	-	-
Other income	100,907	70,724	27,979	113,141	79,769
TOTAL NON-INTEREST INCOME	793,369	506,145	253,259	743,692	547,813
TOTAL OPERATING INCOME	2,235,462	1,410,888	687,602	2,381,739	1,729,388
OPERATING EXPENSES					
Loan loss provision	139,119	94,405	64,414	100,067	85,638
Staff costs	445,560	287,350	136,821	599,392	376,304
Directors' emoluments	32,755	22,052	10,873	52,042	33,359
Rental charges	38,215	23,883	20,150	35,070	29,482
Depreciation charge on property and equipment	72,300	46,650	22,644	102,283	74,540
Amortisation charges	14,561	9,407	4,528	26,209	20,783
Other operating expenses	442,474	276,991	127,979	418,565	375,921
TOTAL OPERATING EXPENSES	1,184,984	760,738	387,409	1,333,628	996,027
Profit before tax and exceptional items	1,050,478	650,150	300,193	1,048,111	733,361
Exceptional items	-	-	-	-	-
PROFIT AFTER EXCEPTIONAL ITEMS	1,050,478	650,150	300,193	1,048,111	733,361
Current tax	(315,143)	(195,045)	(90,058)	(329,312)	(220,121)
Deferred tax	-	-	-	25,639	-
PROFIT AFTER TAX AND EXCEPTIONAL ITEMS	735,335	455,105	210,135	744,438	513,240
	Shs	Shs	Shs	Shs	Shs
EARNINGS PER SHARE- BASIC & DILUTED	2.48	1.53	0.71	2.57	1.73
DIVIDEND PER SHARE - DECLARED	-	0.25	-	0.80	-

OTHER DISCLOSURES

	30th Sept, 2008 Unaudited Shs '000	30th June, 2008 Unaudited Shs '000	31st Mar, 2008 Unaudited Shs '000	31st Dec, 2007 Audited Shs '000	30th Sept, 2007 Unaudited Shs '000
1. NON-PERFORMING LOANS AND ADVANCES					
(a) Gross Non-performing loans and advances	1,173,747	1,188,612	1,187,253	1,156,255	1,146,567
(b) Less Interest in Suspense	252,389	227,823	206,558	188,531	182,411
(c) TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)	921,358	960,789	980,695	967,724	964,156
(d) Less Loan Loss Provision	562,362	533,781	510,107	479,884	439,450
(e) NET NON-PERFORMING LOANS AND ADVANCES (c-d)	358,996	427,008	470,588	487,840	524,706
(f) Discounted Value of Securities	358,996	427,008	470,588	487,840	524,706
(g) NET NPLS EXPOSURE (e-f)	-	-	-	-	-
2. INSIDER LOANS AND ADVANCES					
(a) Directors, Shareholders and Associates	870,020	875,499	555,884	471,340	529,615
(b) Employees	309,853	271,349	309,709	315,361	273,523
(c) TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES	1,179,873	1,146,848	865,593	786,701	803,138
3. OFF-BALANCE SHEET ITEMS					
(a) Letters of credit, guarantees, acceptances	6,667,168	4,673,053	4,674,302	4,550,164	3,989,382
(b) Other contingent liabilities	10,406,652	6,368,708	7,731,971	-	-
(c) TOTAL CONTINGENT LIABILITIES	17,073,820	11,041,761	12,406,273	4,550,164	3,989,382
4. CAPITAL STRENGTH					
(a) Core capital	4,452,222	4,384,771	4,282,964	4,058,465	2,880,068
(b) Minimum Statutory Capital	250,000	250,000	250,000	250,000	250,000
(c) Excess (a-b)	4,202,222	4,134,771	4,032,964	3,808,465	2,630,068
(d) Supplementary Capital	299,613	264,036	243,609	228,182	176,342
(e) TOTAL CAPITAL (a+d)	4,751,835	4,648,806	4,526,572	4,286,647	3,056,410
(f) TOTAL RISK WEIGHTED ASSETS	34,602,899	30,575,977	28,171,550	25,625,430	24,098,032
(g) Core Capital / Total deposits liabilities	14%	15%	15%	16%	11%
(h) Minimum statutory ratio	8%	8%	8%	8%	8%
(l) Excess (g-h)	6%	7%	7%	8%	3%
(j) Core Capital / Total risk weighted assets	13%	14%	15%	16%	12%
(k) Minimum statutory ratio	8%	8%	8%	8%	8%
(l) Excess (j-k)	5%	6%	7%	8%	4%
(m) Total Capital / Total risk weighted assets	14%	15%	16%	17%	13%
(n) Minimum statutory ratio	12%	12%	12%	12%	12%
(o) Excess (m-n)	2%	3%	4%	5%	1%
5. LIQUIDITY					
(a) Liquidity Ratio	25%	30%	31%	29%	32%
(b) Minimum statutory ratio	20%	20%	20%	20%	20%
(c) Excess (a-b)	5%	10%	11%	9%	12%

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

Signed

J P M Ndegwa
Chairman

J Macharia
Managing Director

L Murage
Company Secretary