



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, 2013.

STATEMENT OF FINANCIAL POSITION	Group				Bank			
	30th June, 2013 Un-audited Shs '000	31st Mar, 2013 Un-audited Shs '000	31st Dec, 2012 Audited Shs '000	30th June, 2012 Un-audited Shs '000	30th June, 2013 Un-audited Shs '000	31st Mar, 2013 Un-audited Shs '000	31st Dec, 2012 Audited Shs '000	30th June, 2012 Un-audited Shs '000
<b>ASSETS</b>								
Cash ( both Local & Foreign)	1,184,684	1,011,404	1,081,131	754,218	657,171	692,444	830,855	580,164
Balances due from Central Banks	4,663,732	6,072,434	5,969,831	6,051,882	3,899,903	5,392,110	5,132,414	5,245,766
Kenyan Government securities held for dealing purposes	-	-	-	-	-	-	-	-
Financial assets at fair value through profit & loss	117,178	159,065	138,509	-	-	-	-	-
<b>Investment Securities:</b>								
<b>a) Held to Maturity</b>								
a. Kenya Government securities	1,753,566	4,588,247	9,194,971	2,985,044	1,753,566	4,588,247	9,194,971	2,985,044
b. Other securities	1,248,848	1,791,684	1,146,224	255,310	-	-	-	-
<b>b) Available for sale:</b>								
a. Kenya Government securities	9,269,197	10,289,659	7,027,460	5,177,941	9,269,197	10,289,659	7,027,460	5,177,941
b. Other securities	217,041	218,513	214,999	166,556	-	-	-	-
Deposits and balances due from local banking institutions	4,676,383	1,956,464	2,046,810	4,132,763	4,296,879	1,133,500	586,836	2,790,546
Deposits and balances due from banking institutions abroad	5,125,509	2,587,310	6,141,906	3,240,760	4,317,272	2,499,845	5,983,128	2,697,164
Tax recoverable	85,552	35,732	17,860	14,028	36,823	-	-	-
Loans and advances to customers (net)	71,006,628	70,603,886	71,540,092	62,395,414	64,016,944	64,130,884	66,381,215	57,808,875
Balances due from banking institutions in the group	-	-	-	-	2,316,279	1,835,966	1,603,250	951,342
Investments in associates	-	-	-	-	-	-	-	-
Investments in subsidiary companies	-	-	-	-	2,988,932	2,988,932	2,285,324	2,109,324
Investments in joint ventures	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-
Property and equipment	1,038,581	1,049,565	1,009,891	993,234	757,794	779,880	785,612	856,867
Prepaid lease rentals	7,312	7,344	7,375	7,438	7,312	7,344	7,375	7,438
Intangible assets	1,095,527	1,135,784	1,127,492	1,163,896	610,765	638,423	642,337	530,452
Deferred tax asset	245,536	245,731	257,632	360,870	241,808	241,808	241,808	348,945
Retirement benefit asset	-	-	-	-	-	-	-	-
Other assets	1,957,781	1,530,647	1,426,410	964,546	1,438,069	1,131,446	1,069,120	523,996
<b>TOTAL ASSETS</b>	<b>103,693,055</b>	<b>103,283,469</b>	<b>108,348,593</b>	<b>88,663,900</b>	<b>96,608,714</b>	<b>96,350,488</b>	<b>101,771,705</b>	<b>82,613,864</b>
<b>LIABILITIES</b>								
Balances due to Central Banks	-	-	-	-	-	-	-	-
Customer deposits	79,991,713	78,387,595	83,379,576	72,719,455	73,919,424	72,246,785	77,466,042	67,791,301
Deposits and balances due to local banking institutions	1,202,236	2,290,982	598,531	533,191	18,226	1,653,645	72,210	150,407
Deposits and balances due to foreign banking institutions	31,671	304,178	2,972,749	150,407	31,671	304,178	2,972,749	-
Other money market deposits	-	-	-	-	-	-	-	-
Borrowed funds	3,631,380	3,649,354	3,655,414	1,940,128	3,631,380	3,649,354	3,655,414	1,940,128
Balances due to banking institutions in the group	-	-	-	-	426,147	391,367	610,360	240,598
Tax payable	3,228	747,034	383,325	102,771	-	743,463	382,138	100,778
Dividends payable	-	-	-	-	-	-	-	-
Deferred tax liability	-	-	-	-	-	-	-	-
Retirement benefit liability	-	-	-	-	-	-	-	-
Other liabilities	1,917,143	1,697,721	1,877,376	1,067,983	1,948,137	1,734,991	1,548,185	743,705
<b>TOTAL LIABILITIES</b>	<b>86,777,371</b>	<b>87,076,864</b>	<b>92,866,971</b>	<b>76,513,935</b>	<b>79,974,985</b>	<b>80,723,783</b>	<b>86,707,098</b>	<b>70,966,917</b>
<b>EQUITY</b>								
Paid up / Assigned capital	2,714,921	2,714,921	2,714,921	1,974,488	2,714,921	2,714,921	2,714,921	1,974,488
Share premium	1,208,068	1,208,242	1,208,799	-	1,208,068	1,208,242	1,208,799	-
Revaluation reserves	155,083	155,083	155,083	159,864	155,083	155,083	155,083	159,864
Retained earnings	11,976,588	10,998,777	10,095,639	9,314,779	11,660,145	10,716,585	9,836,433	9,044,855
Statutory loan reserves	667,599	654,469	687,543	590,666	605,165	600,112	637,174	564,604
Other reserves	(301,117)	(559,374)	(444,881)	(383,886)	290,347	(311,222)	(30,787)	(96,864)
Proposed dividends	-	542,984	542,984	-	-	542,984	542,984	-
Capital grants	-	-	-	-	-	-	-	-
	16,421,142	15,715,102	14,960,088	11,655,911	16,633,729	15,626,705	15,064,607	11,646,947
<b>Non-controlling interests</b>	494,542	491,503	521,534	494,054	-	-	-	-
<b>TOTAL EQUITY</b>	<b>16,915,684</b>	<b>16,206,605</b>	<b>15,481,622</b>	<b>12,149,965</b>	<b>16,633,729</b>	<b>15,626,705</b>	<b>15,064,607</b>	<b>11,646,947</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>103,693,055</b>	<b>103,283,469</b>	<b>108,348,593</b>	<b>88,663,900</b>	<b>96,608,714</b>	<b>96,350,488</b>	<b>101,771,705</b>	<b>82,613,864</b>

STATEMENT OF COMPREHENSIVE INCOME	Group				Bank			
	30th June, 2013 Un-audited Shs '000	31st Mar, 2013 Un-audited Shs '000	31st Dec, 2012 Audited Shs '000	30th June, 2012 Un-audited Shs '000	30th June, 2013 Un-audited Shs '000	31st Mar, 2013 Un-audited Shs '000	31st Dec, 2012 Audited Shs '000	30th June, 2012 Un-audited Shs '000
<b>INTEREST INCOME</b>								
Loans and advances	4,524,852	2,232,704	9,868,592	4,912,492	4,058,219	1,999,647	9,048,895	4,525,620
Government securities	914,535	490,392	1,161,118	560,739	828,280	440,924	1,081,419	481,141
Deposits and placements with banking institutions	100,320	33,396	412,324	106,600	59,909	21,061	290,551	96,098
Other Interest Income	33,318	18,488	25,540	17,416	33,318	18,488	25,540	17,416
<b>TOTAL INTEREST INCOME</b>	<b>5,573,025</b>	<b>2,774,980</b>	<b>11,467,574</b>	<b>5,597,247</b>	<b>4,979,726</b>	<b>2,480,120</b>	<b>10,446,405</b>	<b>5,120,275</b>
<b>INTEREST EXPENSE</b>								
Customer deposits	1,975,941	1,012,525	5,735,877	2,912,630	1,762,996	914,158	5,342,007	2,742,428
Deposits and placement from banking institutions	86,261	59,545	187,865	141,535	40,545	42,032	124,874	97,437
Other interest expenses	79,160	20,943	59,964	24,192	65,190	17,636	59,964	22,905
<b>TOTAL INTEREST EXPENSE</b>	<b>2,141,362</b>	<b>1,093,013</b>	<b>5,983,706</b>	<b>3,078,357</b>	<b>1,868,731</b>	<b>973,826</b>	<b>5,526,845</b>	<b>2,862,770</b>
<b>NET INTEREST INCOME</b>	<b>3,431,663</b>	<b>1,681,967</b>	<b>5,483,868</b>	<b>2,518,890</b>	<b>3,110,995</b>	<b>1,506,294</b>	<b>4,919,560</b>	<b>2,257,505</b>
<b>OTHER OPERATING INCOME</b>								
Fees and commissions on loans and advances	325,832	140,720	510,442	274,628	264,394	120,958	509,976	246,197
Other fees and commissions	192,442	98,181	542,670	250,778	157,189	75,169	429,763	227,324
Foreign exchange trading income	596,515	350,840	1,164,312	675,888	504,772	305,467	1,074,248	638,483
Dividend Income	-	-	-	-	-	-	-	-
Other income	498,649	152,109	679,106	329,272	316,696	102,322	480,729	226,071
<b>TOTAL NON-INTEREST INCOME</b>	<b>1,613,438</b>	<b>741,850</b>	<b>2,896,530</b>	<b>1,530,566</b>	<b>1,243,051</b>	<b>603,916</b>	<b>2,494,716</b>	<b>1,338,075</b>
<b>TOTAL OPERATING INCOME</b>	<b>5,045,101</b>	<b>2,423,817</b>	<b>8,380,398</b>	<b>4,049,456</b>	<b>4,354,046</b>	<b>2,110,210</b>	<b>7,414,276</b>	<b>3,595,580</b>
<b>OPERATING EXPENSES</b>								
Loan loss provision	342,573	142,028	297,485	105,070	201,744	97,060	265,264	82,054
Staff costs	1,068,789	516,100	1,814,769	883,073	855,086	404,135	1,482,668	736,775
Directors' emoluments	53,546	40,971	163,882	78,108	39,004	28,112	109,886	50,830
Rental charges	125,449	61,867	169,317	102,494	68,917	33,193	101,037	73,346
Depreciation charge on property and equipment	120,983	61,658	204,471	91,810	101,737	50,624	173,730	79,583
Amortisation charges	92,295	44,587	113,461	31,406	76,885	38,125	97,213	27,693
Other operating expenses	613,876	317,942	1,099,046	480,042	490,829	254,541	873,529	394,566
<b>TOTAL OPERATING EXPENSES</b>	<b>2,417,511</b>	<b>1,185,153</b>	<b>3,862,431</b>	<b>1,772,003</b>	<b>1,834,202</b>	<b>905,790</b>	<b>3,103,327</b>	<b>1,444,847</b>
Profit before tax and exceptional items	2,627,590	1,238,664	4,517,967	2,277,453	2,519,844	1,204,420	4,310,949	2,150,733
Exceptional items	-	-	-	-	-	-	-	-
<b>PROFIT AFTER EXCEPTIONAL ITEMS</b>	<b>2,627,590</b>	<b>1,238,664</b>	<b>4,517,967</b>	<b>2,277,453</b>	<b>2,519,844</b>	<b>1,204,420</b>	<b>4,310,949</b>	<b>2,150,733</b>
Current tax	(760,861)	(370,882)	(1,561,372)	(684,084)	(728,141)	(361,326)	(1,470,111)	(645,220)
Deferred tax	-	-	80,199	-	-	-	67,024	-
<b>PROFIT AFTER TAX AND EXCEPTIONAL ITEMS</b>	<b>1,866,729</b>	<b>867,782</b>	<b>3,036,794</b>	<b>1,593,369</b>	<b>1,791,703</b>	<b>843,094</b>	<b>2,907,862</b>	<b>1,505,513</b>
<b>Other Comprehensive Income:</b>								
a. Exchange differences on translation of foreign operations	(16,593)	326,719	(335,010)	(75,044)	-	-	-	-
b. Fair value changes in available-for-sale financial assets	321,134	(280,435)	406,377	340,300	321,134	(280,435)	406,377	340,300
c. Revaluation surplus on property, plant and equipment	-	-	-	-	-	-	-	-
d. Share of comprehensive income of associates	-	-	-	-	-	-	-	-
e. Income tax relating to components of other comprehensive income	-	-	-	-	-	-	-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX</b>	<b>304,541</b>	<b>46,284</b>	<b>71,367</b>	<b>265,256</b>	<b>321,134</b>	<b>(280,435)</b>	<b>406,377</b>	<b>340,300</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>2,171,270</b>	<b>914,066</b>	<b>3,108,161</b>	<b>1,858,625</b>	<b>2,112,837</b>	<b>562,659</b>	<b>3,314,239</b>	<b>1,845,813</b>
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
<b>EARNINGS PER SHARE- BASIC &amp; DILUTED</b>	<b>3.44</b>	<b>1.60</b>	<b>5.59</b>	<b>2.93</b>	<b>3.30</b>	<b>1.55</b>	<b>5.36</b>	<b>2.77</b>
<b>INTERIM DIVIDEND PER SHARE - DECLARED</b>	<b>0.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.25</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FINAL DIVIDEND PER SHARE - DECLARED</b>	<b>-</b>	<b>-</b>	<b>1.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.00</b>	<b>-</b>

OTHER DISCLOSURES	Group				Bank			
	30th June, 2013 Un-audited Shs '000	31st Mar, 2013 Un-audited Shs '000	31st Dec, 2012 Audited Shs '000	30th June, 2012 Un-audited Shs '000	30th June, 2013 Un-audited Shs '000	31st Mar, 2013 Un-audited Shs '000	31st Dec, 2012 Audited Shs '000	30th June, 2012 Un-audited Shs '000
<b>1. NON-PERFORMING LOANS AND ADVANCES</b>								
(a) Gross Non-performing loans and advances	4,306,751	3,723,911	3,551,222	3,192,098	3,861,633	3,447,822	3,209,075	2,942,134
(b) Less Interest in Suspense	1,651,288	1,378,869	1,218,521	1,256,757	1,576,517	1,328,254	1,158,201	1,192,998
<b>(c) TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)</b>	<b>2,655,462</b>	<b>2,345,043</b>	<b>2,332,701</b>	<b>1,935,341</b>	<b>2,285,116</b>	<b>2,119,568</b>	<b>2,050,874</b>	<b>1,749,136</b>
(d) Less Loan Loss Provision	1,837,840	1,698,187	1,652,986	1,725,327	1,746,166	1,640,006	1,583,147	1,640,814
<b>(e) NET NON-PERFORMING LOANS AND ADVANCES (c-d)</b>	<b>817,622</b>	<b>646,855</b>	<b>679,715</b>	<b>210,014</b>	<b>538,950</b>	<b>479,562</b>	<b>467,727</b>	<b>108,322</b>
(f) Discounted Value of Securities	817,622	646,855	679,715	210,014	538,950	479,562	467,727	108,322
<b>(g) NET NPLS EXPOSURE (e-f)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2. INSIDER LOANS AND ADVANCES</b>								
(a) Directors, Shareholders and Associates	1,218,579	1,234,440	1,327,022	1,462,037	1,210,618	1,226,166	1,302,049	1,449,092
(b) Employees	708,634	654,681	664,900	636,990	694,852	640,144	620,288	614,018
<b>(c) TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES</b>	<b>1,927,213</b>	<b>1,889,121</b>	<b>1,991,922</b>	<b>2,099,027</b>	<b>1,905,470</b>	<b>1,866,310</b>	<b>1,922,337</b>	<b>2,063,110</b>
<b>3. OFF-BALANCE SHEET ITEMS</b>								
(a) Letters of credit, guarantees, acceptances	14,138,405	14,831,233	14,112,010	15,823,898	13,999,785	14,707,739	13,486,049	15,781,063
(b) Forwards, Swaps and options	16,812,096	17,682,926	10,904,232	3,768,337	16,497,723	17,462,516	10,366,805	3,599,618
(c) Other contingent liabilities	-	-	-	-	-	-	-	-
<b>(d) TOTAL CONTINGENT LIABILITIES</b>	<b>30,950,501</b>	<b>32,514,159</b>	<b>25,016,242</b>	<b>19,592,235</b>	<b>30,497,508</b>	<b>32,170,255</b>	<b>23,852,854</b>	<b>19,380,681</b>
<b>4. CAPITAL STRENGTH</b>								
(a) Core capital	14,969,163	14,476,918	14,091,433	10,260,291	12,249,852	11,780,770	12,569,308	8,708,764
(b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	700,000	1,000,000	1,000,000	1,000,000	700,000
<b>(c) Excess (a-b)</b>	<b>13,969,163</b>	<b>13,476,918</b>	<b>13,091,433</b>	<b>9,560,291</b>	<b>11,249,852</b>	<b>10,780,770</b>	<b>11,569,308</b>	<b>8,008,764</b>
(d) Supplementary Capital	702,986	693,240	726,566	574,818	643,936	638,883	677,140	604,570
<b>(e) TOTAL CAPITAL (a+d)</b>	<b>15,672,149</b>	<b>15,170,157</b>	<b>14,817,999</b>	<b>10,835,109</b>	<b>12,893,787</b>	<b>12,419,653</b>	<b>13,246,448</b>	<b>9,313,334</b>
<b>(f) TOTAL RISK WEIGHTED ASSETS</b>	<b>87,946,990</b>	<b>86,552,245</b>	<b>86,627,510</b>	<b>73,554,141</b>	<b>81,775,916</b>	<b>81,972,858</b>	<b>80,565,229</b>	<b>68,545,629</b>
(g) Core Capital / Total deposits liabilities	18.71%	18.47%	16.90%	14.11%	16.63%	16.34%	16.29%	12.90%
(h) Minimum statutory ratio	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
<b>(i) Excess (g-h)</b>	<b>10.71%</b>	<b>10.47%</b>	<b>8.90%</b>	<b>6.11%</b>	<b>8.63%</b>	<b>8.34%</b>	<b>8.29%</b>	<b>4.90%</b>
(j) Core Capital / Total risk weighted assets	17.02%	16.73%	16.27%	13.95%	14.98%	12.45%	15.60%	12.71%
(k) Minimum statutory ratio	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
<b>(l) Excess (j-k)</b>	<b>9.02%</b>	<b>8.73%</b>	<b>8.27%</b>	<b>5.95%</b>	<b>6.98%</b>	<b>4.45%</b>	<b>7.60%</b>	<b>4.71%</b>
(m) Total Capital / Total risk weighted assets	17.82%	17.53%	17.11%	14.73%	15.77%	13.12%	16.44%	13.59%
(n) Minimum statutory ratio	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
<b>(o) Excess (m-n)</b>	<b>5.82%</b>	<b>5.53%</b>	<b>5.11%</b>	<b>2.73%</b>	<b>3.77%</b>	<b>1.12%</b>	<b>4.44%</b>	<b>1.59%</b>
<b>5. LIQUIDITY</b>								
(a) Liquidity Ratio	33.49%	32.79%	34.84%	34.72%	35.16%	33.22%	35.27%	29.45%
(b) Minimum statutory ratio	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
<b>(c) Excess (a-b)</b>	<b>13.49%</b>	<b>12.79%</b>	<b>14.84%</b>	<b>14.72%</b>	<b>15.16%</b>	<b>13.22%</b>	<b>15.27%</b>	<b>9.45%</b>

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](http://www.nic-bank.com). They may also be accessed at the institution's head office located at NIC House, Masaba Road, Nairobi.

By order of the Board,

Livingstone Murage  
Group Company Secretary