



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, 2011.

BALANCE SHEET	Group				Bank			
	30th June, 2011 Un-Audited Shs '000	31st March, 2011 Un-Audited Shs '000	31st Dec, 2010 Audited Shs '000	30th June, 2010 Un-audited Shs '000	30th June, 2011 Un-Audited Shs '000	31st March, 2011 Un-Audited Shs '000	31st Dec, 2010 Audited Shs '000	30th June, 2010 Un-audited Shs '000
<b>ASSETS</b>								
Cash ( both Local & Foreign)	593,233	665,276	581,101	660,715	474,243	513,341	476,633	505,770
Balances due from Central Banks	3,459,824	3,520,947	4,117,636	3,164,426	2,539,570	2,985,988	3,587,981	2,756,814
Government securities	5,485,373	1,765,520	1,808,041	5,078,313	5,055,074	1,473,813	1,580,418	4,729,205
Foreign Currency Treasury Bills & Bonds	-	-	-	-	-	-	-	-
Deposits and balances due from local banking institutions	2,184,480	3,338,865	2,663,125	120,543	1,348,133	2,502,518	2,053,368	95,975
Deposits and balances due from banking institutions abroad	2,869,805	6,379,881	3,711,700	6,586,154	2,731,373	5,488,018	2,558,567	6,286,833
Government and other securities held for dealing purposes	3,366,317	3,455,534	3,265,990	1,398,880	3,366,317	3,455,534	3,265,990	1,253,146
Tax recoverable	22,161	14,812	8,180	16,994	-	-	-	-
Loans and advances to customers (net)	47,263,092	42,800,770	40,754,979	35,761,075	44,515,093	40,424,880	38,340,879	33,730,949
Investment securities	34,001	40,349	51,703	21,995	-	-	-	-
Balances due from group companies	-	-	-	-	56,752	11,954	481,712	1,758
Investments in associates	-	-	-	-	-	-	-	-
Investments in subsidiary companies	-	-	-	-	1,147,786	1,147,786	1,147,786	1,147,786
Investments in joint ventures	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-
Property and equipment	738,540	722,178	750,530	751,595	700,124	687,475	688,266	725,288
Prepaid lease rentals	7,562	7,594	7,625	7,687	7,562	7,594	7,625	7,687
Intangible assets	895,251	767,732	767,496	696,437	256,946	129,921	129,357	63,582
Deferred tax asset	12,113	12,116	11,839	22,113	-	-	-	-
Retirement benefit asset	-	-	-	-	-	-	-	-
Other assets	880,206	283,918	513,977	393,549	582,650	101,444	457,850	297,715
<b>TOTAL ASSETS</b>	<b>67,811,958</b>	<b>63,775,492</b>	<b>59,013,922</b>	<b>54,680,476</b>	<b>62,781,623</b>	<b>58,930,266</b>	<b>54,776,432</b>	<b>51,602,508</b>
<b>LIABILITIES</b>								
Balances due to Central Banks	-	-	-	-	-	-	-	-
Customer deposits	55,521,105	51,331,924	48,492,224	44,019,154	52,069,441	48,244,003	45,317,661	41,647,106
Deposits and balances due to local banking institutions	1,999,944	1,823,886	732,384	1,821,241	1,026,429	501,306	100,411	1,522,439
Deposits and balances due to foreign banking institutions	-	-	1,068	-	-	-	1,068	-
Other money market deposits	-	-	-	-	-	-	-	-
Borrowed funds	269,253	286,479	303,284	398,330	269,253	286,479	303,284	398,330
Balances due to group companies	-	-	-	-	215,068	454,934	264,818	208,801
Tax payable	88,470	411,941	179,344	107,520	81,385	403,495	174,215	104,317
Dividends payable	-	-	-	-	-	-	-	-
Deferred tax liability	10,014	10,014	10,014	18,651	10,014	10,014	10,014	18,651
Retirement benefit liability	-	-	-	-	-	-	-	-
Other liabilities	880,472	992,081	942,375	717,625	616,408	619,750	709,107	504,633
<b>TOTAL LIABILITIES</b>	<b>58,769,258</b>	<b>54,856,325</b>	<b>50,660,693</b>	<b>47,082,521</b>	<b>54,287,998</b>	<b>50,519,981</b>	<b>46,880,578</b>	<b>44,404,277</b>
<b>EQUITY</b>								
Paid up / Assigned capital	1,974,488	1,794,989	1,794,989	1,794,989	1,974,488	1,794,989	1,794,989	1,794,989
Share premium	-	28,848	28,848	28,848	-	28,848	28,848	28,848
Revaluation reserves	(319,249)	12,728	(2,663)	202,964	(272,449)	59,228	68,050	246,994
Retained earnings	6,526,111	6,178,071	5,658,467	4,862,088	6,363,517	6,048,428	5,548,162	4,810,630
Statutory loan reserves	431,258	392,231	369,372	323,845	428,069	389,043	366,056	316,770
Proposed dividends	-	89,749	89,749	-	-	89,749	89,749	-
Capital grants	-	-	-	-	-	-	-	-
	<b>8,612,608</b>	<b>8,496,616</b>	<b>7,938,762</b>	<b>7,212,734</b>	<b>8,493,625</b>	<b>8,410,285</b>	<b>7,895,854</b>	<b>7,198,231</b>
<b>Non-controlling interests</b>	<b>430,092</b>	<b>422,551</b>	<b>414,467</b>	<b>385,221</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY</b>	<b>9,042,700</b>	<b>8,919,167</b>	<b>8,353,229</b>	<b>7,597,955</b>	<b>8,493,625</b>	<b>8,410,285</b>	<b>7,895,854</b>	<b>7,198,231</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>67,811,958</b>	<b>63,775,492</b>	<b>59,013,922</b>	<b>54,680,476</b>	<b>62,781,623</b>	<b>58,930,266</b>	<b>54,776,432</b>	<b>51,602,508</b>

PROFIT AND LOSS ACCOUNT	Group				Bank			
	30th June, 2011 Un-Audited Shs '000	31st March, 2011 Un-Audited Shs '000	31st Dec, 2010 Audited Shs '000	30th June, 2010 Un-audited Shs '000	30th June, 2011 Un-Audited Shs '000	31st March, 2011 Un-Audited Shs '000	31st Dec, 2010 Audited Shs '000	30th June, 2010 Un-audited Shs '000
<b>INTEREST INCOME</b>								
Loans and advances	2,453,574	1,192,093	4,386,294	2,081,638	2,262,243	1,099,469	4,097,644	1,969,411
Government securities	215,427	97,083	470,811	230,750	202,893	91,330	430,471	213,520
Deposits and placements with banking institutions	43,818	25,024	71,784	38,668	28,187	13,765	43,089	21,152
Other Interest Income	3,829	1,978	14,475	9,739	3,829	1,978	14,475	9,739
<b>TOTAL INTEREST INCOME</b>	<b>2,716,648</b>	<b>1,316,178</b>	<b>4,943,364</b>	<b>2,360,795</b>	<b>2,497,152</b>	<b>1,206,542</b>	<b>4,585,679</b>	<b>2,213,822</b>
<b>INTEREST EXPENSE</b>								
Customer deposits	761,061	352,936	1,506,497	892,744	687,536	316,924	1,412,378	850,949
Deposits and placement from banking institutions	17,083	6,765	23,590	11,724	10,431	2,411	10,243	6,278
Other interest expenses	5,038	2,571	13,806	5,956	3,598	1,856	10,894	5,956
<b>TOTAL INTEREST EXPENSE</b>	<b>783,182</b>	<b>362,272</b>	<b>1,543,893</b>	<b>910,424</b>	<b>701,565</b>	<b>321,191</b>	<b>1,433,515</b>	<b>863,183</b>
<b>NET INTEREST INCOME</b>	<b>1,933,466</b>	<b>953,906</b>	<b>3,399,471</b>	<b>1,450,371</b>	<b>1,795,587</b>	<b>885,351</b>	<b>3,152,164</b>	<b>1,350,639</b>
<b>OTHER OPERATING INCOME</b>								
Fees and commissions on loans and advances	223,694	98,332	324,499	139,285	182,213	86,002	287,157	123,818
Other fees and commissions	223,864	98,072	358,551	167,590	205,880	89,516	308,326	153,137
Foreign exchange trading income	362,553	164,471	547,568	303,305	331,417	155,327	430,439	251,159
Dividend Income	-	-	-	-	-	-	-	-
Other income	233,609	115,861	638,096	354,667	124,162	74,840	494,367	285,263
<b>TOTAL NON-INTEREST INCOME</b>	<b>1,043,720</b>	<b>476,736</b>	<b>1,868,714</b>	<b>964,848</b>	<b>843,672</b>	<b>405,685</b>	<b>1,520,289</b>	<b>813,377</b>
<b>TOTAL OPERATING INCOME</b>	<b>2,977,186</b>	<b>1,430,642</b>	<b>5,268,185</b>	<b>2,415,219</b>	<b>2,639,259</b>	<b>1,291,036</b>	<b>4,672,453</b>	<b>2,164,016</b>
<b>OPERATING EXPENSES</b>								
Loan loss provision	78,060	8,902	316,640	107,030	50,783	8,902	290,145	93,783
Staff costs	714,833	350,005	1,236,277	609,542	603,565	296,452	1,041,898	511,087
Directors' emoluments	49,999	24,583	105,853	34,915	39,570	19,395	77,774	29,581
Rental charges	61,734	30,476	107,323	48,477	43,252	21,469	74,617	34,789
Depreciation charge on property and equipment	74,287	36,376	148,579	63,200	68,436	33,597	139,139	58,893
Amortisation charges	15,130	7,148	26,240	25,096	13,291	6,431	23,725	24,157
Other operating expenses	382,062	169,814	718,881	322,723	316,737	140,744	608,813	277,760
<b>TOTAL OPERATING EXPENSES</b>	<b>1,376,105</b>	<b>627,304</b>	<b>2,659,793</b>	<b>1,210,983</b>	<b>1,135,634</b>	<b>526,990</b>	<b>2,256,111</b>	<b>1,030,050</b>
Profit before tax and exceptional items	1,601,081	803,338	2,608,392	1,204,236	1,503,625	764,046	2,416,342	1,133,966
Exceptional items	-	-	-	-	-	-	-	-
<b>PROFIT AFTER EXCEPTIONAL ITEMS</b>	<b>1,601,081</b>	<b>803,338</b>	<b>2,608,392</b>	<b>1,204,236</b>	<b>1,503,625</b>	<b>764,046</b>	<b>2,416,342</b>	<b>1,133,966</b>
Current tax	(505,275)	(253,224)	(743,120)	(386,187)	(475,606)	(241,222)	(694,582)	(365,105)
Deferred tax	-	-	(1,354)	-	-	-	8,637	-
<b>PROFIT AFTER TAX AND EXCEPTIONAL ITEMS</b>	<b>1,095,806</b>	<b>550,114</b>	<b>1,863,918</b>	<b>818,049</b>	<b>1,028,019</b>	<b>522,824</b>	<b>1,730,397</b>	<b>768,861</b>
	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>
<b>EARNINGS PER SHARE- BASIC &amp; DILUTED</b>	<b>2.65</b>	<b>1.27</b>	<b>4.60</b>	<b>1.95</b>	<b>2.48</b>	<b>1.20</b>	<b>4.26</b>	<b>1.83</b>
<b>INTERIM DIVIDEND PER SHARE - PROPOSED</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>0.25</b>
<b>FINAL DIVIDEND PER SHARE - DECLARED</b>	<b>-</b>	<b>-</b>	<b>0.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.25</b>	<b>-</b>

## OTHER DISCLOSURES

	Group				Bank			
	30th June, 2011 Un-Audited Shs '000	31st March, 2011 Un-Audited Shs '000	31st Dec, 2010 Audited Shs '000	30th June, 2010 Un-audited Shs '000	30th June, 2011 Un-Audited Shs '000	31st March, 2011 Un-Audited Shs '000	31st Dec, 2010 Audited Shs '000	30th June, 2010 Un-audited Shs '000
<b>1. NON-PERFORMING LOANS AND ADVANCES</b>								
(a) Gross Non-performing loans and advances					2,702,238	2,305,770	2,182,167	2,055,414
(b) Less Interest in Suspense					881,912	884,499	798,974	732,916
<b>(c) TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)</b>					<b>1,820,326</b>	<b>1,421,271</b>	<b>1,383,193</b>	<b>1,322,498</b>
(d) Less Loan Loss Provision					1,387,217	1,336,580	1,321,616	1,120,941
<b>(e) NET NON-PERFORMING LOANS AND ADVANCES (c-d)</b>					<b>433,109</b>	<b>84,691</b>	<b>61,577</b>	<b>201,557</b>
(f) Discounted Value of Securities					433,109	84,691	61,577	201,557
<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					1,317,578	1,334,653	1,372,242	1,209,717
(b) Employees					478,281	438,374	439,708	415,712
<b>(c) TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES</b>					<b>1,795,859</b>	<b>1,773,027</b>	<b>1,811,950</b>	<b>1,625,429</b>
<b>3. OFF-BALANCE SHEET ITEMS</b>								
(a) Letters of credit, guarantees, acceptances					10,888,050	8,891,475	10,255,952	6,720,151
(b) Other contingent liabilities					14,875,801	14,669,289	9,456,097	10,057,897
<b>(c) TOTAL CONTINGENT LIABILITIES</b>					<b>25,763,851</b>	<b>23,560,764</b>	<b>19,712,049</b>	<b>16,778,048</b>
<b>4. CAPITAL STRENGTH</b>								
(a) Core capital					7,227,711	7,015,164	6,874,341	5,643,168
(b) Minimum Statutory Capital					500,000	500,000	500,000	350,000
<b>(c) Excess (a-b)</b>					<b>6,727,711</b>	<b>6,515,164</b>	<b>6,374,341</b>	<b>5,293,168</b>
(d) Supplementary Capital					470,425	431,400	408,413	359,126
<b>(e) TOTAL CAPITAL (a+d)</b>					<b>7,698,136</b>	<b>7,446,564</b>	<b>7,282,754</b>	<b>6,002,294</b>
<b>(f) TOTAL RISK WEIGHTED ASSETS</b>					<b>52,795,566</b>	<b>48,049,430</b>	<b>46,954,840</b>	<b>40,983,569</b>
(g) Core Capital / Total deposits liabilities					13.93%	14.57%	15.21%	13.59%
(h) Minimum statutory ratio					8.00%	8.00%	8.00%	8.00%
<b>(i) Excess (g-h)</b>					<b>5.93%</b>	<b>6.57%</b>	<b>7.21%</b>	<b>5.59%</b>
(j) Core Capital / Total risk weighted assets					13.69%	14.60%	14.64%	13.77%
(k) Minimum statutory ratio					8.00%	8.00%	8.00%	8.00%
<b>(l) Excess (j-k)</b>					<b>5.69%</b>	<b>6.60%</b>	<b>6.64%</b>	<b>5.77%</b>
(m) Total Capital / Total risk weighted assets					14.58%	15.50%	15.51%	14.65%
(n) Minimum statutory ratio					12.00%	12.00%	12.00%	12.00%
<b>(o) Excess (m-n)</b>					<b>2.58%</b>	<b>3.50%</b>	<b>3.51%</b>	<b>2.65%</b>
<b>5. LIQUIDITY</b>								
(a) Liquidity Ratio					28.61%	31.95%	30.38%	33.86%
(b) Minimum statutory ratio					20.00%	20.00%	20.00%	20.00%
<b>(c) Excess (a-b)</b>					<b>8.61%</b>	<b>11.95%</b>	<b>10.38%</b>	<b>13.86%</b>

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

The Directors have approved payment of an interim dividend of Ksh 0.25 for every ordinary share of Ksh 5 held. Dividend warrants will be posted on or about 5th October, 2011 to all members in the register at the close of business on 15th September, 2011.

The register of members will therefore be closed on 16th September, 2011 for purposes of preparing dividend warrants.

By order of the Board,

Livingstone Murage  
Group Company Secretary