



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, 2016.

STATEMENT OF FINANCIAL POSITION	Group				Bank			
	30th June, 2016 Un-audited Shs '000	31st March, 2016 Un-audited Shs '000	31st Dec, 2015 Audited Shs '000	30th June, 2015 Un-audited Shs '000	30th June, 2016 Un-audited Shs '000	31st March, 2016 Un-audited Shs '000	31st Dec, 2015 Audited Shs '000	30th June, 2015 Un-audited Shs '000
ASSETS								
Cash (both Local & Foreign)	1,606,126	1,647,321	1,662,734	1,430,026	1,084,721	1,103,811	1,290,137	1,020,953
Balances due from Central Banks	6,510,979	8,752,834	7,277,322	8,496,328	5,107,118	7,577,577	6,001,492	7,490,097
Kenyan Government securities held for dealing purposes	-	-	-	-	-	-	-	-
Financial assets at fair value through profit & loss	43,695	42,692	78,929	104,074	-	-	-	-
Investment Securities:								
a) Held to Maturity								
a. Kenya Government securities	10,134,937	5,312,429	5,309,953	3,297,469	10,134,937	5,312,429	5,309,953	3,297,469
b. Other securities	2,508,691	2,259,867	2,158,244	1,235,849	-	-	-	-
b) Available for sale:								
a. Kenya Government securities	15,855,713	17,425,757	19,703,042	16,630,835	15,855,713	17,425,757	19,703,042	16,630,835
b. Other securities	564,344	573,279	661,739	1,139,398	-	-	-	-
Deposits and balances due from local banking institutions	643,890	2,807,678	996,948	3,940,571	153,056	2,117,904	188,670	2,759,461
Deposits and balances due from banking institutions abroad	12,593,543	3,173,639	5,678,692	2,890,037	12,059,480	3,006,440	5,275,450	2,146,586
Tax recoverable	588,342	116,347	112,729	267,483	478,078	-	-	179,896
Loans and advances to customers (net)	112,150,830	111,987,605	116,009,302	108,303,620	104,821,272	104,816,520	107,867,710	99,864,667
Balances due from banking institutions in the group	-	-	-	-	1,431,157	1,597,024	2,409,572	1,789,499
Investments in associates	-	-	-	-	-	-	-	-
Investments in subsidiary companies	-	-	-	-	4,357,701	4,357,701	4,357,701	4,307,701
Investments in joint ventures	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-
Property and equipment	1,067,345	1,007,252	1,063,760	999,794	845,900	788,292	809,600	789,689
Prepaid lease rentals	522,937	522,969	523,000	523,062	6,937	6,969	7,000	7,062
Intangible assets	1,070,784	1,074,230	991,513	1,014,859	487,497	491,170	511,896	534,342
Deferred tax asset	1,362,982	1,364,205	1,352,550	270,056	1,167,587	1,167,587	1,167,586	109,113
Retirement benefit asset	-	-	-	-	-	-	-	-
Other assets	1,833,197	2,833,077	2,207,811	2,663,626	1,494,436	2,493,024	1,862,416	2,449,215
TOTAL ASSETS	169,058,335	160,901,181	165,788,268	153,207,087	159,485,590	152,262,205	156,762,225	143,376,585
LIABILITIES								
Balances due to Central Banks	-	-	-	-	-	-	-	-
Customer deposits	112,000,727	110,331,939	112,364,637	105,149,982	104,364,659	103,208,309	105,194,000	97,428,794
Deposits and balances due to local banking institutions	101,469	1,060,675	3,725,753	735,651	101,469	101,800	2,991,350	214,355
Deposits and balances due to foreign banking institutions	5,776,422	4,695,614	5,338,799	4,271,030	4,480,785	4,695,614	4,743,263	4,271,030
Other money market deposits	-	-	-	-	-	-	-	-
Borrowed funds	20,412,988	15,232,609	15,356,190	15,666,553	19,327,867	14,007,994	14,131,007	14,294,066
Balances due to banking institutions in the group	-	-	-	-	199,804	173,201	337,431	42,823
Tax payable	9,283	527,849	148,480	7,195	-	522,557	138,567	-
Dividends payable	-	-	-	-	-	-	-	-
Deferred tax liability	-	-	-	-	-	-	-	-
Retirement benefit liability	-	-	-	-	-	-	-	-
Other liabilities	2,467,511	1,936,935	2,508,267	3,234,122	2,647,477	2,116,537	2,772,221	2,976,423
TOTAL LIABILITIES	140,768,400	133,785,621	139,442,126	129,064,533	131,122,061	124,826,012	130,307,839	119,227,491
EQUITY								
Paid up / Assigned capital	3,199,728	3,199,728	3,199,728	3,199,728	3,199,728	3,199,728	3,199,728	3,199,728
Share Premium	2,700,017	2,700,017	2,700,017	2,731,255	2,700,017	2,700,017	2,700,017	2,731,255
Revaluation reserves	179,983	179,983	179,983	184,764	179,983	179,983	179,983	184,764
Retained earnings	21,563,238	19,841,203	19,421,924	18,191,428	21,234,112	19,543,914	19,363,527	17,929,300
Statutory loan reserves	1,409,194	1,851,231	1,314,333	1,092,005	1,193,192	1,652,919	937,629	951,042
Other reserves	(1,265,792)	(1,791,302)	(1,595,132)	(1,745,794)	(143,503)	(480,314)	(566,443)	(846,995)
Proposed dividends	-	639,946	639,946	-	-	639,946	639,946	-
Capital grants	-	-	-	-	-	-	-	-
	27,786,368	26,620,806	25,860,798	23,653,386	28,363,529	27,436,193	26,454,386	24,149,094
Non-controlling interests	503,567	494,754	485,344	489,168	-	-	-	-
TOTAL EQUITY	28,289,935	27,115,560	26,346,142	24,142,554	28,363,529	27,436,193	26,454,386	24,149,094
TOTAL LIABILITIES AND EQUITY	169,058,335	160,901,181	165,788,268	153,207,087	159,485,590	152,262,205	156,762,225	143,376,585

STATEMENT OF COMPREHENSIVE INCOME	Group				Bank			
	30th June, 2016 Un-audited Shs '000	31st March, 2016 Un-audited Shs '000	31st Dec, 2015 Audited Shs '000	30th June, 2015 Un-audited Shs '000	30th June, 2016 Un-audited Shs '000	31st March, 2016 Un-audited Shs '000	31st Dec, 2015 Audited Shs '000	30th June, 2015 Un-audited Shs '000
INTEREST INCOME								
Loans and advances	7,991,572	4,066,628	13,958,009	6,413,626	7,519,517	3,829,042	12,907,925	5,918,986
Government securities	1,780,442	897,288	2,721,959	1,166,869	1,539,886	777,941	2,339,852	970,782
Deposits and placements with banking institutions	83,968	43,341	334,164	152,750	54,816	27,239	261,460	128,888
Other interest income	-	-	-	-	-	-	-	-
TOTAL INTEREST INCOME	9,855,982	5,007,257	17,014,132	7,733,245	9,114,219	4,634,222	15,509,237	7,018,656
INTEREST EXPENSE								
Customer deposits	3,093,957	1,710,451	5,836,296	2,551,469	2,924,567	1,621,286	5,406,341	2,339,610
Deposits and placement from banking institutions	58,027	31,865	238,465	77,600	24,019	12,268	170,924	38,974
Other interest expenses	628,884	310,138	1,196,838	578,074	580,711	281,980	1,083,900	534,648
TOTAL INTEREST EXPENSE	3,780,868	2,052,454	7,271,599	3,207,143	3,529,297	1,915,534	6,661,165	2,913,232
NET INTEREST INCOME	6,075,114	2,954,803	9,742,533	4,526,102	5,584,922	2,718,688	8,848,072	4,105,424
OTHER OPERATING INCOME								
Fees and commissions on loans and advances	643,044	322,429	1,202,807	630,765	598,442	296,937	1,116,683	595,061
Other fees and commissions	383,243	183,183	641,622	290,514	338,099	161,466	554,093	251,175
Foreign exchange trading income	577,354	305,109	1,431,231	700,409	533,933	282,595	1,257,433	585,394
Dividend income	-	-	-	-	-	-	-	-
Other income	553,445	326,758	756,500	372,704	389,474	204,093	490,621	239,485
TOTAL NON-INTEREST INCOME	2,157,086	1,137,479	4,032,160	1,994,392	1,859,948	945,091	3,418,830	1,671,115
TOTAL OPERATING INCOME	8,232,200	4,092,282	13,774,693	6,520,494	7,444,870	3,663,779	12,266,902	5,776,539
OPERATING EXPENSES								
Loan loss provision	2,109,668	1,315,115	1,652,475	573,377	2,105,708	1,300,565	1,539,452	500,388
Staff costs	1,401,689	637,831	2,816,867	1,382,213	1,122,073	501,382	2,298,037	1,127,075
Directors' emoluments	102,032	49,301	247,042	75,992	56,318	26,531	168,119	58,261
Rental charges	197,204	93,387	338,681	157,801	123,322	58,296	189,908	97,309
Depreciation charge on property and equipment	128,152	51,668	276,977	154,471	94,303	47,270	199,458	104,699
Amortisation charges	113,974	68,118	215,478	95,679	91,147	45,546	183,066	90,851
Other operating expenses	960,799	477,594	1,829,898	869,073	814,647	404,182	1,429,206	688,590
TOTAL OPERATING EXPENSES	5,013,518	2,693,014	7,377,418	3,308,606	4,407,518	2,383,772	6,007,246	2,667,173
Profit before tax and exceptional items	3,218,682	1,399,268	6,397,275	3,211,888	3,037,352	1,280,007	6,259,656	3,109,366
Exceptional items	-	-	-	-	-	-	-	-
PROFIT AFTER EXCEPTIONAL ITEMS	3,218,682	1,399,268	6,397,275	3,211,888	3,037,352	1,280,007	6,259,656	3,109,366
Current tax	(913,580)	(408,479)	(2,388,860)	(970,910)	(911,205)	(384,002)	(2,331,269)	(932,810)
Deferred tax	-	-	476,710	-	-	-	462,936	-
PROFIT AFTER TAX AND EXCEPTIONAL ITEMS	2,305,102	990,789	4,485,125	2,240,978	2,126,147	896,005	4,391,323	2,176,556
Other Comprehensive Income:								
a. Exchange differences on translation of foreign operations	(93,600)	(350,403)	(316,478)	(110,023)	-	-	-	-
b. Fair value changes in available-for-sale financial assets	422,940	154,233	(342,050)	(699,167)	422,940	86,129	(363,786)	(644,338)
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	-	-	-	-	-	-	-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX	329,340	(196,170)	(658,528)	(809,190)	422,940	86,129	(363,786)	(644,338)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2,634,442	794,619	3,826,597	1,431,788	2,549,087	982,134	4,027,537	1,532,218
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
EARNINGS PER SHARE- BASIC & DILUTED	3.60	1.55	7.00	3.50	3.32	1.40	6.86	3.40
INTERIM DIVIDEND PER SHARE - DECLARED	0.25	-	0.25	0.25	0.25	-	0.25	0.25
FINAL DIVIDEND PER SHARE - DECLARED	-	-	1.00	-	-	-	1.00	-

OTHER DISCLOSURES	Group				Bank			
	30th June, 2016 Un-audited Shs '000	31st March, 2016 Un-audited Shs '000	31st Dec, 2015 Audited Shs '000	30th June, 2015 Un-audited Shs '000	30th June, 2016 Un-audited Shs '000	31st March, 2016 Un-audited Shs '000	31st Dec, 2015 Audited Shs '000	30th June, 2015 Un-audited Shs '000
1. NON-PERFORMING LOANS AND ADVANCES								
(a) Gross Non-performing loans and advances	12,565,456	13,391,635	14,351,893	8,812,449	11,752,101	12,831,033	13,194,946	8,027,692
(b) Less Interest in Suspense	553,456	1,461,626	1,123,359	2,511,149	513,565	1,421,705	1,029,881	2,420,638
(c) TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)	12,012,000	11,930,009	13,228,534	6,301,300	11,238,536	11,409,328	12,165,065	5,607,054
(d) Less Loan Loss Provision	3,952,895	3,732,017	2,776,627	2,769,587	3,662,404	3,451,074	2,388,738	2,504,751
(e) NET NON-PERFORMING LOANS AND ADVANCES (c-d)	8,059,105	8,197,992	10,451,907	3,531,712	7,576,132	7,958,254	9,776,327	3,102,303
(f) Discounted Value of Securities	8,059,105	8,197,992	10,451,907	3,531,712	7,576,132	7,958,254	9,776,327	3,102,303
(g) NET NPLS EXPOSURE (e-f)	-	-	-	-	-	-	-	-
2. INSIDER LOANS AND ADVANCES								
(a) Directors, shareholders and associates	750,184	565,118	752,748	2,407,473	694,513	517,483	713,365	2,374,040
(b) Employees	1,815,159	1,669,972	1,303,042	1,226,357	1,770,210	1,640,222	1,273,710	1,212,191
(c) TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES	2,565,344	2,235,090	2,055,790	3,633,829	2,464,723	2,157,705	1,987,075	3,586,231
3. OFF-BALANCE SHEET ITEMS								
(a) Letters of credit, guarantees, acceptances	17,538,193	17,429,228	14,087,329	15,767,978	17,325,958	17,233,223	13,819,894	15,427,532
(b) Forwards, Swaps and options	24,082,204	26,127,191	21,346,126	35,953,833	24,082,204	26,127,191	21,346,126	35,750,762
(c) Other contingent liabilities	1,585,271	1,591,455	821,955	919,116	-	-	-	-
(d) TOTAL CONTINGENT LIABILITIES	43,205,667	45,147,874	36,255,410	52,640,926	41,408,162	43,360,414	35,166,020	51,178,294
4. CAPITAL STRENGTH								
(a) Core capital	25,141,642	23,253,179	23,427,721	21,078,952	22,071,315	20,996,520	21,529,429	19,456,693
(b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
(c) Excess (a-b)	24,141,642	22,253,179	22,427,721	20,078,952	21,071,315	19,996,520	20,529,429	18,456,693
(d) Supplementary Capital	10,225,995	9,456,463	8,898,701	8,492,035	9,011,641	9,295,662	8,827,078	8,770,045
(e) TOTAL CAPITAL (a+d)	34,367,636	32,709,642	32,326,422	29,570,987	31,082,955	30,292,181	30,356,507	28,226,738
(f) TOTAL RISK WEIGHTED ASSETS	150,443,200	151,849,001	157,017,833	144,730,581	142,366,737	144,241,703	148,255,517	139,423,290
(g) Core Capital / Total deposits liabilities	22.45%	20.54%	20.85%	21.93%	21.15%	20.34%	20.47%	20.01%
(h) Minimum statutory ratio	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
(i) Excess (g-h)	14.45%	12.54%	12.85%	13.93%	13.15%	12.34%	12.47%	12.01%
(j) Core Capital / Total risk weighted assets	16.71%	15.20%	14.92%	14.56%	15.50%	14.56%	14.52%	13.96%
(k) Minimum statutory ratio	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
(l) Excess (j-k)	6.21%	4.70%	4.42%	4.06%	5.00%	4.06%	4.02%	3.46%
(m) Total Capital / Total risk weighted assets	22.84%	21.42%	20.59%	20.43%	21.83%	21.00%	20.48%	20.25%
(n) Minimum statutory ratio	14.50%	14.50%	14.50%	14.50%	14.50%	14.50%	14.50%	14.50%
(o) Excess (m-n)	8.34%	6.92%	6.09%	5.93%	7.33%	6.50%	5.98%	5.75%
5. LIQUIDITY								
(a) Liquidity Ratio	38.63%	31.56%	29.22%	29.61%	38.40%	31.06%	29.80%	31.36%
(b) Minimum statutory ratio	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
(c) Excess (a-b)	18.63%	11.56%	9.22%	9.61%	18.40%	11.06%	9.80%	11.36%

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. They may also be accessed at the institution's head office located at NIC House, Masaba Road, Nairobi.

L MURAGE
GROUP COMPANY SECRETARY