



The Board of Directors of NIC Bank Limited is pleased to announce the audited financial results of the Group and Bank for the period ended 31st December, 2010.

BALANCE SHEET	Group		Bank	
	31st Dec, 2010 Audited Shs '000	31st Dec, 2009 Audited Shs '000	31st Dec, 2010 Audited Shs '000	31st Dec, 2009 Audited Shs '000
ASSETS				
Cash (both Local & Foreign)	581,101	635,529	476,633	546,664
Balances due from Central Banks	4,117,636	3,119,249	3,587,981	2,726,024
Government securities	1,808,041	3,600,032	1,580,418	3,146,825
Foreign Currency Treasury Bills & Bonds	-	-	-	-
Deposits and balances due from local banking institutions	2,053,368	586,458	2,053,368	785,218
Deposits and balances due from banking institutions abroad	4,321,457	4,350,158	2,558,567	3,271,083
Government and other securities held for dealing purposes	3,265,990	732,048	3,265,990	711,278
Tax recoverable	8,180	70,563	-	37,334
Loans and advances to customers (net)	40,754,979	32,511,082	38,340,879	31,133,485
Investment securities	51,703	42,998	481,712	2,346
Balances due from group companies	-	-	-	-
Investments in associates	-	-	1,147,786	1,147,786
Investments in subsidiary companies	-	-	-	-
Investments in joint ventures	-	-	-	-
Investment properties	750,530	798,255	688,266	769,348
Property and equipment	7,625	7,750	7,625	7,750
Prepaid lease rentals	767,496	692,706	129,357	57,893
Intangible assets	11,839	22,342	-	-
Deferred tax asset	-	-	-	-
Retirement benefit asset	513,977	389,071	457,850	312,279
Other assets	-	-	-	-
TOTAL ASSETS	59,013,922	47,558,241	54,776,432	44,655,313
LIABILITIES				
Balances due to Central Banks	48,492,224	39,514,275	45,317,661	36,977,360
Customer deposits	733,452	56,767	100,411	-
Deposits and balances due to local banking institutions	-	-	1,068	-
Deposits and balances due to foreign banking institutions	303,284	465,202	303,284	465,202
Other money market deposits	-	-	264,818	224,090
Borrowed funds	179,344	860	174,215	-
Balances due to group companies	-	-	10,014	18,651
Tax payable	10,014	18,651	-	-
Dividends payable	-	-	-	-
Deferred tax liability	-	-	-	-
Retirement benefit liability	942,372	710,232	709,107	536,048
Other liabilities	50,660,690	40,765,987	46,880,578	38,221,351
TOTAL LIABILITIES	50,660,690	40,765,987	46,880,578	38,221,351
EQUITY				
Paid up / Assigned capital	1,794,989	1,631,808	1,794,989	1,631,808
Share premium	28,848	192,600	28,848	192,600
Revaluation reserves	(2,663)	133,151	68,050	169,426
Retained earnings	5,658,471	4,092,163	5,548,162	4,072,452
Statutory loan reserves	369,372	293,161	366,056	286,086
Proposed dividends	89,749	81,590	89,749	81,590
Capital grants	7,998,766	6,424,473	7,895,854	6,433,962
Non-controlling interests	414,466	367,781	-	-
TOTAL EQUITY	8,353,232	6,792,254	7,895,854	6,433,962
TOTAL LIABILITIES AND EQUITY	59,013,922	47,558,241	54,776,432	44,655,313

	Group		Bank	
	31st Dec, 2010 Audited Shs '000	31st Dec 2009 Audited Shs '000	31st Dec, 2010 Audited Shs '000	31st Dec 2009 Audited Shs '000
PROFIT AND LOSS ACCOUNT				
INTEREST INCOME				
Loans and advances	4,386,294	3,995,961	4,097,644	3,832,569
Government securities	470,811	309,609	430,471	296,812
Deposits and placements with banking institutions	71,784	99,580	43,089	68,699
Other Interest Income	14,475	20,290	14,475	20,290
TOTAL INTEREST INCOME	4,943,364	4,425,440	4,585,679	4,218,370
INTEREST EXPENSE				
Customer deposits	1,506,497	1,953,450	1,412,378	1,856,654
Deposits and Placement from banking institutions	23,590	37,307	10,243	36,655
Other interest expenses	13,806	20,619	10,894	20,619
TOTAL INTEREST EXPENSE	1,543,893	2,011,376	1,433,515	1,913,928
NET INTEREST INCOME	3,399,471	2,414,064	3,152,164	2,304,442
OTHER OPERATING INCOME				
Fees and commissions on loans and advances	324,499	297,141	287,157	279,579
Other fees and commissions	358,552	395,130	308,326	375,522
Foreign exchange trading income	547,568	502,475	430,439	478,477
Dividend Income	638,097	266,695	494,367	216,265
Other income	1,868,716	1,461,441	1,520,289	1,349,843
TOTAL NON-INTEREST INCOME	5,266,187	3,875,505	4,672,453	3,654,285
TOTAL OPERATING INCOME				
OPERATING EXPENSES				
Loan loss provision	316,640	463,484	290,145	426,358
Staff costs	1,262,277	1,030,159	1,041,898	930,371
Directors' emoluments	79,853	91,200	77,774	76,833
Rental charges	107,323	71,253	74,617	61,053
Depreciation charge on property and equipment	148,579	121,469	139,139	117,636
Amortisation charges	26,240	24,854	23,725	24,461
Other operating expenses	718,881	546,293	608,813	488,681
TOTAL OPERATING EXPENSES	2,659,793	2,348,712	2,256,111	2,125,393
Profit before tax and exceptional items	2,608,394	1,526,793	2,416,342	1,528,892
Exceptional items	2,608,394	1,526,793	2,416,342	1,528,892
PROFIT AFTER EXCEPTIONAL ITEMS	-	-	-	-
Current tax	(743,120)	(473,585)	(694,582)	(471,560)
Deferred tax	(1,354)	32,510	8,637	3,251
PROFIT AFTER TAX AND EXCEPTIONAL ITEMS	1,863,920	1,085,718	1,730,397	1,060,583
EARNINGS PER SHARE- BASIC & DILUTED				
INTERIM DIVIDEND PER SHARE - PAID	5.06	3.01	4.82	2.95
FINAL DIVIDEND PER SHARE - DECLARED	0.25	0.25	0.25	0.25

OTHER DISCLOSURES

	Group	Bank
	31st Dec 2010 Audited Shs '000	31st Dec 2009 Audited Shs '000
1. NON-PERFORMING LOANS AND ADVANCES		
(a) Gross Non-performing loans and advances	2,182,167	2,056,691
(b) Less Interest in Suspense	798,974	645,234
(c) TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)	1,383,193	1,411,457
(d) Less Loan Loss Provision	1,321,616	1,025,951
(e) NET NON-PERFORMING LOANS AND ADVANCES (c-d)	61,577	385,506
(f) Discounted Value of Securities	61,577	385,506
(g) NET NPLS EXPOSURE (e-f)	-	-
2. INSIDER LOANS AND ADVANCES		
(a) Directors, Shareholders and Associates	1,372,242	1,102,227
(b) Employees	439,708	383,583
(g) TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES	1,811,950	1,485,810
3. OFF-BALANCE SHEET ITEMS		
(a) Letters of credit, guarantees, acceptances	10,255,952	6,513,517
(b) Other contingent liabilities	9,456,097	7,185,929
(c) TOTAL CONTINGENT LIABILITIES	19,712,049	13,699,446
4. CAPITAL STRENGTH		
(a) Core capital	6,874,341	5,382,165
(b) Minimum Statutory Capital	500,000	350,000
(c.) Excess (a-b)	6,374,341	5,032,165
(d) Supplementary Capital	408,413	328,443
(e) TOTAL CAPITAL (a+d)	7,282,754	5,710,608
(f) TOTAL RISK WEIGHTED ASSETS		
(g) Core Capital / Total deposits liabilities	15.21%	14.60%
(h) Minimum statutory ratio	8.00%	8.00%
(i) Excess (g-h)	7.21%	6.60%
(j) Core Capital / Total risk weighted assets	14.64%	14.59%
(k) Minimum statutory ratio	8.00%	8.00%
(l) Excess (j-k)	6.64%	6.59%
(m) Total Capital / Total risk weighted assets	15.51%	15.48%
(n) Minimum statutory ratio	12.00%	12.00%
(o) Excess (m-n)	3.51%	3.48%
5. LIQUIDITY		
(a) Liquidity Ratio	30.38%	30.24%
(b) Minimum statutory ratio	20.00%	20.00%
(c) Excess (a-b)	10.38%	10.24%

The Balance Sheet and Profit and Loss Statement are extracts from the audited 2010 financial statements as audited by Deloitte & Touche.
A full set of published accounts will be available from our offices once they are approved by members at the Annual General Meeting.

By order of the Board,

Livingstone Mirage
Group Company Secretary

ANNUAL GENERAL MEETING

Notice is hereby given that the fifty first Annual General Meeting of the shareholders of NIC Bank Limited will be held at the Kenyatta International Conference Centre (KICC), Nairobi - Tsavo Ball Room, on Wednesday 25th May, 2011 at 11.00a.m.

DIVIDEND

An interim dividend of Shs 0.25 was paid on 5th October, 2010. The Directors recommend payment of a final dividend of Shs 0.25 per share (2009 - Shs 0.25 per share) and subject to the approval of the shareholders at the Annual General Meeting, dividend warrants will be posted on or about 25th May, 2011 to all members on the register at the close of business on 7th April, 2011. The register of members will be closed for one day on 8th April, 2011.

ISSUE OF BONUS SHARES

The Directors recommend, subject to regulatory approvals and that of the shareholders, to make a bonus issue in the proportion of 1 new ordinary share for every 10 fully paid up ordinary shares then held, to the shareholders registered at the close of business on 7th April, 2011. The register of members will be closed for one day on 8th April, 2011.

The shareholders CDS accounts will be credited or bonus shares certificates posted on or about 25th May, 2011.

MESSAGE FROM THE DIRECTORS

The Balance Sheet and Profit & Loss statements are extracts from the Bank's financial statements as audited by Deloitte & Touche and have received an unqualified opinion. A full set of published accounts will be available from our registered offices once approved by members at the Annual General Meeting. The Accounts were approved by the Board of Directors on 23rd February, 2011.

By order of the Board,

Livingstone Murage
Group Company Secretary