



The Board of Directors of NIC Group PLC is pleased to announce the audited financial results of the Bank and Group for the period ended 31st December, 2018.

I STATEMENT OF FINANCIAL POSITION	BANK		COMPANY		GROUP	
	31st Dec, 2018 Audited Shs '000	31st Dec, 2017 Audited Shs '000	31st Dec, 2018 Audited Shs '000	31st Dec, 2017 Audited Shs '000	31st Dec, 2018 Audited Shs '000	31st Dec, 2017 Audited Shs '000
A ASSETS						
1 Cash (both Local & Foreign)	1,868,958	1,601,159	-	-	2,246,650	1,923,174
2 Balances due from Central Banks	8,675,288	6,541,951	-	-	9,726,252	7,592,957
3 Kenyan Government securities held for dealing purposes	-	-	-	-	-	-
4 Financial assets at fair value through profit & loss	-	-	-	-	691,915	617,872
5 Investment Securities:						
a) Held to Maturity						
a. Kenya Government securities	22,742,049	21,577,580	-	-	22,742,049	21,577,580
b. Other securities	-	-	-	-	1,927,530	1,753,872
b) Available for sale:						
a. Kenya Government securities	35,304,859	29,917,488	-	-	35,304,859	29,917,488
b. Other securities	-	-	-	-	1,190,680	948,767
6 Deposits and balances due from local banking institutions	-	-	-	-	2,288	32,784
7 Deposits and balances due from banking institutions abroad	4,449,858	11,434,450	-	-	5,250,774	12,392,284
8 Tax recoverable	919,156	201,179	19,232	34,822	1,075,176	395,513
9 Loans and advances to customers (net)	110,975,823	112,322,028	-	-	118,071,672	119,760,537
10 Balances due from banking institutions in the group	1,697,318	1,730,189	337,455	1,200,000	-	-
11 Investments in associates	-	-	-	-	-	-
12 Investments in subsidiary companies	-	-	29,568,705	29,118,705	-	-
13 Investments in joint ventures	-	-	-	-	-	-
14 Investment properties	-	-	-	-	-	-
15 Property and equipment	1,243,106	1,024,458	-	-	1,369,575	1,148,712
16 Prepaid lease rentals	6,625	6,750	-	-	522,625	522,750
17 Intangible assets	1,307,090	1,054,318	-	-	1,829,118	1,580,310
18 Deferred tax asset	4,032,275	3,125,493	-	-	4,395,617	3,418,176
19 Retirement benefit asset	-	-	-	-	-	-
20 Other assets	1,832,229	2,279,830	500	53,955	2,152,774	2,589,684
21 TOTAL ASSETS	195,054,634	192,816,873	29,925,892	30,407,482	208,499,554	206,172,460
B LIABILITIES						
22 Balances due to Central Banks	-	-	-	-	-	-
23 Customer deposits	136,071,763	130,560,881	-	-	144,501,060	138,916,570
24 Deposits and balances due to local banking institutions	8,689,970	11,442,430	-	-	8,689,970	11,442,430
25 Deposits and balances due to foreign banking institutions	457,988	2,584	-	-	1,216,459	696,065
26 Other money market deposits	-	-	-	-	-	-
27 Borrowed funds	14,868,336	17,025,858	-	-	14,868,336	17,025,858
28 Balances due to banking institutions in the group	84,307	139,541	-	-	-	-
29 Tax payable	-	-	-	-	11,288	5,045
30 Dividends payable	-	-	42,986	22,388	42,986	22,388
31 Deferred tax liability	-	-	-	-	-	-
32 Retirement benefit liability	-	-	-	-	-	-
33 Other liabilities	3,765,674	4,707,876	64,299	61,685	3,384,322	3,347,867
34 TOTAL LIABILITIES	163,938,038	163,879,170	107,285	84,073	172,714,421	171,456,223
C SHAREHOLDERS' FUNDS						
35 Paid up / Assigned capital	15,000,000	15,000,000	3,519,701	3,199,728	3,519,701	3,199,728
36 Share Premium	9,446,004	9,446,004	2,373,994	2,700,017	2,373,994	2,700,017
37 Revaluation reserves	175,750	-	-	-	175,750	-
38 Retained earnings	4,702,188	3,533,108	23,044,987	23,783,718	28,897,206	27,815,058
39 Statutory loan reserves	-	943,716	-	-	63,462	1,042,359
40 Other reserves	892,654	14,875	-	-	(484,711)	(1,131,707)
41 Proposed dividends	900,000	-	879,925	639,946	879,925	639,946
42 Capital grants	-	-	-	-	-	-
43 Non-controlling interests	31,116,596	28,937,703	29,818,607	30,323,409	35,425,327	34,265,401
44 TOTAL SHAREHOLDERS' FUNDS	31,116,596	28,937,703	29,818,607	30,323,409	35,785,133	34,716,237
45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	195,054,634	192,816,873	29,925,892	30,407,482	208,499,554	206,172,460



II STATEMENT OF COMPREHENSIVE INCOME	BANK		COMPANY		GROUP	
	31st Dec, 2018	31st Dec, 2017	31st Dec, 2018	31st Dec, 2017	31st Dec, 2018	31st Dec, 2017
	Audited Shs '000	Audited Shs '000	Audited Shs '000	Audited Shs '000	Audited Shs '000	Audited Shs '000
1 INTEREST INCOME						
1.1 Loans and advances	11,450,437	12,202,914	-	-	12,339,213	13,145,500
1.2 Government securities	6,451,319	4,720,018	-	-	6,836,149	5,210,043
1.3 Deposits and placements with banking institutions	130,741	67,001	59,124	-	120,448	59,879
1.4 Other interest income	-	-	-	-	-	-
1.5 TOTAL INTEREST INCOME	18,032,497	16,989,933	59,124	-	19,295,810	18,415,422
2 INTEREST EXPENSE						
2.1 Customer deposits	6,936,818	5,537,054	-	-	7,183,476	5,955,774
2.2 Deposits and placement from banking institutions	177,293	289,619	-	-	217,781	319,111
2.3 Other interest expenses	1,293,930	1,312,159	-	-	1,314,848	1,366,735
2.4 TOTAL INTEREST EXPENSE	8,408,041	7,138,832	-	-	8,716,105	7,641,620
3 NET INTEREST INCOME	9,624,456	9,851,101	59,124	-	10,579,705	10,773,802
4 NON - INTEREST INCOME						
4.1 Fees and commissions on loans and advances	1,424,778	1,276,434	-	-	1,516,765	1,404,759
4.2 Other fees and commissions	902,629	803,446	-	-	990,074	890,335
4.3 Foreign exchange trading income	1,187,563	1,092,920	-	-	1,277,502	1,158,930
4.4 Dividend income	-	-	200,000	-	-	-
4.5 Other income	555,466	471,199	145,811	46,708	853,859	710,316
4.6 TOTAL NON-INTEREST INCOME	4,070,436	3,643,999	345,811	46,708	4,638,200	4,164,340
5 TOTAL OPERATING INCOME	13,694,892	13,495,100	404,935	46,708	15,217,905	14,938,142
6 OPERATING EXPENSES						
6.1 Loan loss provision	2,038,271	2,779,913	-	-	2,353,977	2,979,723
6.2 Staff costs	2,903,784	2,516,271	103,449	23,358	3,608,823	3,177,296
6.3 Directors' emoluments	59,305	143,345	97,183	21,349	226,159	196,489
6.4 Rental charges	257,136	237,750	-	-	390,404	372,434
6.5 Depreciation charge on property and equipment	222,573	200,796	-	-	279,910	274,698
6.6 Amortisation charges	165,948	188,557	-	-	194,007	222,540
6.7 Other operating expenses	2,065,825	1,752,431	31,297	750	2,341,760	2,114,012
6.8 TOTAL OPERATING EXPENSES	7,712,842	7,819,063	231,929	45,457	9,395,040	9,337,192
7 Profit before tax and exceptional items	5,982,050	5,676,037	173,006	1,251	5,822,865	5,600,950
8 Exceptional items	-	-	-	-	-	-
9 PROFIT AFTER EXCEPTIONAL ITEMS	5,982,050	5,676,037	173,006	1,251	5,822,865	5,600,950
10 Current tax	(1,526,564)	(2,108,423)	(31,812)	34,822	(1,547,161)	(2,121,835)
11 Deferred tax	(48,230)	579,829	-	-	(47,334)	665,303
12 PROFIT AFTER TAX AND EXCEPTIONAL ITEMS	4,407,256	4,147,443	141,194	36,073	4,228,370	4,144,418
13 Other Comprehensive Income:						
13.1 Exchange differences on translation of foreign operations	-	-	-	-	(150,283)	(148,994)
13.2 Fair value changes in available-for-sale financial assets	515,231	984,072	-	-	489,349	120,979
13.3 Revaluation surplus on property, plant and equipment	175,750	-	-	-	175,750	-
13.4 Share of comprehensive income of associates	-	-	-	-	-	-
13.5 Income tax relating to components of other comprehensive income	-	-	-	-	-	-
14 OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX	690,981	984,072	-	-	514,816	(28,015)
15 TOTAL COMPREHENSIVE INCOME FOR THE YEAR	5,098,237	5,131,515	141,194	36,073	4,743,186	4,116,403
	Shs	Shs	Shs	Shs	Shs	Shs
EARNINGS PER SHARE- BASIC & DILUTED (Shs)	293.82	276.50	0.20	0.06	6.01	6.48
INTERIM DIVIDEND PER SHARE - DECLARED (Shs)	-	-	-	-	-	-
FINAL DIVIDEND PER SHARE - DECLARED (Shs)	60.00	-	1.25	1.00	1.25	1.00



III OTHER DISCLOSURES	BANK		COMPANY		GROUP	
	31st Dec, 2018	31st Dec, 2017	31st Dec, 2018	31st Dec, 2017	31st Dec, 2018	31st Dec, 2017
	Audited Shs '000	Audited Shs '000	Audited Shs '000	Audited Shs '000	Audited Shs '000	Audited Shs '000
1. NON-PERFORMING LOANS AND ADVANCES						
(a) Gross Non-performing loans and advances	15,830,063	13,264,825	-	-	16,840,373	14,320,960
(b) Less Interest in Suspense	2,096,327	1,214,317	-	-	2,166,420	1,282,160
(c) TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)	13,733,736	12,050,508	-	-	14,673,953	13,038,800
(d) Less Loan Loss Provision	4,714,260	4,922,952	-	-	5,161,412	5,265,710
(e) NET NON-PERFORMING LOANS AND ADVANCES (c-d)	9,019,476	7,127,556	-	-	9,512,541	7,773,090
(f) Discounted Value of Securities	9,019,476	7,127,556	-	-	9,512,541	7,773,090
(g) NET NPLS EXPOSURE (e-f)	-	-	-	-	-	-
2. INSIDER LOANS AND ADVANCES						
(a) Directors, shareholders and associates	1,012,452	571,342	-	-	1,086,362	678,070
(b) Employees	2,190,253	2,249,290	-	-	2,292,094	2,275,960
(c) TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES	3,202,705	2,820,632	-	-	3,378,456	2,954,030
3. OFF-BALANCE SHEET ITEMS						
(a) Letters of credit, guarantees, acceptances	14,349,249	14,504,043	-	-	14,757,111	14,700,202
(b) Forwards, Swaps and options	6,656,906	12,052,253	-	-	6,656,906	12,052,253
(c) Other contingent liabilities	-	-	-	-	2,239,732	546,883
(d) TOTAL CONTINGENT LIABILITIES	21,006,155	26,556,296	-	-	23,653,749	27,299,338
4. CAPITAL STRENGTH						
(a) Core capital	28,030,736	27,651,530	-	-	33,907,805	33,417,167
(b) Minimum Statutory Capital	1,000,000	1,000,000	-	-	1,000,000	1,000,000
(c) Excess (a-b)	27,030,736	26,651,530	-	-	32,907,805	32,417,167
(d) Supplementary Capital	2,826,247	5,312,857	-	-	2,889,709	5,411,500
(e) TOTAL CAPITAL (a+d)	29,856,983	31,964,388	-	-	36,797,514	37,828,667
(f) TOTAL RISK WEIGHTED ASSETS	165,126,598	165,647,097	-	-	173,578,841	174,375,225
(g) Core Capital / Total deposits liabilities	20.60%	21.18%	-	-	23.47%	24.06%
(h) Minimum statutory ratio	8.00%	8.00%	-	-	8.00%	8.00%
(i) Excess (g-h)	12.60%	13.18%	-	-	15.47%	16.06%
(j) Core Capital / Total risk weighted assets	16.98%	16.69%	-	-	19.53%	19.16%
(k) Minimum statutory ratio	10.50%	10.50%	-	-	10.50%	10.50%
(l) Excess (j-k)	6.48%	6.19%	-	-	9.03%	8.66%
(m) Total Capital / Total risk weighted assets	18.69%	19.90%	-	-	21.20%	22.27%
(n) Minimum statutory ratio	14.50%	14.50%	-	-	14.50%	14.50%
(o) Excess (m-n)	4.19%	5.40%	-	-	6.70%	7.77%
(p) Adjusted Core Capital / Total deposits liabilities*	22.32%	-	-	-	23.44%	-
(q) Adjusted Core Capital / Total risk weighted assets*	18.15%	-	-	-	19.26%	-
(r) Adjusted Total Capital / Total risk weighted assets*	19.83%	-	-	-	20.91%	-
5. LIQUIDITY						
(a) Liquidity Ratio	48.25%	46.72%	-	-	48.66%	48.23%
(b) Minimum statutory ratio	20.00%	20.00%	-	-	20.00%	20.00%
(c) Excess (a-b)	28.25%	26.72%	-	-	28.66%	28.23%

* The adjusted capital ratios include the expected credit loss provisions added back to Capital in line with Central Bank of Kenya guidance note issued in April 2018 on implementation of IFRS 9.

DIVIDEND

The Board of Directors recommends payment of a first and final dividend for the year of Shs 1.25 per share (2017: first and final dividend of Shs 1.00 per share). The dividend payment is subject to the approval of the shareholders at the forthcoming Annual General Meeting and will be payable to the shareholders registered on the company's register at the close of business on 18th April, 2019 (closing date for determination of entitlement to dividend) and, will be paid on or immediately after 6th May, 2019.

MESSAGE FROM THE DIRECTORS

The audited statement of comprehensive income for the Bank for the year ended 31 December 2017 comprises of the combined Kenyan banking business for 12 months whilst that of the Company (NIC Group PLC) represents the performance for the 4 months period to 31 December 2017.

The financial statements are extracts from the books of the institution as audited by PricewaterhouseCoopers and received an unqualified opinion. The complete set of audited financial statements, statutory and qualitative disclosures can be accessed on the institution's website www.nicgroup.com. They may also be accessed at the institution's head office located at NIC House, Masaba Road, Nairobi.

The financial statements were approved and authorized for issue by the Board of Directors on 20th March 2019 and were signed on its behalf by:

JPM Ndegwa
Chairman

J Gachora
Group Managing Director

PR Lopokoivit
Director

L Murage
Group Company Secretary