

NIC Bank Limited
Financial Statements for the year ended 31 December 2011

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011

| Note | Share capital Shs'000 | Share premium Shs'000 | Non-distributable | | | Distributable | | | Capital and reserves attributable to owners of the parent Shs'000 | Non-controlling interests Shs'000 | Total Shs'000 |
|--|--------------------------|--------------------------|--|--|---|-------------------------------|-----------------------------|-------------------|--|--------------------------------------|------------------|
| | | | Revaluation surplus on property Shs'000 | Investments revaluation reserve Shs'000 | Foreign currency translation reserve Shs'000 | Statutory reserves Shs'000 | Revenue reserves Shs'000 | | | | |
| At 1 January 2010 | 1,631,808 | 192,600 | 169,426 | (4,154) | (32,121) | 293,161 | 4,173,753 | 6,424,473 | 367,781 | 6,792,254 | |
| Profit for the year | - | - | - | - | - | - | 1,817,232 | 1,817,232 | 46,686 | 1,863,918 | |
| Other comprehensive income for the year: | | | | | | | | | | | |
| Fair value loss on available-for-sale financial assets | 35(c) | - | - | (92,441) | - | - | - | (92,441) | - | (92,441) | |
| Exchange differences on translation of foreign operation | 35(d) | - | - | - | (38,592) | - | - | (38,592) | - | (38,592) | |
| Total comprehensive income for the year | | - | - | (92,441) | (38,592) | - | 1,817,232 | 1,686,199 | 46,686 | 1,732,885 | |
| Transfer of excess depreciation | | - | (6,830) | - | - | - | 6,830 | - | - | - | |
| Deferred tax on excess depreciation | | - | 2,049 | - | - | - | (2,049) | - | - | - | |
| Transfer to statutory reserve | 35(e) | - | - | - | - | 76,211 | (76,211) | - | - | - | |
| Bonus issue of shares | 35(a) | 163,181 | (163,181) | - | - | - | - | - | - | - | |
| Bonus share issue expenses | 35(a) | - | (571) | - | - | - | - | (571) | - | (571) | |
| Dividends paid: | | | | | | | | | | | |
| - Final for 2009 | 34 | - | - | - | - | - | (81,590) | (81,590) | - | (81,590) | |
| - Interim 2010 | 34 | - | - | - | - | - | (89,749) | (89,749) | - | (89,749) | |
| At 31 December 2010 | 1,794,989 | 28,848 | 164,645 | (96,595) | (70,713) | 369,372 | 5,748,216 | 7,938,762 | 414,467 | 8,353,229 | |
| At 1 January 2011 | 1,794,989 | 28,848 | 164,645 | (96,595) | (70,713) | 369,372 | 5,748,216 | 7,938,762 | 414,467 | 8,353,229 | |
| Profit for the year | - | - | - | - | - | - | 2,652,458 | 2,652,458 | 54,679 | 2,707,137 | |
| Other comprehensive income for the year: | | | | | | | | | | | |
| Fair value loss on available-for-sale financial assets net of deferred tax | 35(c) | - | - | (340,569) | - | - | - | (340,569) | - | (340,569) | |
| Exchange differences on translation of foreign operation | 35(d) | - | - | - | (8,371) | - | - | (8,371) | - | (8,371) | |
| Total comprehensive income for the year | | - | - | (340,569) | (8,371) | | 2,652,458 | 2,303,518 | 54,679 | 2,358,197 | |
| Transfer of excess depreciation | | - | (6,830) | - | - | - | 6,830 | - | - | - | |
| Deferred tax on excess depreciation | | - | 2,049 | - | - | - | (2,049) | - | - | - | |
| Transfer to statutory reserve | 35(e) | - | - | - | - | 164,209 | (164,209) | - | - | - | |
| Bonus issue of shares | 35(a) | 179,499 | (28,848) | - | - | - | (150,651) | - | - | - | |
| Dividends paid: | | | | | | | | | | | |
| - Final for 2010 | 34 | - | - | - | - | - | (89,749) | (89,749) | - | (89,749) | |
| - Interim 2011 | 34 | - | - | - | - | - | (98,724) | (98,724) | - | (98,724) | |
| At 31 December 2011 | 1,974,488 | - | 159,864 | (437,164) | (79,084) | 533,581 | 7,902,122 | 10,053,807 | 469,146 | 10,522,953 | |

**BANK STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011**

| Note | Share capital Shs'000 | Share premium Shs'000 | Non-distributable | | Distributable | | Total Shs'000 |
|---|--------------------------|--------------------------|--|--|------------------------------|-----------------------------|------------------|
| | | | Revaluation surplus on property Shs'000 | Investments revaluation reserve Shs'000 | Statutory reserve Shs'000 | Revenue reserves Shs'000 | |
| At 1 January 2010 | 1,631,808 | 192,600 | 169,426 | - | 286,086 | 4,154,042 | 6,433,962 |
| Profit for the year | 35(c) | - | - | - | - | 1,730,397 | 1,730,397 |
| Fair value loss on available-for- sale financial assets | | - | - | (96,595) | - | - | (96,595) |
| Total comprehensive income for the year | | - | - | (96,595) | - | 1,730,397 | 1,633,802 |
| Transfer of excess depreciation | | - | - | (6,830) | - | 6,830 | - |
| Deferred tax on excess depreciation | | - | - | 2,049 | - | (2,049) | - |
| Transfer to statutory reserve | 35(e) | - | - | - | 79,970 | (79,970) | - |
| Bonus issue of shares | 35(a) | 163,181 | (163,181) | - | - | - | - |
| Bonus share issue expenses | 35(a) | - | (571) | - | - | - | (571) |
| Dividends paid: | | | | | | | |
| - Final for 2009 | 34 | - | - | - | - | (81,590) | (81,590) |
| - Interim for 2010 | 34 | - | - | - | - | (89,749) | (89,749) |
| At 31 December 2010 | 1,794,989 | 28,848 | 164,645 | (96,595) | 366,056 | 5,637,911 | 7,895,854 |
| At 1 January 2011 | 1,794,989 | 28,848 | 164,645 | (96,595) | 366,056 | 5,637,911 | 7,895,854 |
| Profit for the year | | - | - | - | - | 2,533,048 | 2,533,048 |
| Fair value loss on available-for- sale financial assets net of deferred tax | 35(c) | - | - | (340,569) | - | - | (340,569) |
| Total comprehensive income for the year | | - | - | (340,569) | - | 2,533,048 | 2,192,479 |
| Transfer of excess depreciation | | - | - | (6,830) | - | 6,830 | - |
| Deferred tax on excess depreciation | | - | - | 2,049 | - | (2,049) | - |
| Transfer to statutory reserve | | - | - | - | 141,463 | (141,463) | - |
| Bonus issue of shares | | 179,499 | (28,848) | - | - | (150,651) | - |
| Dividends paid: | | | | | | | |
| - Final for 2010 | 34 | - | - | - | - | (89,749) | (89,749) |
| - Interim 2011 | 34 | - | - | - | - | (98,724) | (98,724) |
| At 31 December 2011 | 1,974,488 | - | 159,864 | (437,164) | 507,519 | 7,695,153 | 9,899,860 |

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011

| Bank | | | Group | | |
|---|------------------|---|--------------------|------------------|--------|
| 2011 Shs'000 | 2010 Shs'000 | | 2011 Shs'000 | 2010 Shs'000 | Note |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| 1,061,287 | 2,067,579 | Cash generated from operations | 692,664 | 2,093,270 | 38 (a) |
| (950,051) | (483,033) | Income tax paid | (1,020,833) | (502,270) | 14 (c) |
| 111,236 | 1,584,546 | Net cash (used in)/generated from operating activities | (328,168) | 1,591,000 | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| (307,052) | (57,980) | Purchase of equipment | (375,026) | (102,043) | 26 |
| (306,759) | (95,173) | Purchase of intangible assets | (311,238) | (101,357) | 27 (a) |
| 990 | 1,115 | Proceeds from sale of equipment | 1,012 | 2,402 | 38(c) |
| (612,821) | (152,038) | Net cash used in investing activities | (685,252) | (200,998) | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| (182,749) | (164,983) | Dividends paid | (182,749) | (164,983) | 34 |
| - | (571) | Bonus share issue expenses paid | - | (571) | 35(a) |
| (182,749) | (165,554) | Net cash used in financing activities | (182,749) | (165,554) | |
| (684,334) | 1,266,954 | NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | (1,196,171) | 1,224,448 | |
| 6,863,687 | 5,596,733 | CASH AND CASH EQUIVALENTS AT 1 JANUARY | 8,254,584 | 7,087,017 | |
| - | - | Effect of foreign exchange rate changes | (2,771) | (56,881) | |
| 6,179,352 | 6,863,687 | CASH AND CASH EQUIVALENTS AT 31 DECEMBER | 7,055,642 | 8,254,584 | 38 (b) |