

## NATIONAL INDUSTRIAL CREDIT BANK LIMITED

**The Board of Directors of National Industrial Credit Bank Limited is pleased to announce the audited results of the group and the bank for the year ended 31 December 2004**

### **BALANCE SHEET**

	GROUP	GROUP	BANK	BANK
	2004 Shs '000	2003 Shs '000	2004 Shs '000	2003 Shs '000
<b>ASSETS</b>				
Cash & balances with Central Bank of Kenya	1,012,517	688,098	1,012,517	688,098
Government securities	1,751,907	1,972,145	1,751,907	1,972,145
Deposits and balances due from banking institutions	1,408,061	704,134	1,408,061	704,134
Government and other securities held for dealing purposes	-	-	-	-
Other assets	369,020	247,335	364,648	243,054
Tax recoverable	-	-	-	-
Loans and advances to customers (net)	11,541,195	6,896,158	11,541,195	6,896,158
Investment securities	-	-	-	-
Balances due from group companies	-	-	-	-
Investments in associates	-	-	-	-
Investments in subsidiaries	-	-	50,501	50,501
Investment properties	-	-	-	-
Property and equipment	495,817	403,801	495,817	403,801
Operating lease prepayments	8,375	8,500	8,375	8,500
Intangible assets	42,455	55,627	42,455	55,627
Deferred tax asset	10,211	-	10,211	-
Retirement benefit asset	3,935	14,238	3,935	14,238
<b>TOTAL ASSETS</b>	<b>16,643,493</b>	<b>10,990,036</b>	<b>16,689,622</b>	<b>11,036,256</b>
<b>LIABILITIES</b>				
Customer deposits	12,504,011	7,951,236	12,504,011	7,951,236
Deposits and balances due to banking institutions	351,575	53,165	351,575	53,165
Balances due to Central Bank of Kenya	-	-	-	-
Other money market deposits	-	-	-	-
Borrowed funds	601,644	67,165	601,644	67,165
Balances due to group companies	-	-	46,254	46,345
Other liabilities	540,599	319,116	540,599	319,116
Tax payable	1,697	6,933	1,697	6,933
Deferred tax liability	-	16,136	-	16,136
Retirement benefit liability	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>13,999,526</b>	<b>8,413,751</b>	<b>14,045,780</b>	<b>8,460,096</b>
<b>SHAREHOLDERS' EQUITY</b>				
Paid up capital	412,073	412,073	412,073	412,073
Share premium	299,943	299,943	299,943	299,943
Revaluation reserves	142,033	140,750	142,033	140,750
Retained earnings	1,649,813	1,587,535	1,649,688	1,587,410
Proposed dividends	140,105	135,984	140,105	135,984
Shareholders' loans/grants	-	-	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>2,643,967</b>	<b>2,576,285</b>	<b>2,643,842</b>	<b>2,576,160</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>16,643,493</b>	<b>10,990,036</b>	<b>16,689,622</b>	<b>11,036,256</b>

**PROFIT AND LOSS ACCOUNT**

	2004 Shs '000	2003 Shs '000	2004 Shs '000	2003 Shs '000
<b>INTEREST INCOME</b>				
Loans and advances to customers	971,049	785,589	971,049	785,589
Government securities	78,110	176,167	78,110	176,167
Deposits and placements from banking institutions	15,793	6,458	15,793	6,458
Other	4,042	11,824	4,042	11,824
<b>Total interest income</b>	<b>1,068,994</b>	<b>980,038</b>	<b>1,068,994</b>	<b>980,038</b>
<b>INTEREST EXPENSE</b>				
Customer deposits	183,032	197,069	183,032	197,069
Deposits and placement from banking institutions	14,109	1,476	14,109	1,476
Other	9,838	3,907	9,838	3,907
<b>Total interest expenses</b>	<b>206,979</b>	<b>202,452</b>	<b>206,979</b>	<b>202,452</b>
<b>NET INTEREST INCOME</b>	<b>862,015</b>	<b>777,586</b>	<b>862,015</b>	<b>777,586</b>
<b>OTHER OPERATING INCOME</b>				
Fees and commissions income	166,244	94,786	166,244	94,786
Foreign exchange trading income	53,284	28,349	53,284	28,349
Other income	73,233	43,843	73,150	43,788
<b>Total non-interest income</b>	<b>292,761</b>	<b>166,978</b>	<b>292,678</b>	<b>166,923</b>
<b>TOTAL OPERATING INCOME</b>	<b>1,154,776</b>	<b>944,564</b>	<b>1,154,693</b>	<b>944,509</b>
<b>OPERATING EXPENSES</b>				
Bad and doubtful debts expenses	19,862	57,210	19,862	57,210
Staff costs	269,165	204,859	269,165	204,859
Directors' emoluments	42,496	35,359	42,496	35,359
Operating lease rentals	19,175	5,397	19,175	5,397
Depreciation on property and equipment	61,126	39,362	61,126	39,362
Amortisation of intangible assets	15,472	15,149	15,472	15,149
Other operating expenses	354,924	227,927	354,841	227,850
<b>Total operating expenses</b>	<b>782,220</b>	<b>585,263</b>	<b>782,137</b>	<b>585,186</b>
Profit before tax and exceptional items	372,556	359,301	372,556	359,323
Exceptional items	-	-	-	-
<b>Profit before tax</b>	<b>372,556</b>	<b>359,301</b>	<b>372,556</b>	<b>359,323</b>
Current tax	(137,547)	(123,783)	(137,547)	(123,783)
Deferred tax	26,347	7,074	26,347	7,074
<b>Profit after tax</b>	<b>261,356</b>	<b>242,592</b>	<b>261,356</b>	<b>242,614</b>
<b>EARNINGS PER SHARE (Shs)</b>	<b>3.17</b>	<b>2.94</b>	<b>3.17</b>	<b>2.94</b>
<b>DIVIDEND PER SHARE (Shs)</b>	<b>2.40</b>	<b>2.25</b>	<b>2.40</b>	<b>2.25</b>

## OTHER DISCLOSURES

	2004 Shs '000	2003 Shs '000	2004 Shs '000	2003 Shs '000
<b>1. NON-PERFORMING LOANS AND ADVANCES</b>				
(a) Non-performing loans and advances	589,512	759,316	589,512	759,316
(b) Specific provision	375,947	625,805	375,947	625,805
<b>(c) Net Non-Performing Loans and Advances (a-b)</b>	<b>213,565</b>	<b>133,511</b>	<b>213,565</b>	<b>133,511</b>
(d) Realizable Value of Securities	169,231	216,983	169,231	216,983
<b>(e) Net NPLs Exposure (c-d)</b>	<b>44,334</b>	<b>(83,472)</b>	<b>44,334</b>	<b>(83,472)</b>
(f) General provisions for loans and advances	171,769	106,697	171,769	106,697
<b>(g) Total Provisions for Loans and Advances (b+f)</b>	<b>547,716</b>	<b>732,502</b>	<b>547,716</b>	<b>732,502</b>
<b>2. INSIDER LOANS AND ADVANCES</b>				
(a) Directors, Shareholders and associates	212,036	300,832	212,036	300,832
(b) Employees	157,615	120,182	157,615	120,182
<b>(c) Total Insider Loans and Advances</b>	<b>369,651</b>	<b>421,014</b>	<b>369,651</b>	<b>421,014</b>
<b>3. OFF-BALANCE SHEET ITEMS</b>				
(a) Letters of credit, guarantees, acceptances	1,820,612	2,183,196	1,820,612	2,183,196
(b) Other contingent liabilities	-	-	-	-
<b>(c) Total Contingent Liabilities</b>	<b>1,820,612</b>	<b>2,183,196</b>	<b>1,820,612</b>	<b>2,183,196</b>
<b>4. CAPITAL STRENGTH</b>				
(a) Core capital	2,349,476	2,288,328	2,349,476	2,288,328
(b) Supplementary capital	207,277	141,883	207,277	141,883
(c) Total capital ( a+b)	2,556,753	2,430,211	2,556,753	2,430,211
(d) Total risk weighted assets	14,529,796	9,980,289	14,529,796	9,980,289
(e) Core capital/total deposit liabilities	18.83%	28.83%	18.83%	28.83%
(f) Core capital/total risk weighted assets	16.17%	22.93%	16.17%	22.93%
(g) Total Capital/total risk weighted assets	17.60%	24.35%	17.60%	24.35%