

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31ST DECEMBER 2018

STATEMENT OF FINANCIAL POSITION	GROUP		BANK	
	31 Dec, 2017 Shs '000 Audited	31 Dec, 2018 Shs '000 Audited	31 Dec, 2017 Shs '000 Audited	31 Dec, 2018 Shs '000 Audited
A ASSETS				
1 Cash (both Local & Foreign)	291,143	409,090	264,755	409,090
2 Balances with Central Bank of Kenya	704,422	950,690	704,422	924,012
3 Kenya Government & other Securities held for dealing purposes				
4 Financial Assets at Fair Value through Profit & Loss				
5 Investment Securities:				
(i) Held to Maturity:				
(a) Kenya Government Securities	1,763,334	1,512,142	1,763,334	1,512,142
(b) Other Securities				
(ii) Available for Sale:				
(a) Kenya Government Securities	479,885	794,499	479,885	794,499
(b) Other Securities	23,795	11,906	23,795	11,906
6 Deposits and Balances due from Local Banking Institutions	243,417	35,028	243,417	35,028
7 Deposits and Balances due from Banking Institutions Abroad	394,289	160,620	394,289	160,620
8 Tax Recoverable	-	-	-	-
9 Loans and Advances to Customers (Net)	9,698,546	13,031,250	9,698,546	13,031,250
10 Balances due from Banking Institutions in the Group				
11 Investments in Associates				
12 Investments in Subsidiary Companies			1,000	1,000
13 Investments in Joint ventures				
14 Investment Properties				
15 Property, Plant and Equipment	291,203	270,845	291,186	270,745
16 Prepaid Lease Rentals				
17 Intangible Assets	187,202	170,355	186,949	170,207
18 Deferred Tax Asset	114,750	132,625	114,759	132,367
19 Retirement Benefit Asset				
20 Other Assets	318,692	425,559	298,738	352,559
21 TOTAL ASSETS	14,510,677	17,904,609	14,465,074	17,805,424
B LIABILITIES				
22 Balances due to Central Bank of Kenya				
23 Customer Deposits	10,939,796	13,117,882	10,939,796	13,117,881
24 Deposits and Balances due to Local Banking Institutions	79,348	967,462	79,348	967,462
25 Deposits and Balances due to Foreign Banking Institutions	465,538	306,270	465,538	306,270
26 Other Money Market Deposits				
27 Borrowed Funds				
28 Balances due to Banking Institutions Group Companies				
29 Tax Payable	59	39,726	785	38,816
30 Dividends Payable				
31 Deferred Tax Liability				
32 Retirement Benefit Liability				
33 Other liabilities	352,349	593,568	314,533	511,970
34 TOTAL LIABILITIES	11,837,091	15,024,618	11,800,001	14,942,964
C SHAREHOLDERS' FUNDS				
35 Paid Up/ Assigned Capital	2,390,786	2,406,425	2,390,786	2,406,425
36 Share Premium (Discount)	88,705	75,715	88,705	75,715
37 Revaluation Reserves				
38 Retained Earnings/Accumulated Losses	123,338	223,210	114,825	206,533
39 Statutory Loan Reserves	49,541	92,041	49,541	92,041
40 Other Reserves	(4,844)	10,119	(4,843)	10,119
41 Proposed Dividends	26,060	72,193	26,060	72,193
42 Capital Grants				
43 TOTAL SHAREHOLDERS' FUNDS	2,673,586	2,879,702	2,665,073	2,863,025
44 Minority Interest				
45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	14,510,677	17,904,609	14,465,074	17,805,424

STATEMENT OF COMPREHENSIVE INCOME	GROUP		BANK	
	31 Dec, 2017 Shs '000 Audited	31 Dec, 2018 Shs '000 Audited	31 Dec, 2017 Shs '000 Audited	31 Dec, 2018 Shs '000 Audited
1.0 INTEREST INCOME				
1.1 Loans and Advances	1,252,434	1,561,460	1,252,434	1,561,460
1.2 Government Securities	252,845	261,863	252,845	261,863
1.3 Deposits and Placements with Banking Institutions	24,301	6,506	24,301	6,506
1.4 Other Interest Income	3,736	3,194	3,736	3,194
1.5 Total Interest Income	1,533,317	1,833,023	1,533,316	1,833,023
2.0 INTEREST EXPENSE				
2.1 Customer Deposits	708,982	853,441	709,676	854,824
2.2 Deposits and Placement from Banking Institutions	30,517	44,610	30,517	44,610
2.3 Other Interest Expenses				
2.4 Total Interest Expenses	739,499	898,051	740,194	899,434
3.0 NET INTEREST INCOME /LOSS	793,818	934,972	793,123	933,589
4.0 NON INTEREST INCOME				
4.1 Fees and Commissions on Loans and Advances	182,288	301,673	182,288	301,673
4.2 Other Fees and Commissions	238,975	202,538	230,515	186,410
4.3 Foreign Exchange Trading Income (Loss)	58,428	83,486	58,428	83,486
4.4 Dividend Income				
4.5 Other Income	88,840	196,753	88,840	196,753
4.6 Total Non-Interes Income	568,532	784,451	560,071	768,323
5.0 TOTAL OPERATING INCOME	1,362,349	1,719,423	1,353,194	1,701,912
6.0 OPERATING EXPENSES				
6.1 Loan Loss Provision	136,272	120,575	136,272	120,575
6.2 Staff Costs	470,607	575,449	466,189	569,692
6.3 Directors' Emoluments	50,620	52,607	50,620	52,607
6.4 Rental Charges	101,973	102,909	101,973	102,909
6.5 Depreciation Charge on Property and Equipment	58,335	59,579	58,323	59,567
6.6 Amortisation Charges	46,017	50,182	45,913	50,078
6.7 Other Operating Expenses	313,307	415,180	314,847	414,276
6.8 Total Operating Expenses	1,177,131	1,376,482	1,174,138	1,369,703
7.0 Profit/(Loss) Before Tax and Exceptional Items	185,218	342,940	179,056	332,208
8.0 Exceptional Items				
9.0 Profit/(Loss) After Exceptional Items	185,218	342,940	179,056	332,208
10.0 Current tax	51,138	86,552	38,892	83,055
11.0 Deferred tax		7,852	10,318	8,119
12.0 Profit/(Loss) After Tax and Exceptional Items	134,080	248,537	129,846	241,034
13.0 Minority Interest				
14.0 Other Comprehensive Income:				
14.1 Gains/(Losses) from Translating the Financial Statements of Foreign Operations				
14.2 Fair Value changes in Available-fo-sale Financial Assets	4,717	21,376	4,717	21,376
14.3 Revaluation Surplus on Property, Plant and Equipment				
14.4 Share of other Comprehensive Income of Associates				
14.5 Income Tax Relating to Components of other Comprehensive Income	(1,415)	(6,413)	(1,415)	(6,413)
15.0 Other Comprehensive Income for the Year Net of Tax	3,302	14,963	3,302	14,963
16.0 TOTAL COMPREHENSIVE INCOME FOR THE YEAR	137,382	263,501	133,148	255,997
17.0 EARNINGS PER SHARE - BASIC & DILUTED	5.61	10.33	5.43	10.02
18.0 DIVIDEND PER SHARE -DECLARED	1.09	3.00	1.09	3.00

OTHER DISCLOSURES	BANK	
	31 Dec, 2017 Shs '000 Audited	31 Dec, 2018 Shs '000 Audited
1.0 NON-PERFORMING LOANS AND ADVANCES		
1.1 (a) Gross Non-Performing Loans and Advances	876,544	1,112,560
1.2 (b) Less Interest in Suspense	145,687	168,823
1.3 (c) Total Non-Performing Loans and Advances (a-b)	730,857	943,737
1.4 (d) Less Loan Losses Provision	326,442	240,207
1.5 (e) Net Non-Performing Loans and Advances(c-d)	404,415	703,530
1.6 (f) Discounted Value of Securities	404,415	703,530
1.7 (g) Net NPLs Exposure (e-f)	-	0
2.0 INSIDER LOANS AND ADVANCES		
2.1 (a) Directors, Shareholders and Associates	558,101	647,644
2.2 (b) Employees	553,064	714,103
2.3 (c) Total Insider Loans and Advances and other facilities	1,111,165	1,361,747
3.0 OFF-BALANCE SHEET ITEMS		
3.1 (a) Letters of credit, Guarantees & Acceptances	7,246,797	6,700,830
3.2 (b) Forwards Swaps & Options		
3.3 (c) Other Contingent Liabilities	5,143,676	872,218
3.4 (d) Total Contingent Liabilities	12,390,473	7,573,048
4.0 CAPITAL STRENGTH		
4.1 (a) Core capital	2,594,315	2,628,938
4.2 (b) Minimum Statutory Capital	1,000,000	1,000,000
4.3 (c) Excess/ (Deficiency) (a-b)	1,594,315	1,628,938
4.4 (d) Supplementary Capital	49,541	92,040
4.5 (e) Total Capital (a+d)	2,643,856	2,720,978
4.6 (f) Total risk weighted assets	16,678,825	18,756,441
4.7 (g) Core Capital/Total Deposit Liabilities	22.7%	20.0%
4.8 (h) Minimum Statutory Ratio	8.0%	8.0%
4.9 (i) Excess/ (Deficiency) (g-h)	14.7%	12.0%
4.10 (j) Core Capital / Total Risk Weighted Assets	15.6%	14.0%
4.11 (k) Minimum Statutory Ratio	10.5%	10.5%
4.12 (l) Excess/(Deficiency) (j-k)	5.1%	3.5%
4.13 (m) Total Capital/Total Risk Weighted Assets	15.9%	14.5%
4.14 (n) Minimum statutory Ratio	14.5%	14.5%
4.15 (o) Excess/(Deficiency) (m-n)	1.4%	0.0%
(p) Adjusted Core Capital/Total Deposit Liabilities*		20.2%
(q) Adjusted Core Capital/Total Risk Weighted Assets*		14.5%
(r) Adjusted Total Capital/Total Risk Weighted Assets*		15.0%
5.0 LIQUIDITY		
5.1 (a) Liquidity Ratio	29.6%	21.0%
5.2 (b) Minimum Statutory Ratio	20.0%	20.0%
5.3 (c) Excess/(Deficiency) (a-b)	9.6%	1.0%

Notes
* The Adjusted Capital Ratios includes the expected credit loss provisions added back to Capital in line with the CBK Guidance Note issued in April 2018 on implementation of IFRS 9.

The above Statement of comprehensive Income and the statement of Financial Position are extracts of financial statements audited by PriceWaterhouseCoopers and received an unqualified opinion. A full set of the financial statements is available from the Company Secretary, our offices, or the institutions website: www.creditbank.co.ke. The financial statements were approved by the Board of Directors on 27th March 2019

Betty Korir
Chief Executive Officer

Moses Mwendwa
Director



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