

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES

STATEMENT OF FINANCIAL POSITION	BANK		GROUP	
	Dec 2018 Shs '000 Audited	Dec 2019 Shs '000 Audited	Dec 2018 Shs '000 Audited	Dec 2019 Shs '000 Audited
A ASSETS				
1 Cash (both Local & Foreign)	409,090	364,293	409,090	394,082
2 Balances with Central Bank of Kenya	924,012	891,993	950,690	891,993
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	1,512,142	1,789,084	1,512,142	1,789,084
(b) Other Securities				
(ii) Available for Sale:				
(a) Kenya Government Securities	794,499	1,246,602	794,499	1,246,602
(b) Other Securities	11,906		11,906	
6 Deposits and Balances due from Local Banking Institutions	35,028	300,053	35,028	300,053
7 Deposits and Balances due from Banking Institutions Abroad	160,620	133,963	160,620	133,963
8 Tax Recoverable	-	-	-	-
9 Loans and Advances to Customers (Net)	13,031,250	15,226,683	13,031,250	15,226,683
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	270,745	786,326	270,845	786,471
16 Prepaid Lease Rentals				
17 Intangible Assets	170,207	188,707	170,355	188,750
18 Deferred Tax Asset	132,367	176,656	132,625	176,645
19 Retirement Benefit Asset				
20 Other Assets	352,559	435,379	425,559	526,290
TOTAL ASSETS	17,805,424	21,540,739	17,904,609	21,660,616
B LIABILITIES				
21 Balances due to Central Bank of Kenya				
22 Customer Deposits	13,117,881	16,806,421	13,117,882	16,806,421
23 Deposits and Balances due to Local Banking Institutions	967,462	260,078	967,462	260,078
24 Deposits and Balances due to Foreign Banking Institutions	306,270	280,114	306,270	280,114
25 Other Money Market Deposits				
26 Borrowed Funds				
27 Balances due to Banking Institutions Group Companies				
28 Tax Payable	38,816	41,649	39,726	37,819
29 Dividends Payable				
30 Deferred Tax Liability				
31 Retirement Benefit Liability				
32 Other liabilities	511,970	1,152,046	593,568	1,258,015
TOTAL LIABILITIES	14,942,398	18,540,308	15,024,907	18,642,447
C SHAREHOLDERS' FUNDS				
33 Paid Up/ Assigned Capital	2,406,425	2,633,507	2,406,425	2,633,507
34 Share Premium (Discount)	75,715	59,908	75,715	59,908
35 Revaluation Reserves				
36 Retained Earnings/Accumulated Losses	206,533	143,845	223,210	161,583
37 Statutory Loan Reserves	92,041	164,684	92,041	164,684
38 Other Reserves	10,119	(1,514)	10,119	(1,514)
39 Proposed Dividends	72,193		72,193	
40 Capital Grants				
TOTAL SHAREHOLDERS' FUNDS	2,863,026	3,000,431	2,879,702	3,018,169
41 Minority Interest				
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	17,805,424	21,540,739	17,904,609	21,660,616

STATEMENT OF COMPREHENSIVE INCOME	BANK		GROUP	
	Dec 2018 Shs '000	Dec 2019 Shs '000	Dec 2018 Shs '000	Dec 2019 Shs '000
INTEREST INCOME				
1 Loans and Advances	1,561,460	1,870,649	1,561,460	1,870,649
2 Government Securities	261,863	275,559	261,863	275,559
3 Deposits and Placements with Banking Institutions	6,506	5,063	6,506	5,063
4 Other Interest Income	3,194	838	3,194	838
Total Interest Income	1,833,023	2,152,109	1,833,023	2,152,109
INTEREST EXPENSE				
5 Customer Deposits	854,824	1,134,631	853,441	1,133,445
6 Deposits and Placement from Banking Institutions	44,610	36,506	44,610	36,506
7 Other Interest Expenses		59,935		59,935
Total Interest Expenses	899,434	1,231,071	898,051	1,229,885
NET INTEREST INCOME /LOSS	933,589	921,038	934,972	922,224
NON INTEREST INCOME				
8 Fees and Commissions on Loans and Advances	301,673	314,355	301,673	314,355
9 Other Fees and Commissions	186,410	373,721	202,538	389,153
10 Foreign Exchange Trading Income (Loss)	83,486	117,711	83,486	117,711
11 Dividend Income				
12 Other Income	196,753	51,421	196,753	51,421
Total Non-Interests Income	768,323	857,208	784,451	872,640
TOTAL OPERATING INCOME	1,701,912	1,778,246	1,719,423	1,794,864
OPERATING EXPENSES				
13 Loan Loss Provision	120,575	136,904	120,575	136,904
14 Staff Costs	569,692	646,589	575,449	658,753
15 Directors' Emoluments	52,607	69,150	52,607	69,150
16 Rental Charges	102,909	18,846	102,909	18,846
17 Depreciation Charge on Property and Equipment	59,567	134,658	59,579	134,703
18 Amortisation Charges	50,078	51,423	50,182	51,527
19 Other Operating Expenses	414,276	420,603	415,180	422,071
Total Operating Expenses	1,369,703	1,478,174	1,376,482	1,491,955
Profit/(Loss) Before Tax and Exceptional Items	332,208	300,072	342,940	302,909
20 Exceptional Items				
Profit/(Loss) After Exceptional Items	332,208	300,072	342,940	302,909
21 Current tax	83,055	134,131	86,552	134,910
22 Deferred tax	8,119	(44,290)	7,851	(44,020)
Profit/(Loss) After Tax and Exceptional Items	241,034	210,231	248,537	212,019
23 Minority Interest				
Profit/(Loss) After Tax, Exceptional Items & Minority Interest	241,034	210,231	248,537	212,019
Other Comprehensive Income:				
Gains/(Losses) from Translating the Financial Statements of Foreign				
24 Operations				
25 Fair Value changes in Available-for-sale Financial Assets	21,376	(11,633)	21,376	(11,633)
26 Revaluation Surplus on Property, Plant and Equipment				
27 Share of other Comprehensive Income of Associates				
28 Income Tax Relating to Components of other Comprehensive Income	(6,413)		(6,413)	
Other Comprehensive Income for the Year Net of Tax	14,963	(11,633)	14,963	(11,633)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	255,997	198,598	263,501	200,386
EARNINGS PER SHARE- BASIC & DILUTED	10.02	8.74	10.33	8.81
DIVIDEND PER SHARE -DECLARED	3.00		3.00	

OTHER DISCLOSURES	BANK	
	Dec 2018 Shs '000 Audited	Dec 2019 Shs '000 Audited
1.0 NON-PERFORMING LOANS AND ADVANCES		
1.1 (a) Gross Non-Performing Loans and Advances	1,112,560	1,592,274
1.2 (b) Less Interest in Suspense	168,823	267,192
1.3 (c) Total Non-Performing Loans and Advances (a-b)	943,737	1,325,082
1.4 (d) Less Loan Losses Provision	240,207	303,428
1.5 (e) Net Non-Performing Loans and Advances(c-d)	703,530	1,021,654
1.6 (f) Discounted Value of Securities	703,530	1,021,654
1.7 (g) Net NPLs Exposure (e-f)	-	-
2.0 INSIDER LOANS AND ADVANCES		
2.1 (a) Directors, Shareholders and Associates	647,644	348,667
2.2 (b) Employees	714,103	900,703
2.3 (c) Total Insider Loans and Advances and other facilities	1,361,747	1,249,370
3.0 OFF-BALANCE SHEET ITEMS		
3.1 (a) Letters of credit, Guarantees & Acceptances	6,700,830	6,102,775
3.2 (b) Forwards Swaps & Options		
3.3 (c) Other Contingent Liabilities	872,218	606,006
3.4 (d) Total Contingent Liabilities	7,573,048	6,708,781
4.0 CAPITAL STRENGTH		
4.1 (a) Core capital	2,628,938	2,837,260
4.2 (b) Minimum Statutory Capital	1,000,000	1,000,000
4.3 (c) Excess/ (Deficiency) (a-b)	1,628,938	1,837,260
4.4 (d) Supplementary Capital	92,040	164,684
4.5 (e) Total Capital (a+d)	2,720,978	3,001,944
4.6 (f) Total risk weighted assets	18,756,441	20,069,349
4.7 (g) Core Capital/Total Deposit Liabilities	20.0%	16.9%
4.8 (h) Minimum Statutory Ratio	8.0%	8.0%
4.9 (i) Excess/ (Deficiency) (g-h)	12.0%	8.9%
4.10 (j) Core Capital / Total Risk Weighted Assets	14.0%	14.1%
4.11 (k) Minimum Statutory Ratio	10.5%	10.5%
4.12 (l) Excess/(Deficiency) (j-k)	3.5%	3.6%
4.13 (m) Total Capital/Total Risk Weighted Assets	14.5%	15.0%
4.14 (n) Minimum statutory Ratio	14.5%	14.5%
4.15 (o) Excess/(Deficiency) (m-n)	0.0%	0.5%
(p) Adjusted Core Capital/Total Deposit Liabilities*	20.2%	17.0%
(q) Adjusted Core Capital/Total Risk Weighted Assets*	14.5%	14.2%
(r) Adjusted Total Capital/Total Risk Weighted Assets*	15.0%	15.0%
5.0 LIQUIDITY		
5.1 (a) Liquidity Ratio	21.0%	26.0%
5.2 (b) Minimum Statutory Ratio	20.0%	20.0%
5.3 (c) Excess/(Deficiency) (a-b)	1.0%	6.0%

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 Profit and Loss Account and Balance Sheet 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 or at our offices.
The financial statements were approved by the Board of Directors on 18th March 2020

Betty Korir
Chief Executive Officer

Moses M. Mwendwa
Director

Let's Stand Unwavered

Though we face uncertain times, our resolve as a people is to never give up. We can contribute to the fight by simply:

- 🧼 Washing our hands/sanitizing regularly
- 🏠 Working from home, where possible
- ↔ Observing social distance

To help in this fight, we have scaled up health and safety measures in our banking halls if you need to visit. We encourage the use of our digital banking platforms (CB Konnect and Internet Banking).

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