

## AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES

<b>A: BALANCE SHEET</b>		<b>BANK 31st Dec,2011 Audited Shs '000</b>	<b>BANK 31st Dec,2012 Audited Shs '000</b>
<b>1 ASSETS</b>			
1.1 Cash ( both Local & Foreign)		141,090	121,162
1.2 Balances due from Central Bank of Kenya		185,790	226,606
1.3 Kenya Government securities		1,593,269	2,037,865
1.4 Foreign Currency Treasury Bills & Bonds		-	-
1.5 Deposits and balances due from local banking institutions		27,033	45,297
1.6 Deposits and balances due from banking institutions abroad		46,432	77,581
1.7 Kenya Government and other securities held for dealing purposes		88,484	289,299
1.8 Tax recoverable		14,947	6,829
1.9 Loans and advances to customers (net)		2,883,261	3,112,099
1.10 Investment securities		-	-
1.11 Balances due from group companies		-	-
1.12 Investments in associates		-	-
1.13 Investments in subsidiary companies		-	-
1.14 Investments in joint ventures		-	-
1.15 Investment properties		-	-
1.16 Property and equipment		94,621	161,694
1.17 Prepaid lease rentals		-	-
1.18 Intangible assets		126,432	158,060
1.19 Deferred tax asset		18,859	23,504
1.20 Retirement benefit asset		-	-
1.21 Other assets		173,846	147,489
<b>1.22 TOTAL ASSETS</b>		<b>5,394,064</b>	<b>6,407,485</b>
<b>2 LIABILITIES</b>			
2.1 Balances due to Central Bank of Kenya		-	-
2.2 Customer deposits		3,937,417	4,781,147
2.3 Deposits and balances due to local banking institutions		315,294	142,398
2.4 Deposits and balances due to foreign banking institutions		-	172,961
2.5 Other money market deposits		-	-
2.6 Borrowed funds		-	-
2.7 Balances due to group companies		-	-
2.8 Tax payable		-	-
2.9 Dividends payable		-	-
2.10 Deferred tax liability		-	-
2.11 Retirement benefit liability		-	-
2.12 Other liabilities		183,312	132,180
<b>2.13 TOTAL LIABILITIES</b>		<b>4,436,023</b>	<b>5,228,686</b>
<b>3 SHAREHOLDERS' FUNDS</b>			
3.1 Paid up /Assigned capital		831,063	1,000,000
3.2 Share premium		-	-
3.3 Revaluation reserves		(6,808)	(24,656)
3.4 Retained earnings		114,036	187,943
3.5 Statutory loan reserves		19,750	15,512
3.6 Proposed dividends		-	-
3.7 Capital grants		-	-
<b>3.8 TOTAL SHAREHOLDERS' FUNDS</b>		<b>958,041</b>	<b>1,178,799</b>
<b>3.9 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>		<b>5,394,064</b>	<b>6,407,485</b>
<b>B: PROFIT AND LOSS ACCOUNT</b>			
<b>4 INTEREST INCOME</b>			
4.1 Loans and advances		434,169	786,847
4.2 Government securities		109,313	119,860
4.3 Deposits and placements with banking institutions		5,127	20,558
4.4 Other interest income		11,685	11,043
<b>4.5 Total interest income</b>		<b>560,314</b>	<b>938,309</b>
<b>5 INTEREST EXPENSE</b>			
5.1 Customer deposits		212,670	517,515
5.2 Deposits and placement from banking institutions		15,699	18,989
5.3 Other interest expenses		-	-
<b>5.4 Total interest expenses</b>		<b>228,369</b>	<b>536,505</b>
<b>5.5 NET INTEREST INCOME</b>		<b>331,944</b>	<b>401,805</b>
<b>6 OTHER OPERATING INCOME</b>			
6.1 Fees and commissions on loans and advances		43,687	53,908
6.2 Other fees and commissions		32,849	34,977
6.3 Foreign exchange trading income		14,778	13,670
6.4 Dividend Income		112	-
6.5 Other income		85,074	29,401
<b>6.6 Total non-interest income</b>		<b>176,500</b>	<b>131,956</b>
<b>6.7 TOTAL OPERATING INCOME</b>		<b>508,444</b>	<b>533,760</b>
<b>7 OPERATING EXPENSES</b>			
7.1 Loan loss provision		57,859	5,560
7.2 Staff costs		193,621	192,773
7.3 Directors' emoluments		25,730	28,724
7.4 Rental charges		44,419	43,518
7.5 Depreciation charge on property and equipment		15,946	31,013
7.6 Amortisation charges		1,838	22,739
7.7 Other operating expenses		117,751	128,641
<b>7.8 Total operating expenses</b>		<b>457,162</b>	<b>452,969</b>
<b>7.9 Profit before tax and exceptional items</b>		<b>51,282</b>	<b>80,792</b>
7.10 Exceptional items		-	-
<b>7.11 Profit after exceptional items</b>		<b>51,282</b>	<b>80,792</b>
7.12 Current tax		(9,510)	(8,119)
7.13 Deferred tax		5,302	(3,004)
<b>7.14 Profit after tax and exceptional items</b>		<b>47,074</b>	<b>69,669</b>
<b>8 EARNINGS PER SHARE- BASIC &amp; DILUTED</b>		<b>6</b>	<b>7</b>
<b>9 DIVIDEND PER SHARE -DECLARED</b>		<b>0</b>	<b>0</b>
<b>C: OTHER DISCLOSURES</b>			
<b>10 NON-PERFORMING LOANS AND ADVANCES</b>			
10.1 (a) Gross Non-performing loans and advances		440,337	387,277
10.2 (b) Less Interest in Suspense		120,350	98,554
<b>10.3 (c) Total Non-Performing Loans and Advances (a-b)</b>		<b>315,588</b>	<b>288,723</b>
10.4 (d) Less Loan Loss Provision		(60,332)	18,593
<b>10.5 (e) Net Non-Performing Loans and Advances(c-d)</b>		<b>155,052</b>	<b>156,350</b>
10.6 (f) Discounted Value of Securities		155,052	156,350
<b>10.7 (g) Net NPLs Exposure (e-f)</b>		<b>-</b>	<b>-</b>
<b>11 INSIDER LOANS AND ADVANCES</b>			
11.1 (a) Directors, Shareholders and Associates		145,695	240,551
11.2 (b) Employees		125,793	167,112
<b>11.3 (c) Total Insider Loans and Advances and other facilities</b>		<b>176,064</b>	<b>407,663</b>
<b>12 OFF-BALANCE SHEET ITEMS</b>			
12.1 (a) Letters of credit, guarantees, acceptances		138,476	624,662
12.2 (b) Other contingent liabilities		-	401
<b>12.3 (c) Total Contingent Liabilities</b>		<b>138,476</b>	<b>625,063</b>
<b>13 CAPITAL STRENGTH</b>			
13.1 (a) Core capital		945,098	1,187,943
13.2 (b) Minimum Statutory Capital		500,000	1,000,000
13.3 (c) Excess (a-b)		<b>445,098</b>	<b>187,943</b>
13.4 (d) Supplementary Capital		19,750	15,512
<b>13.5 (e) Total Capital (a+d)</b>		<b>964,848</b>	<b>1,203,454</b>
13.6 (f) Total risk weighted assets		<b>3,214,684</b>	<b>3,914,190</b>
<b>13.7 (g) Core Capital/Total deposits Liabilities</b>		<b>23.8%</b>	<b>23.4%</b>
13.8 (h) Minimum statutory Ratio		8.0%	8.0%
13.9 (i) Excess		<b>15.8%</b>	<b>15.4%</b>
<b>13.10 (j) Core Capital / total risk weighted assets</b>		<b>29.4%</b>	<b>30.3%</b>
13.11 (k) Minimum Statutory Ratio		8.0%	8.0%
13.12 (l) Excess (i-k)		<b>21.4%</b>	<b>22.3%</b>
<b>13.13 (m) Total Capital/total risk weighted assets</b>		<b>30.0%</b>	<b>30.7%</b>
13.14 (n) Minimum statutory Ratio		12.0%	12.0%
13.15 (o) Excess (m-n)		<b>18.0%</b>	<b>18.7%</b>
<b>14 LIQUIDITY</b>			
14.1 (a) Liquidity Ratio		<b>41.3%</b>	<b>48.9%</b>
14.2 (b) Minimum Statutory Ratio		20.0%	20.0%
<b>14.3 (c) Excess (a-b)</b>		<b>21.3%</b>	<b>28.9%</b>

### Message from the Directors

The above Profit and Loss Account and Balance Sheet are extracts of financial statements audited by Price Waterhouse Coopers 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 26th February 2013

**Sunil Sahdev**  
Managing Director

**Moses Mwendwa**  
Director

#### NAIROBI BRANCH:

Mercantile House, Koinange Street  
P.O.BOX 61064, 00200- NAIROBI.  
Tel.:(+254 20)2222300 / 2222317/2220789  
E-mail: info@creditbankltd.co.ke

#### KISUMU BRANCH:

Swan Centre, Oginga Odinga Road,  
P.O.Box 594-40100, KISUMU.  
Tel. (+254 57) 2022162/2022163,

#### WESTLANDS BRANCH:

Empress Office Suite, Ring Rd, Parklands  
P.O.BOX 61064, 00200- NAIROBI.  
Tel.:(+254 20)3748992/3744030

#### NAKURU BRANCH:

Apollo Plaza along Kenyatta Avenue  
P.O.Box 3020-20100,NAKURU  
Tel. (+254 51) 2212951/2212952

#### KISII BRANCH

Hospital Road, P.O.Box 3763, KISII  
Tel.:(+254 58) 31407 31408

#### NAKURU BRANCH:

Giddo Plaza, Eldoret-Nakuru Highway  
P.O.Box 3020-20100, NAKURU.  
Tel. (+254 51) 2213044 / 2211971

#### INDUSTRIAL AREA BRANCH:

Butere Road  
P.O.Box 61064, 00200- NAIROBI.  
Tel.:(+254 20)552014/ 552023

Visit our website: [www.creditbank.co.ke](http://www.creditbank.co.ke)