

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31st DECEMBER 2017

		GROUP		BANK	
I STATEMENT OF FINANCIAL POSITION					
		31 Dec, 2016	31 Dec, 2017	31 Dec, 2016	31 Dec, 2017
		Shs. '000'	Shs. '000'	Shs. '000'	Shs. '000'
		Audited	Audited	Audited	Audited
A	ASSETS				
1	Cash (both Local & Foreign)	303,548	291,143	292,289	264,755
2	Balances due from Central Bank of Kenya	534,460	704,422	534,460	704,422
3	Kenya Government and other securities held for dealing purposes	-	-	-	-
4	Financial Assets at fair value through profit and loss	-	-	-	-
5	Investment Securities:	-	-	-	-
	a) Held to Maturity:	1,470,111	1,763,334	1,470,111	1,763,334
	a. Kenya Government securities	1,470,111	1,763,334	1,470,111	1,763,334
	b. Other securities	-	-	-	-
	b) Available for sale:	732,443	503,680	732,443	503,680
	a. Kenya Government securities	696,234	479,885	696,234	479,885
	b. Other securities	36,209	23,795	36,209	23,795
6	Deposits and balances due from local banking institutions	343,658	243,417	343,658	243,417
7	Deposits and balances due from banking institutions abroad	93,892	394,289	93,892	394,289
8	Tax recoverable	-	-	-	-
9	Loans and advances to customers (net)	7,899,394	9,698,546	7,899,394	9,698,546
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 and equipment	305,043	291,203	305,013	291,186
16	Prepaid lease rentals	-	-	-	-
17	Intangible assets	133,039	187,202	132,682	186,949
18	Deferred tax asset	125,065	114,750	125,076	114,759
19	Retirement benefit asset	-	-	-	-
20	Other assets	297,236	318,692	271,950	298,738
21	TOTAL ASSETS	12,237,889	14,510,677	12,201,968	14,465,074
B	LIABILITIES				
22	Balances due to Central Bank of Kenya	-	-	-	-
23	Customer deposits	9,135,301	10,939,796	9,135,301	10,939,796
24	Deposits and balances due to local banking institutions	315,305	79,348	315,305	79,348
25	Deposits and balances due to foreign banking institutions	-	465,538	-	465,538
26	Other money market deposits	-	-	-	-
27	Borrowed funds	-	-	-	-
28	Balances due to banking institutions in the group	-	-	-	-
29	Tax payable	28,178	59	26,861	785
30	Dividends payable	-	-	-	-
31	Deferred tax liability	-	-	-	-
32	Retirement benefit liability	-	-	-	-
33	Other liabilities	295,252	352,349	264,927	314,533
34	TOTAL LIABILITIES	9,774,036	11,837,091	9,742,394	11,800,001
C	SHAREHOLDERS' FUNDS				
35	Paid up /Assigned capital	1,949,163	2,390,786	1,949,163	2,390,786
36	Share premium/(discount)	457,977	88,705	457,977	88,705
37	Revaluation reserves	-	-	-	-
38	Retained earnings/Accumulated losses	20,362	123,338	16,083	114,825
39	Statutory loan loss reserves	44,497	49,541	44,497	49,541
40	Other Reserves	(8,146)	(4,844)	(8,146)	(4,843)
41	Proposed dividends	-	26,060	-	26,060
42	Capital grants	-	-	-	-
43	TOTAL SHAREHOLDERS' FUNDS	2,463,853	2,673,586	2,459,574	2,665,073
44	TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	12,237,889	14,510,677	12,201,968	14,465,074
II STATEMENT OF COMPREHENSIVE INCOME					
		31 Dec, 2016	31 Dec, 2017	31 Dec, 2016	31 Dec, 2017
		Shs. '000'	Shs. '000'	Shs. '000'	Shs. '000'
		Audited	Audited	Audited	Audited
1.0	INTEREST INCOME				
1.1	Loans and advances	1,382,773	1,252,434	1,382,773	1,252,434
1.2	Government securities	167,693	252,845	167,693	252,845
1.3	Deposits and placements with banking institutions	18,804	24,301	18,804	24,301
1.4	Other Interest Income	5,221	3,736	5,221	3,736
1.5	Total interest income	1,574,490	1,533,317	1,574,490	1,533,317
2.0	INTEREST EXPENSE				
2.1	Customer deposits	724,279	708,982	724,384	709,676
2.2	Deposits and placement from banking institutions	47,413	30,517	47,413	30,517
2.3	Other interest expenses	-	-	-	-
2.4	Total interest expenses	771,692	739,499	771,797	740,194
3.0	NET INTEREST INCOME/(LOSS)	802,798	793,818	802,693	793,123
4.0	NON-INTEREST INCOME				
4.1	Fees and commissions on loans and advances	96,471	182,288	96,471	182,288
4.2	Other fees and commissions	187,978	238,975	178,385	230,514
4.3	Foreign exchange trading income/(Loss)	36,347	58,428	36,347	58,428
4.4	Dividend Income	-	-	-	-
4.5	Other income	121,172	88,840	121,172	88,840
4.6	Total Non-interest income	441,967	568,532	432,375	560,071
5.0	TOTAL OPERATING INCOME	1,244,765	1,362,349	1,235,067	1,353,194
6.0	OTHER OPERATING EXPENSES				
6.1	Loan loss provision	150,400	136,272	150,400	136,272
6.2	Staff costs	428,381	470,607	424,550	466,189
6.3	Directors' emoluments	50,065	50,620	50,065	50,620
6.4	Rental charges	84,088	101,973	84,087	101,973
6.5	Depreciation charge on property and equipment	45,043	58,335	45,028	58,323
6.6	Amortisation charges	52,824	46,017	52,720	45,913
6.7	Other operating expenses	270,452	313,307	270,082	314,847
6.8	Total Other Operating Expenses	1,081,252	1,177,131	1,076,932	1,174,138
7.0	Profit/(loss) before tax and exceptional items	163,513	185,218	158,135	179,056
8.0	Exceptional items	-	-	-	-
9.0	Profit/(loss) after exceptional items	163,513	185,218	158,135	179,056
10.0	Current tax	53,908	51,138	52,296	38,892
11.0	Deferred tax	-	-	-	10,318
12.0	Profit/(loss) after tax and exceptional items	109,605	134,080	105,839	129,846
13.0	Other Comprehensive Income				
13.1	Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-
13.2	Fair value changes in available for sale financial assets	4,694	4,717	4,694	4,717
13.3	Revaluation surplus on Property, plant and equipment	-	-	-	-
13.4	Share of other comprehensive income of associates	-	-	-	-
13.5	Income tax relating to components of other comprehensive income	(1,408)	(1,415)	(1,408)	(1,415)
14.0	Other Comprehensive Income for the year net of tax	3,286	3,302	3,286	3,302
15.0	Total comprehensive income for the year	112,891	137,382	109,125	133,148
16.0	EARNINGS PER SHARE- BASIC & DILUTED	5.6	5.6	5.4	5.4
17.0	DIVIDEND PER SHARE -DECLARED	-	-	-	-

III OTHER DISCLOSURES		BANK	
		31 December 2016 Shs. '000' Audited	31 December 2017 Shs. '000' Audited
1.0	NON-PERFORMING LOANS AND ADVANCES		
(a)	Gross Non-performing loans and advances	676,221	876,544
(b)	Less: Interest in Suspense	106,017	145,687
(c)	Total Non-Performing Loans and Advances (a-b)	570,204	730,857
(d)	Less: Loan Loss Provision	355,231	326,442
(e)	Net Non-Performing Loans and Advances(c-d)	214,973	404,415
(f)	Discounted Value of Securities	214,973	404,415
(g)	Net NPLs Exposure (e-f)	-	-
2.0	INSIDER LOANS AND ADVANCES		
(a)	Directors, Shareholders and Associates	240,720	558,101
(b)	Employees	482,855	553,064
(c)	Total Insider Loans and Advances and other facilities	723,575	1,111,165
3.0	OFF-BALANCE SHEET ITEMS		
(a)	Letters of credit,guarantees, acceptances	3,108,148	7,246,797
(b)	Forwards, swaps and options	-	-
(c)	Other contingent liabilities	4,870,473	5,143,676
(d)	Total Contingent Liabilities	7,978,621	12,390,473
4.0	CAPITAL STRENGTH		
(a)	Core capital	2,423,222	2,594,315
(b)	Minimum Statutory Capital	1,000,000	1,000,000
(c)	Excess/(Deficiency)(a-b)	1,423,222	1,594,315
(d)	Supplementary Capital	44,497	49,541
(e)	Total Capital (a+d)	2,467,718	2,643,856
(f)	Total risk weighted assets	10,800,801	16,678,825
(g)	Core Capital/Total deposits Liabilities	26.1%	22.7%
(h)	Minimum statutory Ratio	8.0%	8.0%
(i)	Excess/(Deficiency) (g-h)	18.1%	14.7%
(j)	Core Capital / total risk weighted assets	22.4%	15.6%
(k)	Minimum Statutory Ratio	10.5%	10.5%
(l)	Excess (Deficiency) (j-k)	11.9%	5.1%
(m)	Total Capital/total risk weighted assets	22.8%	15.9%
(n)	Minimum statutory Ratio	14.5%	14.5%
(o)	Excess/(Deficiency) (m-n)	8.3%	1.4%
14	LIQUIDITY		
14.1	(a) Liquidity Ratio	32.7%	29.6%
14.2	(b) Minimum Statutory Ratio	20.0%	20.0%
14.3	(c) Excess (Deficiency) (a-b)	12.7%	9.6%

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 20th March 2018.

Betty Korir
Chief Executive Officer

Moses Mwendwa
Director

