

UNAUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES

		BANK	-		GROUP	
I STATEMENT OF FINANCIAL POSITION	31 March 2017	31 December 2017	31 March 2018	31 March 2017	31 December 2017	31 March 2018
A ASSETS	Shs. 'ooo' Unaudited	Shs. 'ooo' Audited	Shs. 'ooo' Unaudited	Shs. 'ooo' Unaudited	Shs. 'ooo' Audited	Shs. 'ooo' Unaudited
1 Cash (both Local & Foreign)	238,583	264,755	268,046	260,947	291,143	298,411
2 Balances due from Central Bank of Kenya 3 Kenya Government and other securities held for	1,297,094	704,422	638,892	1,297,094	704,422	638,892
dealing purposes 4 Financial Assets at fair value through profit and loss						
5 Investment Securities:						
a) Held to Maturity: a. Kenya Government securities	1,183,998 1,183,998	1,763,334 1,763,334	1,822,413 1,822,413	1,183,998 1,183,998	1,763,334 1,763,334	1,822,413 1,822,413
b. Other securities b) Available for sale:	539,689	503,680	606,983	539,689	503,680	606,983
a. Kenya Government securities	500,084	479,885	583,284	500,084	479,885	583,284
 b. Other securities 6 Deposits and balances due from local banking 	39,605 552,141	23,795 243,417	23,699 -	39,605 552,141	23,795 243,417	23,699
institutions 7 Deposits and balances due from banking institutions	163,721	394,288	107,738	163,721	394,288	107,738
abroad 8 Tax recoverable	577	5510	,,,,,,	511	5517	
9 Loans and advances to customers (net)	8,130,585	9,698,546	10,486,648	8,130,585	9,698,546	10,486,648
10 Balances due from banking institutions in the group 11 Investments in associates						
12 Investments in subsidiary companies 13 Investments in joint ventures	1,000	1,000	1,000	-	-	-
14 Investment properties						
15 Property and equipment 16 Prepaid lease rentals	324,021	291,186	277,903	324,048	291,203	277,918
17 Intangible assets 18 Deferred tax asset	138,208 125,076	186,949 114,759	180,543 114,758	138,539 125,065	187,202 114,750	180,769 114,751
19 Retirement benefit asset						
20 Other assets 21 TOTAL ASSETS	316,107 13,010,223	298,738 14,465,074	428,257 14,933,181	349,875 13,065,702	318,692 14,510,677	473,027 15,007,550
B LIABILITIES						
22 Balances due to Central Bank of Kenya						
23 Customer deposits 24 Deposits and balances due to local banking	9,847,126 177,127	10,939,796 79,348	11,590,949 16,940	9,847,126 177,127	10,939,796 79,348	11,590,949 16,940
institutions 25 Deposits and balances due to foreign banking	103,127	465,539	303,397	103,127	465,539	303,397
institutions	-27	90009	7-51557		9009	1001
26 Other money market deposits 27 Borrowed funds	-	-		-		-
28 Balances due to banking institutions in the group 29 Tax payable	- 38,862	- 785	- 5,287	- 40,657	- 59	۔ 4,419
30 Dividends payable		-			-	-
31 Deferred tax liability 32 Retirement benefit liability	-	-	-	-	-	-
33 Other liabilities 34 TOTAL LIABILITIES	361,669 10,527,911	314,533 11,800,001	363,397 12,279,970	409,756	352,349 11,837,091	427,012 12,342,717
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C SHAREHOLDERS' FUNDS 35 Paid up /Assigned capital	1,949,163	2,390,786	2,401,600	1,949,163	2,390,786	2,401,600
36 Share premium/(discount) 37 Revaluation reserves	449,940	88,705	94,774	449,940	88,705	94,774
38 Retained earnings/Accumulated losses	50,027	114,825	122,962	55,624	123,338	134,584
39 Statutory Ioan loss reserves 40 Other Reserves	49,541 (16,359)	49,541 (4,844)	7,815	49,541 (16,359)	49,541 (4,844)	- 7,815
41 Proposed dividends 42 Capital grants		26,060	26,060		26,060	26,060
43 TOTAL SHAREHOLDERS' FUNDS	2,482,312	2,665,073	2,653,211	2,487,909	2,673,586	2,664,833
44 Minority Interest 45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	13,010,223	14,465,074	14,933,181	13,065,702	14,510,677	15,007,550
II STATEMENT OF COMPREHENSIVE INCOME						
1.0 INTEREST INCOME						
1.1 Loans and advances 1.2 Government securities	302,695 59,789	1,252,434 252,845	353,074 57,193	302,695 59,789	1,252,434 252,845	353,074 57,193
1.3 Deposits and placements with banking institutions 1.4 Other Interest Income	6,151	24,301	2,793	6,151	24,301	2,793
1.5 Total interest income	1,065 369,700	3,737 1,533,317	718 413,778	1,065 369,700	3,737 1,533,317	718 413,778
2.0 INTEREST EXPENSE						
2.1 Customer deposits	164,585	709,677	198,089	164,585	708,982	197,532
2.2 Deposits and placement from banking institutions2.3 Other interest expenses	5,798	30,517	3,384	5,798	30,517	3,384
2.4 Total interest expenses 3.0 NET INTEREST INCOME/(LOSS)	170,383 199,317	740,194 793,123	201,473 212,305	170,383 199,317	739,499 793,818	200,916 212,862
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4.0 NON-INTEREST INCOME 4.1 Fees and commissions on loans and advances	34,373	182,288	65,910	34,373	182,288	65,910
4.2 Other fees and commissions 4.3 Foreign exchange trading income/(Loss)	63,332 12,000	230,514 58,428	43,907 20,705	66,397 12,000	238,975 58,428	47,960 20,705
4.4 Dividend Income	-	-	-	-	-	-
4.5 Other income 4.6 Total Non-interest income	14,816 124,521	88,840 560,070	25,121 155,643	14,816 127,586	88,840 568,531	25,121 159,696
5.0 TOTAL OPERATING INCOME	323,838	1,353,193	367,948	326,903	1,362,349	372,558
6.0 OTHER OPERATING EXPENSES						
6.1 Loan loss provision 6.2 Staff costs	24,909 111,872	136,272 466,189	25,112 133,357	24,909 112,968	136,272 470,607	25,112 134,687
6.3 Directors' emoluments 6.4 Rental charges	15,523 24,311	50,620 101,973	12,651 25,939	15,523 24,311	50,620 101,973	12,651 25,940
6.5 Depreciation charge on property and equipment	14,071	58,323	14,615	14,074	58,335	14,627
6.6 Amortisation charges 6.7 Other operating expenses	15,539 66,620	45,913 314,847	12,421 86,067	15,565 66,774	46,017 313,307	12,525 86,12 <u>3</u>
6.8 Total Other Operating Expenses 7.0 Profit/(loss) Before Tax and Exceptional Items	272,845	1,174,137	<u>310,162</u> 57,786	274,124	1,177,131 185,218	<u>311,665</u> 60,893
8.0 Exceptional Items	50,993	179,056	-	52,779	-	-
9.0 Profit/(Loss) After Exceptional Items 10.0 Current Tax	50,993 12,000	179,056 38,892	<mark>57,786</mark> 4,500	52,779 12,464	185,218 51,138	<mark>60,893</mark> 4,500
11.0 Deferred Tax		10,318	-			
12.0 Profit/(Loss) After Tax and Exceptional Items 13.0 Minority Interest	38,993	129,846	53,286	40,315	134,080	56,393
14.0 Profit/(loss) after tax, exceptional items and Minority Interest	38,993	129,846	53,286	40,315	134,080	56,393
15.0 Other Comprehensive Income						
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-		,		-
15.2 Fair value changes in available for sale financial assets 15.3 Revaluation surplus on Property, plant and equipment	(11,733) -	4,717	18,083	(11,733)	4,717	18,083
15.4 Share of other comprehensive income of associates 15.5 Income tax relating to components of other	-	(1.445)	(F 425)	-	(1.445)	(5,425)
comprehensive income	3,520	(1,415)	(5,425)	3,520	(1,415)	(5,425)
16.0 Other Comprehensive Income for the year net of tax 17.0 Total comprehensive income for the year	(8,213) 30,780	3,302 133,148	12,658 65,944	(8,213) 32,102	3,302 137,382	12,658 69,051
18.0 EARNINGS PER SHARE- BASIC & DILUTED 19.0 DIVIDEND PER SHARE -DECLARED	8	5-4	8.9	8.3	5.6	9.4
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1.0 NON-PERFORMING LOANS AND ADVANCES (a) Gross Non-performing loans and advances (b) Less: Interest in Suspense (c) Total Non-Performing Loans and Advances (a-b)	2017 Shs. 'ooo' Unaudited 663,207 118,396	Shs. 'ooo' Audited	31 March 2018 Shs. 'ooo' Unaudited
(a) Gross Non-performing loans and advances (b) Less: Interest in Suspense (c)Total Non-Performing Loans and Advances (a-b)	Shs. '000' Unaudited 663,207 118,396	Shs. 'ooo' Audited	Shs. '000'
(a) Gross Non-performing loans and advances (b) Less: Interest in Suspense (c)Total Non-Performing Loans and Advances (a-b)	Unaudited 663,207 118,396	Audited	
(a) Gross Non-performing loans and advances (b) Less: Interest in Suspense (c)Total Non-Performing Loans and Advances (a-b)	663,207 118,396		Unaudited
(a) Gross Non-performing loans and advances (b) Less: Interest in Suspense (c)Total Non-Performing Loans and Advances (a-b)	118,396	876,544	
(b) Less: Interest in Suspense (c)Total Non-Performing Loans and Advances (a-b)	118,396	876,544	
(c)Total Non-Performing Loans and Advances (a-b)			1,356,721
			174,036
	544,811		1,182,685
(d) Less: Loan Loss Provision	381,095		
(e) Net Non-Performing Loans and Advances(c-d)	163,716		771,804
(f) Discounted Value of Securities	163,716	404,415	722,051
(g) Net NPLs Exposure (e-f)	-	-	49,753
2.0 INSIDER LOANS AND ADVANCES			
(a) Directors, Shareholders and Associates	438,043	558,101	617,383
(b) Employees	471,188		572,135
(C)Total Insider Loans and Advances and other facilities	909,231		1,189,518
			1 313
3.0 OFF-BALANCE SHEET ITEMS			
(a)Letters of credit,guarantees, acceptances	5,723,128	7,246,797	7,926,114
(b) Forwards, swaps and options			
(c)Other contingent liabilities	5,852,417	5,143,676	454,494
(d)Total Contingent Liabilities	11,575,545	12,390,473	8,380,608
4.0 CAPITAL STRENGTH			
(a)Core capital	2,429,635	2,594,315	2,592,694
(b) Minimum Statutory Capital	1,000,000		1,000,000
(c)Excess/(Dificiency)(a-b)	1,429,635		1,592,694
(d) Supplementary Capital	49,541		
(e) Total Capital (a+d)	2,479,176		2,592,694
(f)Total risk weighted assets	13,872,496		17,774,000
(g) Core Capital/Total deposits Liabilities	24.4%		21.8%
(h) Minimum statutory Ratio	8.0%		8.0%
(I) Excess/(Deficiency) (g-h)	16.4%		13.8%
(j) Core Capital / total risk weighted assets	17.5%		14.6%
(k) Minimum Statutory Ratio	10.5%		10.5%
(I) Excess (Deficiency) (j-k)	7.0%		4.1%
(m) Total Capital/total risk weighted assets	17.9%		14.6%
(n) Minimum statutory Ratio	14.5%		14.5%
(o) Excess/(Deficiency) (m-n)	3.4%		0.1%
(p) Adjusted Core Capital/Total Deposit Liabilities*	J-4/0		22.4%
(g) Adjusted Core Capital/Total Risk Weighted Assets*			15.0%
(r) Adjusted Total Capital/Total Risk Weighted Assets*			15.0%
5.0 LIQUIDITY			
5.1 (a) Liquidity Ratio	32.5%	29.6%	25.1%
5.2 (b) Minimum Statutory Ratio	20.0%		20.0%
5.3 (c) Excess (Deficiency) (a-b)	12.5%	9.6%	5.1%

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

These financial statements are extracts from the books of the institution. The complete set of quarterly financial statements, statutory and qualitative disclosures can be accessed on the institutions website : www.creditbank.co.ke . They may also be accessed at the institutions head office located at Mercantile House Koinange Street – Nairobi

Betty Korir	Moses Mwendwa
Chief Executive Officer	Director

The Companies Act, 2015 No. 23/90

NOTICE IS HEREBY GIVEN THAT THE THIRTY SECOND (32ND) ANNUAL GENERAL MEETING OF CREDIT BANK PLC WILL BE HELD AT CATHOLIC UNIVERSITY OF EASTERN AFRICA, NAIROBI ON 28[™] OF JUNE 2018 AT 10.00 AM.

Credit Bank

AGENDA

ORDINARY BUSINESS

- To read the notice convening the meeting and confirm the presence of a quorum. To receive and adopt the audited Balance Sheet and Financial Statements for the year ended 31 December 2017 together with the Directors' and Auditors' Reports thereon.
- To declare a dividend of Ksh 1.09 per share in respect of the financial year ended 31 December 2017 as recommended by the Directors. To re-elect Directors in accordance with the Articles of Association:-i) Mrs Grace Nyachae, retires from office by rotation and, being eligible, offers herself for re-election;
- ii) Mr Moses M Mwendwa retires from office by rotation and, being eligible, offers himself for re-election;
 iii) Mr Jay Karia retires from office by rotation and, being eligible, offers himself for re-election.
 To approve the Directors' remuneration for the financial year 2018.
 To authorise the directors to fix the Auditors' remuneration.
- To re-appoint the Auditors of Auditors remainer addition.
 To re-appoint the Auditors, PricewaterhouseCoopers who have indicated their willingness to continue in office in accordance with Section 719 (2) of the Companies Act, 2015 and subject to approval by Central Bank of Kenya.
 SPECIAL BUSINESS

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 a) Increase of nominal share capital
 THAT the Nominal Share Capital of the Company be increased from Shs 3,000,000 divided into 30,000,000 ordinary shares of Shs 100 each to Shs 5,000,000 divided into 50,000,000 ordinary shares of Shs 100 each by the creation of an additional 20,000,000 new ordinary shares of Shs 100 each.b) Creation of new class of shares

- To authorize the Board of Directors to enter into discussions with potential investors for placement of the newly created shares in the Company to the new investors, including creation of a new class of shares on terms and conditions as they deem fit.

Amendment to the Articles of Association of the Bank

- THAT following the increase in share capital, Article 5 of the Company's Articles of Association be amended as follows: 5. The share capital of the Company is Kenya Shillings five billion (Kshs. 5,000,000,000/=) divided into fifty million (50,000,000) shares of Kenya Shillings One Hundred (Kshs. 100/=) each, with power for the company to increase or reduce such capital and divide any shares in its capital for the time being into several classes and to attach thereto several classes and to attach thereto respectively
- any preferential, deferred, qualified or other rights, privileges, restrictions or conditions and to issue all or any part of such original, increased or reduced capital with or subject to such preferential, deferred, qualified or other rights, privileges, restrictions or BY ORDER OF THE BOARD

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Company Secretaries

28th May 2018

Note:

- In accordance with Section 298(1) of the Companies Act, 2015, a member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member.
- 2 A form of proxy may be obtained from the Bank's website, <u>www.creditbank.co.ke</u> or the Bank's head office, Mercantile House, Koinange Street, Nairobi and should be completed and returned to the Secretary, to arrive not later than 48 hours before the meeting or any adjournment thereof.
- 3 The Audited Accounts and Financial Statements for the year ended 31 December 2017 may be viewed at the Bank's website
 - www.creditbank.co.ke or a printed copy be obtained from the Bank's Head Office, Mercantile House, Koinange Street, Nairobi.

VISIT US AT ANY OF OUR BRANCH NETWORKS - HEAD OFFICE/KOINANGE: Mercantile House, Koinange Street | KISUMU BRANCH: Swan Centre, Oginga Odinga Road | KISII BRANCH: Hospital Road | NAKURU BRANCH: Giddo Plaza, Eldoret-Nakuru Highway | WESTLANDS BRANCH: Empress Office Suite, Ring Rd, Parklands | INDUSTRIAL AREA BRANCH: Butere Road | NAKURU BRANCH: Polo Centre along Kenyatta Avenue | ELDORET BRANCH: Zion Mall, Uganda Road | RONGAI BRANCH: Maasai Mall | MOMBASA BRANCH: Nyali Centre | THIKA BRANCH: Biashara Mall | LAVINGTON BRANCH: Lavington Mall | MACHAKOS BRANCH: MboluMalu Road | KITENGELA: Safari House | MERU TOWN BRANCH: Stemuki Building, Kirukuri Street | NAIROBI'S NGONG ROAD BRANCH: Silkwood Building | MOMBASA NKURUMAH BRANCH: Taiyebi Hse, Nkurumah