

AUDITED FINANCIAL STATEMENTS AND DISCLOSURES AS AT 31ST DECEMBER 2014

	BANK		GROUP	
	31st Dec '14 Kes. '000'	31st Dec '13 Kes. '000'	31st Dec '14 Kes. '000'	31st Dec '13 Kes. '000'
I BALANCE SHEET				
A ASSETS	Audited	Audited	Audited	Audited
1 Cash (both Local & Foreign)	3,803,171	1,403,150	3,891,840	1,726,833
2 Balances due from Central Bank of Kenya	7,105,986	3,014,503	7,105,986	3,014,503
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:				
a. Kenya Government securities	6,740,637	4,932,678	6,740,637	4,932,678
b. Other securities	202,618	238,479	202,618	238,479
b) Available for sale:				
a. Kenya Government securities	4,785,000	3,365,000	4,785,000	3,365,000
b. Other securities	-	-	-	-
6 Deposits and balances due from local banking institutions	7,320,064	9,098,911	6,084,383	9,098,911
7 Deposits and balances due from banking institutions abroad	7,758,772	5,505,037	7,758,771	5,505,037
8 Tax recoverable	-	-	17,210	20,789
9 Loans and advances to customers (net)	53,821,223	39,564,255	57,236,098	41,429,897
10 Balances due from banking institutions in the group	484,402	363,646	-	-
11 Investments in associates	-	-	-	-
12 Investments in subsidiary companies	765,000	390,000	-	-
13 Investments in joint ventures	-	-	-	-
14 Investment properties	-	-	-	-
15 Property and equipment	1,661,507	1,110,183	2,040,602	1,517,208
16 Prepaid lease rentals	-	-	-	-
17 Intangible assets	702,065	449,218	718,800	476,527
18 Deferred tax asset	20,551	-	36,484	859
19 Retirement benefit asset	-	-	-	-
20 Other assets	11,941,473	7,133,870	12,540,195	7,442,117
21 TOTAL ASSETS	107,112,469	76,568,930	109,158,624	78,768,838
B LIABILITIES				
22 Balances due to Central Bank of Kenya	-	-	-	-
23 Customer deposits	79,124,210	51,941,729	79,853,887	53,361,000
24 Deposits and balances due to local banking institutions	-	8,661,407	-	8,234,835
25 Deposits and balances due to foreign banking institutions	-	1,407,718	-	1,407,718
26 Other money market deposits	-	-	-	-
27 Borrowed funds	15,501,192	5,874,732	16,458,923	6,632,564
28 Balances due to banking institutions in the group	-	-	-	-
29 Tax payable	294,826	180,139	300,199	183,303
30 Dividends payable	-	-	-	-
31 Deferred tax liability	-	2,814	0	11,272
32 Retirement benefit liability	-	-	-	-
33 Other liabilities	1,126,598	1,013,349	1,424,074	1,433,853
34 TOTAL LIABILITIES	96,046,826	69,081,888	98,037,083	71,264,545
C SHAREHOLDERS' FUNDS				
35 Paid up /Assigned capital	10,000,000	7,000,000	10,000,000	7,000,000
36 Share premium/(discount)	-	-	-	-
37 Revaluation reserves	(60,835)	(122,835)	(60,835)	(122,835)
38 Retained earnings/Accumulated losses	363,276	119,402	413,426	110,115
39 Statutory loan loss reserves	763,202	490,475	768,950	517,013
40 Other Reserves	-	-	-	-
41 Proposed dividends	-	-	-	-
42 Capital grants	-	-	-	-
43 TOTAL SHAREHOLDERS' FUNDS	11,065,643	7,487,042	11,121,541	7,504,293
44 Minority Interest	-	-	-	-
45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	107,112,469	76,568,930	109,158,624	78,768,838
II PROFIT AND LOSS ACCOUNT				
1.0 INTEREST INCOME				
1.1 Loans and advances	11,627,544	8,078,947	12,232,019	8,271,626
1.2 Government securities	1,068,580	631,434	1,068,580	742,793
1.3 Deposits and placements with banking institutions	181,548	88,663	272,941	88,663
1.4 Other Interest Income	-	-	-	-
1.5 TOTAL INTEREST INCOME	12,877,672	8,799,044	13,573,540	9,103,082
2.0 INTEREST EXPENSE				
2.1 Customer deposits	4,887,405	3,221,097	4,980,358	3,159,160
2.2 Deposits and placement from banking institutions	1,308,595	711,725	1,385,332	794,013
2.3 Other interest expenses	-	-	-	-
2.4 Total Interest Expenses	6,196,000	3,932,822	6,365,690	3,953,173
3.0 NET INTEREST INCOME/(LOSS)	6,681,672	4,866,222	7,207,850	5,149,909
4.0 NON-INTEREST INCOME				
4.1 Fees and commissions on loans and advances	512,218	351,455	537,507	354,171
4.2 Other fees and commissions	1,043,614	584,967	1,314,976	712,787
4.3 Foreign exchange trading income/(Loss)	838,576	362,467	838,576	362,467
4.4 Dividend Income	-	-	-	-
4.5 Other income	4,133	54,550	97,605	177,820
4.6 Total Non-Interest Income	2,398,541	1,353,439	2,788,664	1,607,245
5.0 TOTAL OPERATING INCOME	9,080,213	6,219,661	9,996,514	6,757,154
6.0 OTHER OPERATING EXPENSES				
6.1 Loan loss provision	757,087	390,751	794,904	414,920
6.2 Staff costs	1,902,247	1,169,982	2,213,756	1,397,217
6.3 Directors' emoluments	3,856	7,943	4,602	7,943
6.4 Rental charges	274,097	170,527	367,582	220,946
6.5 Depreciation charge on property and equipment	382,201	213,475	354,263	240,728
6.6 Amortisation charges	124,178	124,178	201,573	128,137
6.7 Other operating expenses	2,334,698	1,891,594	2,705,893	2,060,189
6.8 Total Other Operating Expenses	5,778,364	3,968,450	6,642,573	4,470,080
7.0 Profit/(loss) before tax and exceptional items	3,301,849	2,251,211	3,353,941	2,287,074
8.0 Exceptional items	-	-	-	-
9.0 Profit/(loss) before tax after exceptional items	3,301,849	2,251,211	3,353,941	2,287,074
10.0 Current tax	985,248	681,306	993,455	700,275
11.0 Deferred tax	-	-	-	-
12.0 Profit/(loss) after tax and exceptional items	2,316,601	1,569,905	2,360,486	1,586,799
13.0 Minority Interest	-	-	-	-
14.0 Profit/(loss) after tax, exceptional items and Minority Interest	2,316,601	1,569,905	2,360,486	1,586,799
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	62,000	(114,968)	62,000	(114,968)
15.3 Revaluation surplus on Property, plant and equipment	-	-	-	-
15.4 Share of other comprehensive income of associates	-	-	-	-
15.5 Income tax relating to components of other comprehensive income	-	-	-	-
16.0 Other Comprehensive Income for the year net of tax	62,000	(114,968)	62,000	(114,968)
17.0 TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2,378,601	1,454,937	2,422,486	1,471,831
Earnings per Share - Basic & Diluted	Kes. 0.25	Kes. 0.22	Kes. 0.25	Kes. 0.22
III OTHER DISCLOSURES				
1.0 NON-PERFORMING LOANS AND ADVANCES				
(a) Gross Non-performing loans and advances	3,196,164	2,012,566	3,415,401	2,012,566
(b) Less: Interest in Suspense	913,410	983,108	914,930	986,873
(c) Total Non-Performing Loans and Advances (a-b)	2,282,754	1,029,458	2,500,471	1,025,693
(d) Less: Loan Loss Provision	1,102,734	489,400	1,176,878	525,727
(e) Net Non-Performing Loans and Advances (c-d)	1,180,020	540,058	1,323,593	499,966
(f) Discounted Value of Securities	1,180,020	540,058	1,323,593	499,966
(g) Net NPLs Exposure (e-f)	-	-	-	-
INSIDER LOANS AND ADVANCES				
(a) Directors, Shareholders and Associates	1,367,153	1,081,591	1,367,153	1,081,591
(b) Employees	1,870,948	492,620	1,870,948	492,620
(c) Total Insider Loans and Advances and other facilities	3,238,101	1,574,211	3,238,101	1,574,211
3.0 OFF-BALANCE SHEET ITEMS				
(a) Letters of credit, guarantees, acceptances	7,665,951	6,781,485	7,665,951	6,781,485
(b) Forwards, swaps and options	5,577,760	2,690,154	5,577,760	2,690,154
(c) Other contingent liabilities	-	-	-	-
(d) Total Contingent Liabilities	13,243,711	9,471,639	13,243,711	9,471,639

4.0 CAPITAL STRENGTH

(a) Core capital	9,613,276	6,595,923
(b) Minimum Statutory Capital	1,000,000	1,000,000
(c) Excess/(Deficiency)(a-b)	8,613,276	5,595,923
(d) Supplementary Capital	763,202	490,475
(e) Total Capital (a+d)	10,376,478	7,086,398
(f) Total risk weighted assets	67,948,090	47,133,294
(g) Core Capital/Total deposits Liabilities	12.1%	11.7%
(h) Minimum statutory Ratio	8.0%	8.0%
(i) Excess/(Deficiency) (g-h)	4.1%	3.7%
(j) Core Capital / total risk weighted assets	14.1%	14.0%
(k) Minimum Statutory Ratio	8.0%	8.0%
(l) Excess (Deficiency) (j-k)	6.1%	6.0%
(m) Total Capital/total risk weighted assets	15.3%	15.0%
(n) Minimum statutory Ratio	12.0%	12.0%
(o) Excess/(Deficiency) (m-n)	3.3%	3.0%

14 LIQUIDITY

14.1 (a) Liquidity Ratio	46.4%	40.5%
14.2 (b) Minimum Statutory Ratio	20.0%	20.0%
14.3 (c) Excess (Deficiency) (a-b)	26.4%	20.5%

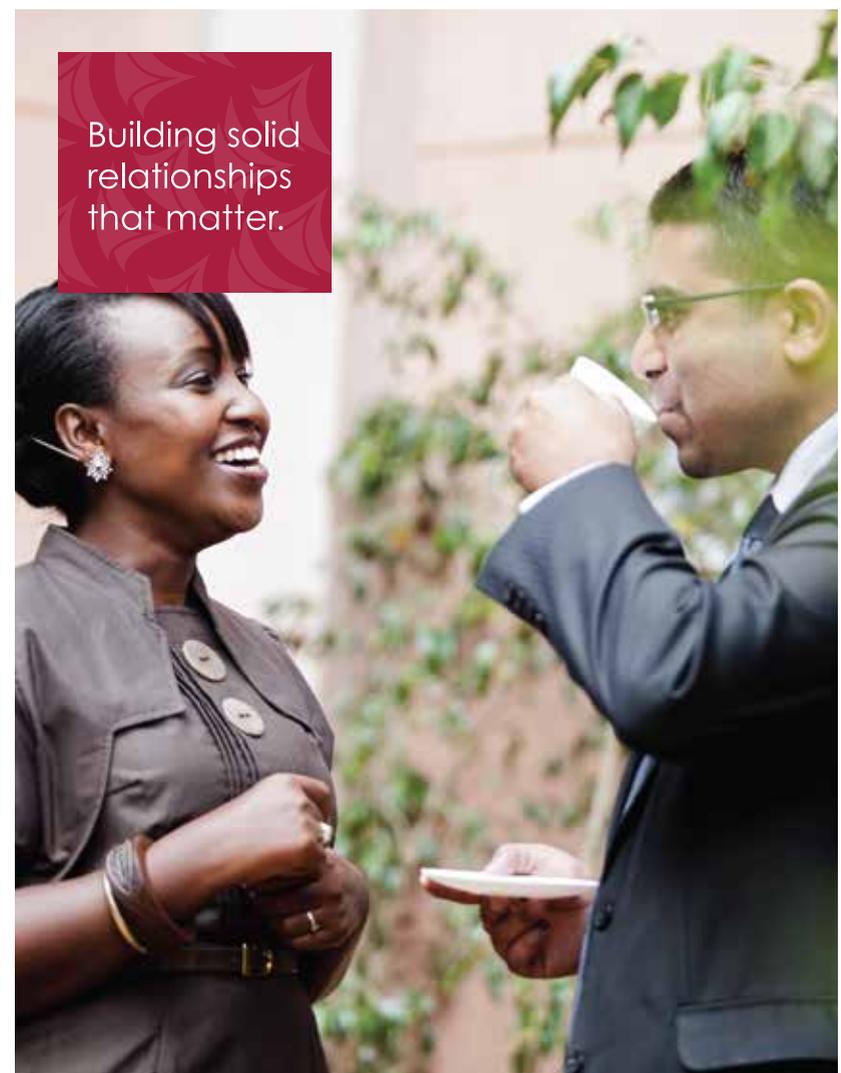
MESSAGE FROM THE DIRECTORS

The above audited full year financial statements and disclosures are extracts of financial records of the Bank and have been approved and signed on behalf of the Board by:

Z. Khan
Chairman

D. Kabui
Group Managing Director

P. Njaga
Chief Executive Officer



Building solid
relationships
that matter.

RELATIONSHIPS MATTER.

It is because of the relationships we build within our selves, with our customers, our partners, our investors and in the communities we serve in, that we are able to move forward.

If it matters to you, it matters to us.

Let us talk to start a relationship today.



THE RELATIONSHIP BANK

CHASEBANK

Chase Bank is regulated by the Central Bank of Kenya.