

I. STATEMENT OF FINANCIAL POSITION				
	BANK		GROUP	
	31-Dec-19 Shs '000 Audited	31-Dec-20 Shs '000 Audited	31-Dec-19 Shs '000 Audited	31-Dec-20 Shs '000 Audited
<b>A. ASSETS</b>				
1 Cash (both local and foreign)	1,278,352	2,025,202	1,278,352	2,025,202
2 Balances with Central Bank of Kenya	2,969,996	3,422,969	2,969,996	3,422,969
3 Kenya Government & other Securities held for dealing purposes	301,538	-	301,538	-
4 Financial Assets at Fair Value through Profit & Loss	1,552,811	1,238,333	1,552,811	1,238,333
5 Investment Securities:				
a).Held to Maturity:				
i).Kenya Government securities	15,385,838	21,077,005	15,385,838	21,077,005
ii).Other securities	295,140	109,274	295,140	109,274
b). Available for sale				
i).Kenya Government securities	27,133,666	19,911,113	27,133,666	19,911,113
ii).Other securities.	2,416	1,397	2,467	1,437
6 Deposits and balances due from local banking institutions	2,857,914	543,042	2,857,914	543,042
7 Deposits and balances due from banking institutions abroad	1,719,084	2,052,193	1,719,084	2,052,193
8 Tax recoverable	-	-	-	772
9 Loans and advances to customers (net)	15,463,645	25,023,214	15,463,582	25,023,214
10 Balances due from banking institutions in the group	-	-	-	-
11 Investments in associates	-	-	-	-
12 Investments in subsidiary companies	-	-	-	-
13 Investments in Joint Ventures	-	-	-	-
14 Investment properties	-	-	-	-
15 Property, plant and equipment	1,892,928	2,044,983	1,898,632	2,044,983
16 Prepaid lease rentals	-	-	-	-
17 Intangible assets	203,385	81,990	203,385	81,990
18 Deferred tax asset	377,082	851,635	378,060	852,613
19 Retirement benefit asset	-	-	-	-
20 Other assets	1,085,561	807,452	1,086,732	807,452
<b>21 TOTAL ASSETS</b>	<b>72,519,356</b>	<b>79,189,802</b>	<b>72,527,197</b>	<b>79,191,592</b>
<b>B LIABILITIES</b>				
22 Balances due to Central Bank of Kenya	9,743,979	9,729,114	9,743,979	9,729,114
23 Customer deposits	50,561,335	56,032,695	50,546,108	56,018,274
24 Deposits and balances due to local banking institutions	-	1,046,351	-	1,046,351
25 Deposits and balances due to foreign banking institutions	11,515	15,080	11,515	15,080
26 Other money market deposits	-	-	-	-
27 Borrowed funds	-	-	-	-
28 Balances due to banking institutions in the group	-	-	-	-
29 Tax payable	594,484	1,805	591,907	-
30 Dividends Payable	-	-	-	-
31 Deferred tax liability	-	-	-	-
32 Retirement benefit liability	-	-	-	-
33 Other liabilities	3,730,867	3,493,768	3,763,569	3,519,595
<b>34 TOTAL LIABILITIES</b>	<b>64,642,180</b>	<b>70,318,813</b>	<b>64,657,078</b>	<b>70,328,414</b>
<b>C SHAREHOLDERS' EQUITY</b>				
35 Paid up/Assigned capital	2,265,500	2,265,500	2,265,500	2,265,500
36 Share premium/(discount)	6,701,945	6,701,945	6,701,945	6,701,945
37 Revaluation reserves	21,092	360,253	21,092	360,253
38 Retained earnings/Accumulated Losses	(1,136,650)	(1,612,837)	(1,143,707)	(1,620,649)
39 Statutory Loan Loss Reserve	25,289	1,156,129	25,289	1,156,129
40 Other Reserves	-	-	-	-
41 Proposed dividends	-	-	-	-
42 Non controlling Interest	-	-	-	-
43 Capital grants	-	-	-	-
<b>44 TOTAL SHAREHOLDERS' EQUITY</b>	<b>7,877,176</b>	<b>8,870,990</b>	<b>7,870,119</b>	<b>8,863,178</b>
<b>45 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>72,519,356</b>	<b>79,189,802</b>	<b>72,527,197</b>	<b>79,191,592</b>

II. STATEMENT OF COMPREHENSIVE INCOME				
	BANK		GROUP	
	31-Dec-19 Shs '000 Audited	31-Dec-20 Shs '000 Audited	31-Dec-19 Shs '000 Audited	31-Dec-20 Shs '000 Audited
<b>1.0 INTEREST INCOME</b>				
1.1 Loans and advances	1,167,642	1,983,483	1,167,642	1,983,483
1.2 Government securities	4,508,663	4,759,088	4,508,663	4,759,088
1.3 Deposits and placements with banking institutions	215,363	41,507	215,363	41,507
1.4 Other Interest Income	377,631	567,473	377,631	567,473
<b>1.5 TOTAL INTEREST INCOME</b>	<b>6,269,300</b>	<b>7,351,551</b>	<b>6,269,300</b>	<b>7,351,551</b>
<b>2.0 INTEREST EXPENSE</b>				
2.1 Customer Deposits	2,807,290	2,802,796	2,807,290	2,802,796
2.2 Deposits and placement from banking institutions	4,266	40,405	4,266	40,405
2.3 Other Interest Expenses	682,916	775,046	682,916	775,046
<b>2.4 TOTAL INTEREST EXPENSES</b>	<b>3,494,472</b>	<b>3,618,247</b>	<b>3,494,472</b>	<b>3,618,247</b>
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>2,774,828</b>	<b>3,733,304</b>	<b>2,774,828</b>	<b>3,733,304</b>
<b>4.0 NON-INTEREST INCOME</b>				
4.1 Fees and commissions on loans and advances	122,389	176,221	122,389	176,221
4.2 Other Fees and Commissions	222,361	188,872	222,361	188,872
4.3 Foreign exchange trading income (loss)	260,461	330,386	260,461	330,386
4.4 Dividend Income	-	-	-	-
4.5 Other income	2,919,825	1,332,417	2,921,553	1,332,423
<b>4.6 TOTAL NON-INTEREST INCOME</b>	<b>3,525,036</b>	<b>2,027,896</b>	<b>3,526,763</b>	<b>2,027,902</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>6,299,864</b>	<b>5,761,199</b>	<b>6,301,591</b>	<b>5,761,206</b>
<b>6.0 OTHER OPERATING EXPENSES</b>				
6.1 Loan Loss Provision	672,809	370,407	672,809	370,407
6.2 Staff costs	2,041,590	2,362,136	2,042,921	2,362,352
6.3 Directors' emoluments	70,913	83,891	70,913	83,891
6.4 Rental charges	59,178	65,905	59,178	65,905
6.5 Depreciation charge on property and equipment	619,901	577,117	619,925	577,117
6.6 Amortisation Charges	266,633	144,777	266,633	144,777
6.7 Other operating expenses	1,388,856	1,540,214	1,388,901	1,540,759
<b>6.8 TOTAL OTHER OPERATION EXPENSES</b>	<b>5,119,879</b>	<b>5,144,447</b>	<b>5,121,280</b>	<b>5,145,209</b>
<b>7.0 PROFIT/(LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS</b>	<b>1,179,985</b>	<b>616,752</b>	<b>1,180,311</b>	<b>615,997</b>
8.0 Exceptional items	-	-	-	-
<b>9.0 PROFIT/(LOSS) AFTER EXCEPTIONAL ITEMS</b>	<b>1,179,985</b>	<b>616,752</b>	<b>1,180,311</b>	<b>615,997</b>
10.0 Current tax	(654,592)	(436,652)	(654,690)	(436,652)
11.0 Deferred tax	378,481	474,553	378,481	474,553
<b>12.0 PROFIT/(LOSS) AFTER TAX AND EXCEPTIONAL ITEMS</b>	<b>903,874</b>	<b>654,653</b>	<b>904,102</b>	<b>653,898</b>
<b>13.0 OTHER COMPREHENSIVE INCOME</b>				
13.1 Gains/(Losses) from translating the financial statements	-	-	-	-
13.2 Fair value changes in available -for-sale financial assets	35,795	339,161	35,795	339,161
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	-	-	-	-
<b>14.0 OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX</b>	<b>35,795</b>	<b>339,161</b>	<b>35,795</b>	<b>339,161</b>
<b>15.0 TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>939,669</b>	<b>993,814</b>	<b>939,897</b>	<b>993,059</b>

III. OTHER DISCLOSURES				
	BANK		GROUP	
	31-Dec-19 Shs '000 Audited	31-Dec-20 Shs '000 Audited	31-Dec-19 Shs '000 Audited	31-Dec-20 Shs '000 Audited
<b>1) NON-PERFORMING LOANS AND ADVANCES</b>				
a) Gross Non-performing loans and advances	14,980,134	16,225,120	14,980,134	16,225,120
b) Less: Interest in Suspense	1,803,949	2,526,922	1,803,949	2,526,922
<b>c) TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)</b>	<b>13,176,185</b>	<b>13,698,198</b>	<b>13,176,185</b>	<b>13,698,198</b>
d) Less:Loan Loss Provisions	9,958,623	10,764,348	9,958,623	10,764,348
e) Net Non-Performing Loans (c-d)	3,217,562	2,933,850	3,217,562	2,933,850
f) Discounted Value of Securities	3,103,550	2,923,614	3,103,550	2,923,614
<b>g) NET NPLS EXPOSURE (e-f)</b>	<b>114,012</b>	<b>10,236</b>	<b>114,012</b>	<b>10,236</b>
<b>2) INSIDER LOANS AND ADVANCES</b>				
a) Directors, Shareholders and Associates	142,148	138,875	142,148	138,875
b) Employees	1,175,865	1,867,780	1,175,865	1,867,780
<b>c) TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES</b>	<b>1,318,012</b>	<b>2,006,655</b>	<b>1,318,012</b>	<b>2,006,655</b>
<b>3) OFF-BALANCE SHEET ITEMS</b>				
a) Letters of credit, guarantees, acceptances	1,723,296	1,597,952	1,723,296	1,597,952
b) Forwards, swaps and options	24,529	3,893,350	24,529	3,893,350
c) Other contingent liabilities	-	-	-	-
<b>d) TOTAL CONTINGENT LIABILITIES</b>	<b>1,747,825</b>	<b>5,491,302</b>	<b>1,747,825</b>	<b>5,491,302</b>
<b>4) CAPITAL STRENGTH</b>				
a) Core capital	7,830,795	7,354,608	7,830,795	7,354,608
b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000
c) Excess/(Deficiency)	6,830,795	6,354,608	6,830,795	6,354,608
d) Supplementary Capital	25,289	577,256	25,289	577,256
<b>e) TOTAL CAPITAL (a+d)</b>	<b>7,856,083</b>	<b>7,931,864</b>	<b>7,856,083</b>	<b>7,931,864</b>
<b>f) TOTAL RISK WEIGHTED LOSS</b>	<b>33,983,208</b>	<b>46,180,470</b>	<b>33,983,208</b>	<b>46,180,470</b>
g) Core capital/total deposit liabilities	15.5%	13.1%	15.5%	13.1%
h) Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%
i) Excess/(Deficiency)	7.5%	5.1%	7.5%	5.1%
j) Core capital/ total risk weighted assets	23.0%	15.9%	23.0%	15.9%
k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%
l) Excess/(Deficiency) (j-k)	12.5%	5.4%	12.5%	5.4%
m) Total capital/ total risk weighted assets	23.1%	17.2%	23.1%	17.2%
n) Minimum Statutory Ratio	14.5%	14.5%	14.5%	14.5%
o) Excess/(Deficiency) (m-n)	8.6%	2.7%	8.6%	2.7%
<b>p) Adjusted Core Capital /Total Deposit Liabilities*</b>	<b>15.5%</b>	<b>13.1%</b>	<b>15.5%</b>	<b>13.1%</b>
<b>q) Adjusted Core Capital /Total Risk Weighted Assets*</b>	<b>23.1%</b>	<b>16.0%</b>	<b>23.1%</b>	<b>16.0%</b>
<b>r) Adjusted Total Capital /Total Risk Weighted Assets*</b>	<b>23.2%</b>	<b>17.2%</b>	<b>23.2%</b>	<b>17.2%</b>
<b>5) LIQUIDITY</b>				
a) Liquidity Ratio	77.2%	65.6%	77.2%	65.6%
b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
c) Excess/(Deficiency) (a-b)	57.2%	45.6%	57.2%	45.6%


\*The adjusted capital ratios include the expected credit loss provisions added back to capital in line with CBK guidance notes issued in April 2018 on implementation of IFRS 9.

These financial statements are extracts from the books of SBM Bank as audited by Deloitte & Touche and have received an unqualified opinion. The complete set of audited financial statements, statutory and qualitative disclosures can be accessed on the institution's website [www.sbmbank.co.ke](http://www.sbmbank.co.ke). They may also be accessed at the institution's head office located on 14 Riverside Mews, Riverside, Nairobi Kenya.

The financial statements were approved by the Board on 24th March 2021 and were signed on its behalf by:  
Moezz Mir Chief Executive Officer  
Dr. James McFie Chairman-Board Audit Committee

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