

I. STATEMENT OF FINANCIAL POSITION

	BANK		GROUP	
	31-Dec-21 Shs'000 Audited	31-Dec-22 Shs'000 Audited	31-Dec-21 Shs'000 Audited	31-Dec-22 Shs'000 Audited
A. ASSETS				
1 Cash (both Local & Foreign)	1,240,345	1,303,271	1,240,345	1,303,271
2 Balances with Central Bank of Kenya	2,991,779	1,530,527	2,991,779	1,530,527
3 Kenya Government & other Securities held for dealing purposes	-	-	-	-
4 Financial Assets at Fair Value through Profit & Loss	574,289	386,317	574,289	386,317
5 Investment Securities:				
a). Held to Maturity:				
i). Kenya Government securities	20,835,540	20,986,908	20,835,540	20,986,908
ii). Other securities	-	-	-	-
b). Available for sale				
i). Kenya Government securities.	15,491,097	14,372,221	15,491,097	14,372,221
ii). Other securities.	1,574	1,574	1,614	1,614
6 Deposits and balances due from local banking institutions	1,164,565	61,715	1,164,565	61,715
7 Deposits and balances due from banking institutions abroad	6,545,802	236,286	6,545,802	236,286
8 Tax recoverable	-	-	843	-
9 Loans and advances to customers (net)	29,080,933	38,416,240	29,080,933	38,416,240
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	1,592,155	1,261,874	1,592,155	1,261,874
16 Prepaid lease rentals	-	-	-	-
17 Intangible assets	116,178	319,488	116,178	319,488
18 Deferred tax asset	1,466,705	2,095,229	1,466,682	2,095,229
19 Retirement benefit asset	-	-	-	-
20 Other assets	856,799	786,143	856,800	786,143
21 TOTAL ASSETS	81,957,761	81,757,793	81,959,622	81,757,833
B. LIABILITIES				
22 Balances due to Central Bank of Kenya	9,281,948	14,583,928	9,281,948	14,583,928
23 Customer deposits	60,064,658	49,305,812	60,050,253	49,291,580
24 Deposits and balances due to local banking institutions	1,400,790	6,413,540	1,400,790	6,413,540
25 Deposits and balances due to foreign banking institutions	38,007	1,493,825	38,007	1,493,825
26 Other money market deposits	-	-	-	-
27 Borrowed funds	-	-	-	-
28 Balances due to banking institutions in the group	-	-	-	-
29 Tax payable	1,734	1,399	-	1,399
30 Dividends Payable	-	-	-	-
31 Deferred tax liability	-	-	-	-
32 Retirement benefit liability	-	-	-	-
33 Other liabilities	2,574,362	2,094,455	2,600,189	2,116,564
34 TOTAL LIABILITIES	73,361,499	73,892,959	73,371,187	73,900,836
C. SHAREHOLDERS' EQUITY				
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	(261,241)	(1,123,126)	(261,241)	(1,123,126)
38 Retained earnings/Accumulated Losses	(1,530,219)	(1,671,459)	(1,538,046)	(1,679,296)
39 Statutory Loan Reserves	1,420,277	1,691,974	1,420,277	1,691,974
40 Other Reserves	-	-	-	-
41 Proposed dividends	-	-	-	-
42 Non controlling Interest	-	-	-	-
43 Capital grants	-	-	-	-
44 TOTAL SHAREHOLDERS' EQUITY	8,596,262	7,864,834	8,588,435	7,856,997
45 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	81,957,761	81,757,793	81,959,622	81,757,833

II. STATEMENT OF COMPREHENSIVE INCOME

	BANK		GROUP	
	31-Dec-21 Shs'000 Audited	31-Dec-22 Shs'000 Audited	31-Dec-21 Shs'000 Audited	31-Dec-22 Shs'000 Audited
1.0 INTEREST INCOME				
1.1 Loans and Advances	2,497,102	3,081,311	2,497,102	3,081,311
1.2 Government securities	4,587,952	4,250,711	4,587,952	4,250,711
1.3 Deposits and placements with banking institutions	16,453	21,483	16,453	21,483
1.4 Other Interest Income	585,386	743,754	585,386	743,754
1.5 Total Interest Income	7,686,893	8,097,260	7,686,893	8,097,260
2.0 INTEREST EXPENSE				
2.1 Customer Deposits	3,237,308	3,091,138	3,237,308	3,091,138
2.2 Deposits and placement from banking institutions	99,900	736,077	99,900	736,077
2.3 Other Interest Expenses	853,457	1,095,840	853,457	1,095,840
2.4 Total Interest Expenses	4,190,665	4,923,055	4,190,665	4,923,055
3.0 NET INTEREST INCOME/(LOSS)	3,496,228	3,174,205	3,496,228	3,174,205
4.0 NON INTEREST INCOME				
4.1 Fees and commissions on loans and advances	172,355	175,044	172,355	175,044
4.2 Other Fees and Commissions	231,036	269,874	231,036	269,874
4.3 Foreign exchange trading income (loss)	423,746	635,636	423,746	635,636
4.4 Dividend Income	-	-	-	-
4.5 Other income	1,680,983	903,442	1,680,983	903,442
4.6 Total Non-Interest Income	2,508,120	1,983,996	2,508,120	1,983,996
5.0 TOTAL OPERATING INCOME	6,004,348	5,158,201	6,004,348	5,158,201
6.0 OPERATING EXPENSES				
6.1 Loan Loss Provision	1,091,010	526,255	1,091,010	526,255
6.2 Staff costs	2,364,165	2,051,003	2,364,165	2,051,003
6.3 Directors' emoluments	93,133	108,809	93,133	108,809
6.4 Rental charges	56,673	64,732	56,673	64,732
6.5 Depreciation charge on property and equipment	513,291	432,089	513,291	432,089
6.6 Amortisation Charges	54,184	58,905	54,184	58,905
6.7 Other Operating Expenses	1,604,565	1,867,885	1,604,580	1,867,895
6.8 Total Operating Expenses	5,777,021	5,109,677	5,777,036	5,109,687
7.0 Profit/(Loss) before tax and exceptional items	227,327	48,524	227,312	48,514
8.0 Exceptional items	-	-	-	-
9.0 Profit/(Loss) after exceptional items	227,327	48,524	227,312	48,514
10.0 Current tax	(495,630)	(546,592)	(495,630)	(546,592)
11.0 Deferred tax	615,069	628,525	615,069	628,525
12.0 Profit/(Loss) after tax and exceptional items	346,766	130,457	346,751	130,447
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	(621,494)	(861,885)	(621,494)	(861,885)
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	-	-	-	-
14.0 Other comprehensive income for the year net of tax	(621,494)	(861,885)	(621,494)	(861,885)
15.0 Total comprehensive income for the year	(274,728)	(731,428)	(274,743)	(731,438)

III. OTHER DISCLOSURES

	BANK		GROUP	
	31-Dec-21 Shs'000 Audited	31-Dec-22 Shs'000 Audited	31-Dec-21 Shs'000 Audited	31-Dec-22 Shs'000 Audited
1) NON-PERFORMING LOANS AND ADVANCES				
a) Gross Non-performing loans and advances	12,849,924	13,190,157	12,849,924	13,190,157
Less:				
b) Interest in Suspense	2,453,315	3,147,920	2,453,315	3,147,920
c) Total Non-Performing Loans and Advances (a-b)	10,396,609	10,042,237	10,396,609	10,042,237
d) Less: Loan Loss Provisions	7,615,878	7,348,959	7,615,878	7,348,959
e) Net Non-Performing Loans (c-d)	2,780,731	2,693,278	2,780,731	2,693,278
f) Discounted Value of Securities	2,767,147	2,664,510	2,767,147	2,664,510
g) Net NPLs Exposure (e-f)	13,584	28,768	13,584	28,768
2) Insider Loans and Advances				
a) Directors, Shareholders and Associates	131,091	129,597	131,091	129,597
b) Employees	1,755,058	1,570,134	1,755,058	1,570,134
c) Total Insider Loans and Advances and Other Facilities	1,886,149	1,699,731	1,886,149	1,699,731
3) Off-Balance Sheet Items				
a) Letters of credit, guarantees, acceptances	3,119,274	3,647,302	3,119,274	3,647,302
b) Forwards, swaps and options	9,536,317	12,325,946	9,536,317	12,325,946
c) Other contingent liabilities	-	-	-	-
d) Total Contingent Liabilities	12,655,591	15,973,248	12,655,591	15,973,248
4) Capital Strength				
a) Core capital	7,437,226	7,295,986	7,437,226	7,295,986
b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000
c) Excess/(Deficiency)	6,437,226	6,295,986	6,437,226	6,295,986
d) Supplementary Capital	615,627	679,785	615,627	679,785
e) Total capital (a+d)	8,052,853	7,975,771	8,052,853	7,975,771
f) Total risk weighted assets	49,250,165	54,382,829	49,250,165	54,382,829
g) Core capital/total deposit liabilities	12.4%	14.8%	12.4%	14.8%
h) Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%
i) Excess/(Deficiency)	4.4%	6.8%	4.4%	6.8%
j) Core capital/ total risk weighted assets	15.1%	13.4%	15.1%	13.4%
k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%
l) Excess/(Deficiency) (j-k)	4.6%	2.9%	4.6%	2.9%
m) Total capital/ total risk weighted assets	16.4%	14.7%	16.4%	14.7%
n) Minimum Statutory Ratio	14.5%	14.5%	14.5%	14.5%
o) Excess/(Deficiency) (m-n)	1.9%	0.2%	1.9%	0.2%
p) Adjusted Core Capital /Total Deposit Liabilities*	12.4%	14.8%	12.4%	14.8%
q) Adjusted Core Capital /Total Risk Weighted Assets*	15.1%	13.4%	15.1%	13.4%
r) Adjusted Total Capital /Total Risk Weighted Assets*	16.4%	14.7%	16.4%	14.7%
5) Liquidity				
a) Liquidity Ratio	61.4%	31.9%	61.4%	31.9%
b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
c) Excess/(Deficiency) (a-b)	41.4%	11.9%	41.4%	11.9%

*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 the institution as audited by Deloitte & Touche and received an unqualified opinion. The complete set of audited financial statements, statutory and qualitative disclosure can be accessed on the institution's website www.smbank.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 23rd March 2023 and were signed on its behalf by:

Moezz Mir
Chief Executive Officer

Dr. James McFie
Chairman - Board Audit Committee

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- 5 Industry** ACCOLADES WON
- 5000+** BUSINESSES SUPPORTED
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SBM Bank Kenya