


**I. STATEMENT OF FINANCIAL POSITION**

	BANK		GROUP	
	31-Dec-20 Shs'000 Audited	31-Dec-21 Shs'000 Audited	31-Dec-20 Shs'000 Audited	31-Dec-21 Shs'000 Audited
<b>A. ASSETS</b>				
1 Cash (both Local & Foreign)	2,025,202	1,240,345	2,025,202	1,240,345
2 Balances with Central Bank of Kenya	3,422,969	2,991,779	3,422,969	2,991,779
3 Kenya Government & other Securities held for dealing purposes	-	-	-	-
4 Financial Assets at Fair Value through Profit & Loss	1,238,333	574,289	1,238,333	574,289
5 Investment Securities:				
a). Held to Maturity:				
i). Kenya Government securities	21,077,005	20,835,540	21,077,005	20,835,540
ii). Other securities	109,274	-	109,274	-
b). Available for sale				
i). Kenya Government securities.	19,911,113	15,491,097	19,911,113	15,491,097
ii). Other securities.	1,397	1,574	1,437	1,614
6 Deposits and balances due from local banking institutions	543,042	1,164,565	543,042	1,164,565
7 Deposits and balances due from banking institutions abroad	2,052,193	6,545,802	2,052,193	6,545,802
8 Tax recoverable	-	-	772	843
9 Loans and advances to customers (net)	25,023,214	29,080,933	25,023,214	29,080,933
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	2,044,983	1,592,155	2,044,983	1,592,155
16 Prepaid lease rentals	-	-	-	-
17 Intangible assets	81,990	116,178	81,990	116,178
18 Deferred tax asset	851,635	1,466,705	852,613	1,467,682
19 Retirement benefit asset	-	-	-	-
20 Other assets	807,452	856,799	807,452	856,800
<b>21 TOTAL ASSETS</b>	<b>79,189,802</b>	<b>81,957,761</b>	<b>79,191,592</b>	<b>81,959,622</b>
<b>B. LIABILITIES</b>				
22 Balances due to Central Bank of Kenya	9,729,114	9,281,948	9,729,114	9,281,948
23 Customer deposits	56,032,695	60,064,658	56,018,274	60,050,253
24 Deposits and balances due to local banking institutions	1,046,351	1,400,790	1,046,351	1,400,790
25 Deposits and balances due to foreign banking institutions	15,080	38,007	15,080	38,007
26 Other money market deposits	-	-	-	-
27 Borrowed funds	-	-	-	-
28 Balances due to banking institutions in the group	-	-	-	-
29 Tax payable	1,805	1,734	-	-
30 Dividends Payable	-	-	-	-
31 Deferred tax liability	-	-	-	-
32 Retirement benefit liability	-	-	-	-
33 Other liabilities	3,493,767	2,574,362	3,519,595	2,600,189
<b>34 TOTAL LIABILITIES</b>	<b>70,318,812</b>	<b>73,361,499</b>	<b>70,328,414</b>	<b>73,371,187</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	360,253	(261,241)	360,253	(261,241)
38 Retained earnings/Accumulated Losses	(1,612,837)	(1,530,219)	(1,620,649)	(1,538,046)
39 Statutory Loan Reserves	1,156,129	1,420,277	1,156,129	1,420,277
40 Other Reserves	-	-	-	-
41 Proposed dividends	-	-	-	-
42 Non controlling Interest	-	-	-	-
43 Capital grants	-	-	-	-
<b>44 TOTAL SHAREHOLDERS' EQUITY</b>	<b>8,870,990</b>	<b>8,596,262</b>	<b>8,863,178</b>	<b>8,588,435</b>
<b>45 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>79,189,802</b>	<b>81,957,761</b>	<b>79,191,592</b>	<b>81,959,622</b>

**II. STATEMENT OF COMPREHENSIVE INCOME**

	BANK		GROUP	
	31-Dec-20 Shs'000 Audited	31-Dec-21 Shs'000 Audited	31-Dec-20 Shs'000 Audited	31-Dec-21 Shs'000 Audited
<b>1.0 INTEREST INCOME</b>				
1.1 Loans and Advances	1,983,483	2,497,102	1,983,483	2,497,102
1.2 Government securities	4,759,088	4,587,952	4,759,088	4,587,952
1.3 Deposits and placements with banking institutions	41,507	16,453	41,507	16,453
1.4 Other Interest Income	567,473	585,386	567,473	585,386
<b>1.5 Total Interest Income</b>	<b>7,351,551</b>	<b>7,686,893</b>	<b>7,351,551</b>	<b>7,686,893</b>
<b>2.0 INTEREST EXPENSE</b>				
2.1 Customer Deposits	2,802,796	3,237,308	2,802,796	3,237,308
2.2 Deposits and placement from banking institutions	40,405	99,900	40,405	99,900
2.3 Other Interest Expenses	775,046	853,457	775,046	853,457
<b>2.4 Total Interest Expenses</b>	<b>3,618,247</b>	<b>4,190,665</b>	<b>3,618,247</b>	<b>4,190,665</b>
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>3,733,304</b>	<b>3,496,228</b>	<b>3,733,304</b>	<b>3,496,228</b>
<b>4.0 NON INTEREST INCOME</b>				
4.1 Fees and commissions on loans and advances	176,221	172,355	176,221	172,355
4.2 Other Fees and Commissions	188,872	231,036	188,872	231,036
4.3 Foreign exchange trading income (loss)	330,386	423,746	330,386	423,746
4.4 Dividend Income	-	-	-	-
4.5 Other income	1,332,416	1,680,983	1,332,423	1,680,983
<b>4.6 Total Non-Interest Income</b>	<b>2,027,895</b>	<b>2,508,120</b>	<b>2,027,902</b>	<b>2,508,120</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>5,761,199</b>	<b>6,004,348</b>	<b>5,761,206</b>	<b>6,004,348</b>
<b>6.0 OPERATING EXPENSES</b>				
6.1 Loan Loss Provision	370,407	1,091,010	370,407	1,091,010
6.2 Staff costs	2,362,136	2,364,165	2,362,352	2,364,165
6.3 Directors' emoluments	83,891	93,133	83,891	93,133
6.4 Rental charges	65,905	56,673	65,905	56,673
6.5 Depreciation charge on property and equipment	577,117	513,291	577,117	513,291
6.6 Amortisation Charges	144,777	54,184	144,777	54,184
6.7 Other Operating Expenses	1,540,214	1,604,565	1,540,760	1,604,580
<b>6.8 Total Operating Expenses</b>	<b>5,144,447</b>	<b>5,777,021</b>	<b>5,145,209</b>	<b>5,777,036</b>
7.0 Profit/(Loss) before tax and exceptional items	616,752	227,327	615,997	227,312
8.0 Exceptional items	-	-	-	-
<b>9.0 Profit/(Loss) after exceptional items</b>	<b>616,752</b>	<b>227,327</b>	<b>615,997</b>	<b>227,312</b>
10.0 Current tax	(436,652)	(495,630)	(436,652)	(495,630)
11.0 Deferred tax	474,553	615,069	474,553	615,069
<b>12.0 Profit/(Loss) after tax and exceptional items</b>	<b>654,653</b>	<b>346,766</b>	<b>653,898</b>	<b>346,751</b>
<b>13.0 Other Comprehensive Income</b>				
13.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-
13.2 Fair value changes in available-for-sale financial assets	339,161	(621,494)	339,161	(621,494)
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>339,161</b>	<b>(621,494)</b>	<b>339,161</b>	<b>(621,494)</b>
<b>15.0 Total comprehensive income for the year</b>	<b>993,814</b>	<b>(274,728)</b>	<b>993,059</b>	<b>(274,743)</b>

**III. OTHER DISCLOSURES**

	BANK		GROUP	
	31-Dec-20 Shs'000 Audited	31-Dec-21 Shs'000 Audited	31-Dec-20 Shs'000 Audited	31-Dec-21 Shs'000 Audited
<b>1) NON-PERFORMING LOANS AND ADVANCES</b>				
a) Gross Non-performing loans and advances	16,225,120	12,849,924	16,225,120	12,849,924
Less:				
b) Interest in Suspense	2,526,922	2,453,315	2,526,922	2,453,315
<b>c) Total Non-Performing Loans and Advances (a-b)</b>	<b>13,698,198</b>	<b>10,396,609</b>	<b>13,698,198</b>	<b>10,396,609</b>
d) Less: Loan Loss Provisions	10,764,348	7,615,878	10,764,348	7,615,878
e) Net Non-Performing Loans (c-d)	2,933,850	2,780,731	2,933,850	2,780,731
f) Discounted Value of Securities	2,923,614	2,767,147	2,923,614	2,767,147
g) Net NPLs Exposure (e-f)	10,236	13,584	10,236	13,584
<b>2) Insider Loans and Advances</b>				
a) Directors, Shareholders and Associates	138,875	131,091	138,875	131,091
b) Employees	1,867,780	1,755,058	1,867,780	1,755,058
c) Total Insider Loans and Advances and Other Facilities	2,006,655	1,886,149	2,006,655	1,886,149
<b>3) Off-Balance Sheet Items</b>				
a) Letters of credit, guarantees, acceptances	1,597,952	3,119,274	1,597,952	3,119,274
b) Forwards, swaps and options	3,893,350	9,536,317	3,893,350	9,536,317
c) Other contingent liabilities	-	-	-	-
<b>d) Total Contingent Liabilities</b>	<b>5,491,302</b>	<b>12,655,591</b>	<b>5,491,302</b>	<b>12,655,591</b>
<b>4) Capital Strength</b>				
a) Core capital	7,354,608	7,437,226	7,354,608	7,437,226
b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000
c) Excess/(Deficiency)	6,354,608	6,437,226	6,354,608	6,437,226
d) Supplementary Capital	577,256	615,627	577,256	615,627
e) Total capital (a+d)	7,931,864	8,052,853	7,931,864	8,052,853
f) Total risk weighted assets	46,180,470	49,250,165	46,180,470	49,250,165
g) Core capital/total deposit liabilities	13.1%	12.4%	13.1%	12.4%
h) Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%
i) Excess/(Deficiency)	5.1%	4.4%	5.1%	4.4%
j) Core capital/ total risk weighted assets	15.9%	15.1%	15.9%	15.1%
k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%
l) Excess/(Deficiency) (j-k)	5.4%	4.6%	5.4%	4.6%
m) Total capital/ total risk weighted assets	17.2%	16.4%	17.2%	16.4%
n) Minimum Statutory Ratio	14.5%	14.5%	14.5%	14.5%
o) Excess/(Deficiency) (m-n)	2.7%	1.9%	2.7%	1.9%
p) Adjusted Core Capital /Total Deposit Liabilities*	13.1%	12.4%	13.1%	12.4%
q) Adjusted Core Capital /Total Risk Weighted Assets*	16.0%	15.1%	16.0%	15.1%
r) Adjusted Total Capital /Total Risk Weighted Assets*	17.2%	16.4%	17.2%	16.4%
<b>5) Liquidity</b>				
a) Liquidity Ratio	65.6%	61.4%	65.6%	61.4%
b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
c) Excess/(Deficiency) (a-b)	45.6%	41.4%	45.6%	41.4%

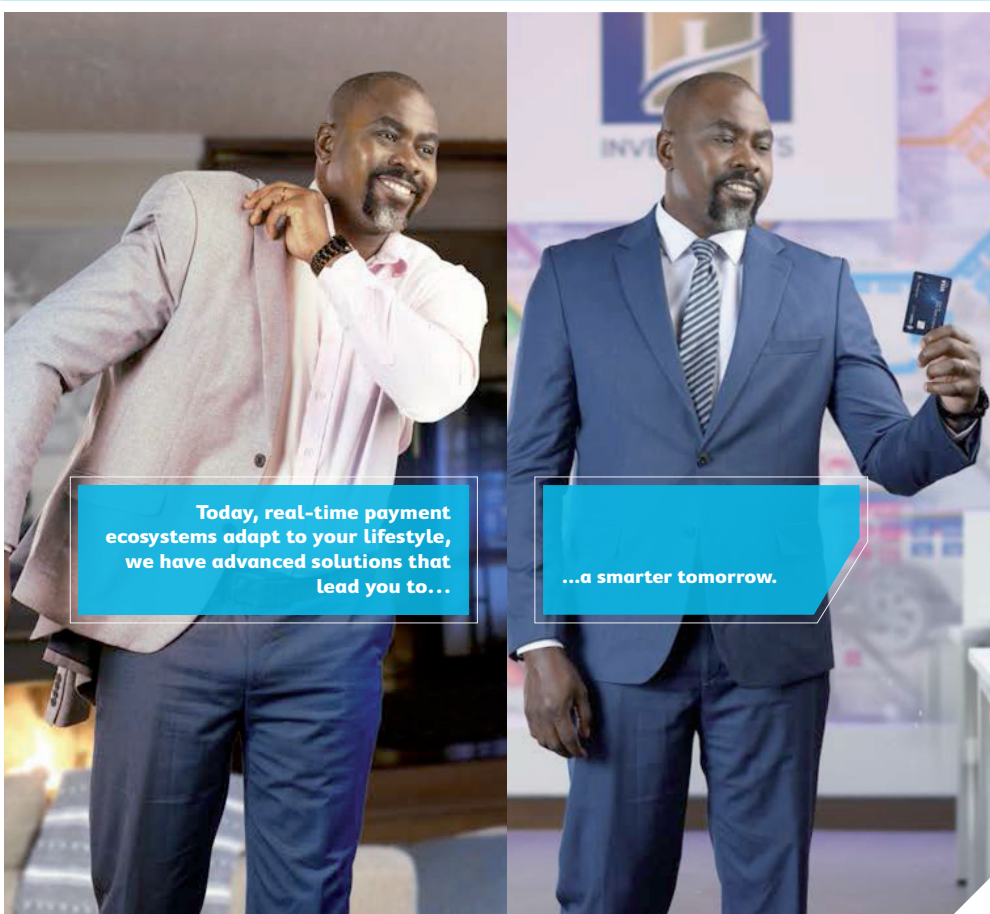
\*The adjusted capital ratios include the expected credit loss provisions added back to capital in line with CBK guidance notes issued in April 2018 on implementation of IFRS 9

These financial statements are extracts from the books of the institution as audited by Deloitte & Touche LLP and received an unqualified opinion. The complete set of audited financial statements, statutory and qualitative disclosures can be accessed on the institution's website [www.smbank.co.ke](http://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 24th March 2022 and were signed on its behalf by:

**Moezz Mir**  
CHIEF EXECUTIVE OFFICER

**Dr. James McFie**  
CHAIRMAN - BOARD AUDIT COMMITTEE



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