

UNAUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 30TH JUNE 2020



| | | BA | | | | ROUP | | |
|---|----------------------------|-----------------------|--------------------------|----------------------------|----------------------------|-----------------------|--------------------------|---------------|
| | 30-Jun-19 | 31-Dec-19 | 31-Mar-20 | 30-Jun-20 | 30-Jun-19 | 31-Dec-19 | 31-Mar-20 | 30-Jun |
| | Shs '000 (Un - Audited) | Shs '000 (Audited) | Shs '000 (Un-Audited) | Shs '000 (Un - Audited) | Shs '000 (Un - Audited) | Shs '000 (Audited) | Shs '000 (Un-Audited) | Shs ' |
| A. ASSETS | (Oil - Addited) | (Addiced) | (OII-Addited) | (Oil - Addited) | (Oil - Addited) | (Addiced) | (OII-Addited) | (OII - Auui |
| 1 Cash (both Local & Foreign) | 3,401,332 | 1,278,352 | 1,763,117 | 1,987,335 | 3,401,332 | 1,278,352 | 1,763,117 | 1,987 |
| 2 Balances with Central Bank of Kenya | 2,925,423 | 2,969,996 | 4,295,097 | 2,783,160 | 2,925,423 | 2,969,996 | 4,295,097 | 2,783 |
| 3 Kenya Government & other Securities held for dealing purposes | 411,152 | 301,538 | 204,310 | 1,413,240 | 411,152 | 301,538 | 204,310 | 1,413 |
| 4 Financial Assets at Fair Value through Profit & Loss | 233,592 | 1,552,811 | 1,460,545 | 1,413,094 | 233,592 | 1,552,811 | 1,460,545 | 1,413 |
| 5 Investment Securities: a).Held to Maturity: | | | | | | | | |
| i).Kenya Government securities | 30,088,257 | 15,385,838 | 15.528.559 | 15,452,851 | 30,088,257 | 15,385,838 | 15,528,559 | 15,452 |
| ii).Other securities | 300,146 | 295,140 | 71,350 | - | 300,146 | 295,140 | 71,350 | |
| b). Available for sale | | | | | | | | |
| i).Kenya Government securities. | 16,251,075 | 27,133,666 | 26,303,108 | 27,561,939 | 16,251,075 | 27,133,666 | 26,303,108 | 27,561 |
| ii).Other securities. | 2,113 | 2,416 | 2,416 | 2,416 | 2,165 | 2,467 | 2,468 | 2 |
| 6 Deposits and balances due from local banking institutions | 1,213,460 | 2,857,914 | 2,086,721 | 516,582 | 1,213,460 | 2,857,914 | 2,086,721 | 516 |
| 7 Deposits and balances due from banking institutions abroad | 1,228,332 | 1,719,084 | 1,152,090 | 1,680,236 | 1,228,332 | 1,719,084 | 1,152,090 | 1,680 |
| 8 Tax recoverable | 60,108 | - | - | 126,739 | 62,783 | - | - | 126 |
| 9 Loans and advances to customers (net) | 13,489,594 | 15,463,645 | 20,872,597 | 22,665,168 | 13,489,594 | 15,463,582 | 20,872,597 | 22,665 |
| Balances due from banking institutions in the group | - | - | - | - | - | - | - | |
| 1 Investments in associates | _ | _ | - | - | | - | - | |
| 2 Investments in subsidiary companies | - | - | - | - | - | - | - | |
| 3 Investments in Joint Ventures | - | - | - | - | - | - | - | |
| 4 Investment properties | | | | | | | | |
| 5 Property, plant and equipment 6 Prepaid lease rentals | 1,308,978 | 1,892,928 | 1,785,955 | 1,979,831 | 1,314,682 | 1,898,632 | 1,791,638 | 1,985 |
| 7 Intangible assets | 300,823 | 203,385 | 174,994 | 137,880 | 300,823 | 203,385 | 174,994 | 137 |
| 8 Deferred tax asset | - | 377,082 | 438,410 | 398,828 | - | 378,060 | 439,388 | 399 |
| 9 Retirement benefit asset | - | - | - | - | - | - | - | |
| 0 Other assets | 1,317,951 | 1,085,561 | 2,000,375 | 1,565,312 | 1,319,122 | 1,086,732 | 2,001,546 | 1,566 |
| 1 TOTAL ASSETS | 72,532,337 | 72,519,356 | 78,139,646 | 79,684,610 | 72,541,938 | 72,527,197 | 78,147,528 | 79,692 |
| B LIABILITIES | | | | 40.007.400 | | 0.740.070 | | 40.00 |
| 2 Balances due to Central Bank of Kenya | 9,423,405 | 9,743,979 | 9,909,190 55,715,613 | 10,076,483 | 9,423,405 | 9,743,979 | 9,909,190 55,700,673 | 10,076 |
| 3 Customer deposits 4 Deposits and balances due to local banking | 52,105,523 | 50,561,335 | 347,183 | 57,475,064 | 52,087,082 | 50,546,108 | 347,183 | 57,460 |
| institutions | 17,271 | 11,515 | 18,231 | 11,658 | 17,271 | 11,515 | | 1. |
| 15 Deposits and balances due to foreign banking institutions | 17,271 | 11,515 | 18,231 | 11,658 | 17,271 | 11,515 | 18,231 | 1: |
| 6 Other money market deposits | - | - | - | - | - | - | - | |
| 7 Borrowed funds 8 Balances due to banking institutions in the group | - | - | - | - | - | - | - | |
| 9 Tax payable | | 594,484 | 657,854 | 65,116 | | 591,907 | 655,276 | 62 |
| 0 Dividends Payable | _ | - | - | - | _ | - | - | 0. |
| 1 Deferred tax liability | 176,999 | _ | - | - | 176,021 | - | - | |
| 2 Retirement benefit liability | - | - | - | - | - | - | - | |
| 3 Other liabilities | 2,761,441 | 3,730,867 | 3,607,546 | 3,856,026 | 2,797,221 | 3,763,569 | 3,640,247 | 3,888 |
| 4 TOTAL LIABILITIES C SHAREHOLDERS' EQUITY | 64,484,640 | 64,642,180 | 70,255,616 | 71,484,347 | 64,501,002 | 64,657,078 | 70,270,800 | 71,499 |
| 5 Paid up/Assigned capital | 2,265,500 | 2,265,500 | 2,265,500 | 2,265,500 | 2,265,500 | 2,265,500 | 2,265,500 | 2,26 |
| 6 Share Premium (Discount) | 6,701,945 | 6,701,945 | 6,701,945 | 6,701,945 | 6,701,945 | 6,701,945 | 6,701,945 | 6,701 |
| 7 Revaluation reserves | 510,356 | 21,092 | (35,946) | 245,676 | 510,356 | 21,092 | (35,946) | 245 |
| 8 Retained earnings/Accumulated Losses 9 Statutory Loan Reserves | (1,430,104) | (1,136,650) 25,289 | (1,713,374) 665,904 | (1,983,646) 970,787 | (1,436,865) | (1,143,707) 25,289 | (1,720,675) 665,904 | (1,990 970 |
| O Other Reserves | - | 23,209 | 303,904 | 770,787 | | 23,209 | 303,704 | 7/(|
| 1 Proposed dividends | - | - | - | - | 1 | _ | _ | |
| 2 Non controlling Interest | - | - | - | - | | - | - | |
| 3 Capital grants | - | - | - | - | - | - | - | |
| 4 TOTAL SHAREHOLDERS' EQUITY | 8,047,697 | 7,877,176 | 7,884,030 | 8,200,262 | 8,040,936 | 7,870,119 | 7,876,728 | 8,192 |
| 5 TOTAL LIABILITIES AND SHAREHOLDERS' | 72,532,337 | 72,519,356 | 78,139,646 | 79,684,610 | 72,541,938 | 72,527,197 | 78,147,528 | 79,692, |

| STATEMENT OF COMPREHENSIVE INCO | ME | | | |
|---------------------------------|----|----|--|--|
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| | | 30-Jun-19 Shs '000 (Un - Audited) | 31-Dec-19 Shs '000 (Audited) | 31-Mar-20 Shs '000 (Un-Audited) | 30-Jun-20 Shs '000 (Un - Audited) | 30-Jun-19 Shs '000 (Un - Audited) | 31-Dec-19 Shs '000 (Audited) | 31-Mar-20 Shs '000 (Un-Audited) | 30-Jun-20 Shs '000 (Un - Audited) |
|------|---|---|------------------------------------|---------------------------------------|---|---|------------------------------------|---------------------------------------|---|
| 1.0 | INTEREST INCOME | (Oil - Addited) | (Addited) | (OII-Addited) | (OII - Addited) | (OII - Addited) | (Addited) | (OII-Addited) | (Oil - Addited) |
| 1.1 | Loans and Advances | 481,579 | 1,167,642 | 389,601 | 873,031 | 481,579 | 1,167,642 | 389,601 | 873,031 |
| 1.2 | Government securities | 2,227,390 | 4,508,663 | 1,161,748 | 2,392,941 | 2,227,390 | 4,508,663 | 1,161,748 | 2,392,941 |
| 1.3 | Deposits and placements with banking institutions | 83,219 | 215,363 | 28,785 | 32,554 | 83,219 | 215,363 | 28,785 | 32,554 |
| 1.4 | Other Interest Income | - | 377,631 | 129,499 | 268,514 | - | 377,631 | 129,499 | 268,514 |
| 1.5 | Total Interest Income | 2,792,187 | 6,269,300 | 1,709,633 | 3,567,041 | 2,792,187 | 6,269,300 | 1,709,633 | 3,567,041 |
| 2.0 | INTEREST EXPENSES | | | | | | | | |
| 2.1 | Customer Deposits | 1,291,053 | 2,807,290 | 804,587 | 1,681,103 | 1,291,053 | 2,807,290 | 804,587 | 1,681,103 |
| 2.2 | Deposits and placement from banking institutions | 582 | 4,266 | 548 | 4,479 | 582 | 4,266 | 548 | 4,479 |
| 2.3 | Other Interest Expenses | 327,696 | 682,916 | 185,618 | 372,368 | 327,696 | 682,916 | 185,618 | 372,368 |
| 2.4 | Total Interest Expenses | 1,619,331 | 3,494,472 | 990,753 | 2,057,949 | 1,619,331 | 3,494,472 | 990,753 | 2,057,949 |
| 3.0 | NET INTEREST INCOME/(LOSS) | 1,172,856 | 2,774,828 | 718,880 | 1,509,092 | 1,172,856 | 2,774,828 | 718,880 | 1,509,092 |
| 4.0 | OTHER OPERATING INCOME | | | | | | | | |
| 4.1 | Fees and commissions on loans and advances | 57,016 | 122,389 | 86,429 | 115,075 | 57,016 | 122,389 | 86,429 | 115,075 |
| 4.2 | Other Fees and Commissions | 114,405 | 222,361 | 49,643 | 92,714 | 114,405 | 222,361 | 49,643 | 92,714 |
| 4.3 | Foreign exchange trading income (loss) | 131,870 | 260,461 | 114,448 | 190,252 | 131,870 | 260,461 | 114,448 | 190,252 |
| 4.4 | Dividend Income Other income | 1,440,828 | 2,919,825 | 550.003 | 890.948 | 1,442,077 | 2,921,553 | 550.004 | 890,949 |
| 4.6 | Total Non-Interest Income | 1,744,119 | 3,525,036 | 800,523 | 1,288,989 | 1,742,077 | 3,526,763 | 800,524 | 1,288,990 |
| 5.0 | TOTAL OPERATING INCOME | 2,916,975 | 6,299,864 | 1,519,403 | 2,798,081 | 2,918,224 | 6,301,591 | 1,519,404 | 2,798,082 |
| 6.0 | OPERATING EXPENSES | | | | | | | | |
| 6.1 | Logn Loss Provision | 23,978 | 672,809 | 301,238 | 356.933 | 23,978 | 672,809 | 301,238 | 356.933 |
| 6.2 | Staff costs | 906,541 | 2,041,590 | 570,135 | 1,124,309 | 907,210 | 2,042,921 | 570,351 | 1,124,525 |
| 6.3 | Directors' emoluments | 52,326 | 70,913 | 17,530 | 37,275 | 52,326 | 70,913 | 17,530 | 37,275 |
| 6.4 | Rental charges | , | | , | , | , | | , | , |
| 6.5 | Depreciation charge on property and equipment | 333,603 | 619,901 | 147,514 | 307,735 | 333,628 | 619,925 | 147,535 | 307,756 |
| 6.6 | Amortisation Charges | 145,997 | 266,633 | 48,601 | 101,448 | 145,997 | 266,633 | 48,601 | 101,448 |
| 6.7 | Other Operating Expenses | 693,798 | 1,448,034 | 368,453 | 740,855 | 693,830 | 1,448,079 | 368,462 | 740,867 |
| 6.8 | Total Operating Expenses | 2,156,243 | 5,119,879 | 1,453,471 | 2,668,554 | 2,156,969 | 5,121,280 | 1,453,717 | 2,668,804 |
| 7.0 | Profit/(Loss) before tax and exceptional items | 760,732 | 1,179,985 | 65,932 | 129,527 | 761,255 | 1,180,311 | 65,686 | 129,278 |
| 8.0 | Exceptional items | - | _ | - | _ | _ | - | _ | _ |
| 9.0 | Profit/(Loss) after exceptional items | 760,732 | 1,179,985 | 65,932 | 129,527 | 761,255 | 1,180,311 | 65,686 | 129,278 |
| 10.0 | Current tax | - | (654,592) | (63,370) | (52,772) | - | (654,690) | (63,370) | (52,772 |
| 11.0 | Deferred tax | 175,600 | 378,481 | 61,328 | 21,745 | 175,600 | 378,481 | 61,328 | 21,745 |
| 12.0 | Profit/(Loss) after tax and exceptional items | 585,131 | 903,874 | 63,890 | 98,501 | 585,655 | 904,102 | 63,644 | 98,252 |
| 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 | 525,059 | 35,795 | (57,038) | 224,584 | 525,059 | 35,795 | (57,038) | 224,584 |
| 13.3 | Revaluation surplus on Property, plant and equipment | - | - | - | - | - | - | - | - |
| | Share of other comprehensive income of associates Income tax relating to components of other | - | - | - | - | - | - | - | - |
| | comprehensive income | | | | | | | | |
| 14.0 | Other comprehensive income for the year net of tax | 525,059 | 35,795 | (57,038) | 224,584 | 525,059 | 35,795 | (57,038) | 224,584 |

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| | OTHER DISCLOSURES | | | | | | | | |
|----------------------|--|--|--|--|--|--|--|--|---|
| | | BANK | | | | GROUP | | | |
| | | 30-Jun-19 Shs '000 (Un - Audited) | 31-Dec-19 Shs '000 (Audited) | 31-Mar-20 Shs '000 (Un-Audited) | 30-Jun-20 Shs '000 (Un - Audited) | 30-Jun-19 Shs '000 (Un - Audited) | 31-Dec-19 Shs '000 (Audited) | 31-Mar-20 Shs '000 (Un - Audited) | 30-Jun-20 Shs '000 (Un - Audited) |
| a) b) | NON-PERFORMING LOANS AND ADVANCES Gross Non-performing Loans and advances Less: Interest in Suspense | 15,853,610 1,723,542 | 14,980,134 1,803,949 | 15,654,147 2,004,411 | 16,071,469 2,201,758 | 15,853,610 1,723,542 | 14,980,134 1,803,949 | 15,654,147 2,004,411 | 16,071,469 2,201,758 |
| c) | Total Non-Performing Loans and Advances (a-b) | 14,130,068 | 13,176,185 | 13,649,736 | 13,869,710 | 14,130,068 | 13,176,185 | 13,649,736 | 13,869,710 |
| d) e) f) g) | Less:Loan Loss Provisions Net Non-Performing Loans (c-d) Discounted Value of Securities Net NPLs Exposure (e-f) | 10,102,034 4,028,034 4,028,034 | 9,958,623 3,217,562 3,103,550 114,012 | 10,443,585 3,206,151 3,187,210 18,940 | 10,475,920 3,393,789 3,356,245 37,544 | 10,102,034 4,028,034 4,028,034 | 9,958,623 3,217,562 3,103,550 114,012 | 10,443,585 3,206,151 3,187,210 18,940 | 10,475,920 3,393,789 3,356,245 37,544 |
| 2) a) b) c) | Insider Loans and Advances Directors, Shareholders and Associates Employees Total Insider Loans and Advances and Other | 144,393 1,116,959 1,261,352 | 142,148 1,175,865 1,318,012 | 140,762 1,184,306 1,325,068 | 139,251 1,441,077 1,580,327 | 144,393 1,116,959 1,261,352 | 142,148 1,175,865 1,318,012 | 140,762 1,184,306 1,325,068 | 139,251 1,441,077 1,580,327 |
| a) b) c) d) | Off-Balance Sheet Items Letters of credit, guarantees, acceptances Forwards, swaps and options Other contingent Liabilities Total Contingent Liabilities | 1,881,081 4,401,404 - 6,282,485 | 1,723,296 24,529 - 1,747,825 | 1,669,796 5,271,158 - 6,940,954 | 1,366,670 7,356,509 - 8,723,179 | 1,881,081 4,401,404 - 6,282,485 | 1,723,296 24,529 - 1,747,825 | 1,669,796 5,271,158 - 6,940,954 | 1,366,670 7,356,509 - 8,723,179 |
| 4) a) | Capital Strength Core capital | 7,244,775 | 7,830,795 | 7,222,126 | 6,934,548 | 7,244,775 | 7,830,795 | 7,222,126 | 6,934,548 |
| b) c) d) | Minimum Statutory Capital Excess/(Deficiency) Supplementary Capital | 1,000,000 6,244,775 - | 1,000,000 6,830,795 25,289 | 1,000,000 6,222,126 539,580 | 1,000,000 5,934,548 567,370 | 1,000,000 6,244,775 - | 1,000,000 6,830,795 25,289 | 1,000,000 6,222,126 539,580 | 1,000,000 5,934,548 567,370 |
| e) f) g) | Total capital (a+d) Total risk weighted assets Core capital/total deposit liabilities | 7,244,775 32,602,287 13.9% | 7,856,083 33,983,208 15.5% | 7,761,706 43,166,365 13.0% | 7,501,919 45,389,616 12.1% | 7,244,775 32,602,287 13.9% | 7,856,083 33,983,208 15.5% | 7,761,706 43,166,365 13.0% | 7,501,919 45,389,616 12.1% |
| h) i) j) | Minimum Statutory Ratio Excess/(Deficiency) Core capital/ total risk weighted assets | 8.0% 5.9% 22.2% | 8.0% 7.5% 23.0% | 8.0% 5.0% 16.7% | 8.0% 4.1% 15.3% | 8.0% 5.9% 22.2% | 8.0% 7.5% 23.0% | 8.0% 5.0% 16.7% | 8.0% 4.1% 15.3% |
| k) l) | Minimum Statutory Ratio Excess/(Deficiency) (j-k) | 10.5% 11.7% | 10.5% 12.5% | 10.5% 6.2% | 10.5% 4.8% | 10.5% 11.7% | 10.5% 12.5% | 10.5% 6.2% | 10.5% 4.8% |
| m) n) o) | Total capital/ total risk weighted assets Minimum Statutory Ratio Excess/(Deficiency) (m-n) | 22.2% 14.5% 7.7% | 23.1% 14.5% 8.6% | 18.0% 14.5% 3.5% | 16.5% 14.5% 2.0% | 22.2% 14.5% 7.7% | 23.1% 14.5% 8.6% | 18.0% 14.5% 3.5% | 16.5% 14.5% 2.0% |
| p) q) r) | Adjusted Core Capital /Total Deposit Liabiliti Adjusted Core Capital /Total Risk Weighted / Adjusted Total Capital /Total Risk Weighted | 14.1% 22.5% 22.5% | 15.5% 23.1% 23.2% | 13.0% 16.8% 18.0% | 12.1% 15.3% 16.6% | 14.1% 22.5% 22.5% | 15.5% 23.1% 23.2% | 13.0% 16.8% 18.0% | 12.1% 15.3% 16.6% |
| 5) a) b) | Liquidity Liquidity Ratio Minimum Statutory Ratio | 83.7% 20.0% | 77.2% 20.0% | 68.9% 20.0% | 68.9% 20.0% | 83.7% 20.0% | 77.2% 20.0% | 68.9% 20.0% | 68.9% 20.0% |
| c) | Excess/(Deficiency) (a-b) | 63.7% | 57.2% | 48.9% | 48.9% | 63.7% | 57.2% | 48.9% | 48.9% |

#GoCashless

*Terms and Conditions apply



P.O Box 34886-00100 **f** SBM Bank Kenya