

## STATEMENT OF FINANCIAL POSITION

	BANK			GROUP		
	31st Mar 2018 Shs '000 (Un - Audited)	31st Dec 2018 Shs '000 (Audited)	31st Mar 2019 Shs '000 (Un - Audited)	31st Mar 2018 Shs '000 (Un - Audited)	31st Dec 2018 Shs '000 (Audited)	31st Mar 2019 Shs '000 (Un - Audited)
<b>A. ASSETS</b>						
1 Cash (both local and foreign)	163,587	2,333,823	3,247,281	163,587	2,333,823	3,247,281
2 Balances with Central Bank of Kenya	485,323	5,520,420	6,298,299	485,323	5,520,420	6,298,299
3 Kenya Government & other Securities held for dealing purposes	-	714,935	740,699	-	714,935	740,699
4 Financial Assets at Fair Value through Profit & Loss	-	926,112	325,741	-	926,112	325,741
5 Investment Securities:						
a) Held to Maturity:						
i) Kenya Government securities	2,861,996	36,869,177	29,130,125	2,861,996	36,869,177	29,130,125
ii) Other securities	-	299,513	297,584	-	299,513	297,584
b) Available for sale						
i) Kenya Government securities	-	5,755,259	12,473,083	-	5,755,259	12,473,083
ii) Other securities	3,491	2,113	2,113	3,573	2,164	2,164
6 Deposits and balances due from local banking institutions	911,598	2,242,770	1,164,827	911,598	2,242,770	1,164,827
7 Deposits and balances due from banking institutions abroad	491,613	120,945	626,223	491,613	120,945	626,223
8 Tax recoverable	60,108	60,108	60,108	59,668	62,783	62,783
9 Loans and advances to customers (net)	4,511,836	12,209,536	13,042,467	4,507,444	12,209,536	13,042,467
10 Balances due from banking institutions in the group	-	944,285	-	-	944,285	-
11 Investments in associates	-	-	-	-	-	-
12 Investments in subsidiary companies	336,394	-	-	-	-	-
13 Investments in Joint Ventures	-	-	-	-	-	-
14 Investment properties	313,148	-	-	440,043	-	-
15 Property, plant and equipment	233,261	1,460,603	1,377,298	233,432	1,466,332	1,383,002
16 Prepaid lease rentals	-	-	-	-	-	-
17 Intangible assets	150,965	431,389	368,585	150,965	431,389	368,585
18 Deferred tax asset	675,100	-	-	676,078	-	-
19 Retirement benefit asset	-	-	-	-	-	-
20 Other assets	60,926	756,751	1,067,097	61,855	757,922	1,068,267
<b>21 TOTAL ASSETS</b>	<b>11,259,346</b>	<b>70,647,739</b>	<b>70,221,531</b>	<b>11,047,175</b>	<b>70,654,062</b>	<b>70,231,132</b>
<b>B. LIABILITIES</b>						
22 Balances due to Central Bank of Kenya	2,892,626	9,104,981	9,397,616	2,892,626	9,104,981	9,397,616
23 Customer deposits	6,526,389	51,043,920	51,293,950	6,510,454	51,028,451	51,278,253
24 Deposits and balances due to local banking institutions	-	-	-	-	-	-
25 Deposits and balances due to foreign banking institutions	-	-	-	-	-	-
26 Other money market deposits	-	-	-	-	-	-
27 Borrowed funds	-	-	-	-	-	-
28 Balances due to Banking Institutions Group Companies	-	6,335	-	-	36,389	-
29 Tax payable	-	-	-	-	-	-
30 Dividends Payable	-	-	-	-	-	-
31 Deferred tax liability	-	1,399	1,399	-	421	421
32 Retirement benefit liability	-	-	-	-	-	-
33 Other liabilities	430,565	3,553,598	2,451,916	247,105	3,553,598	2,484,960
<b>34 TOTAL LIABILITIES</b>	<b>9,849,580</b>	<b>63,710,233</b>	<b>63,144,881</b>	<b>9,650,185</b>	<b>63,723,840</b>	<b>63,161,250</b>
<b>C. SHAREHOLDERS' EQUITY</b>						
35 Paid up/Assigned capital	2,763,569	2,265,500	2,265,500	2,763,569	2,265,500	2,265,500
36 Share premium/(discount)	1,572,222	6,701,945	6,701,945	1,572,222	6,701,945	6,701,945
37 Revaluation reserves	60,074	(14,703)	(186,082)	62,631	(186,082)	(186,082)
38 Retained earnings/Accumulated Losses	(2,981,200)	(2,015,236)	(1,704,713)	(2,996,533)	(2,022,520)	(1,711,481)
39 Statutory Loan Loss Reserve	6,256	-	-	6,256	-	-
40 Other Reserves	(11,155)	-	-	(11,155)	-	-
41 Proposed dividends	-	-	-	-	-	-
42 Non controlling Interest	-	-	-	-	-	-
43 Capital grants	-	-	-	-	-	-
<b>44 TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,409,766</b>	<b>6,937,506</b>	<b>7,076,650</b>	<b>1,396,990</b>	<b>6,930,222</b>	<b>7,069,882</b>
<b>45 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>11,259,346</b>	<b>70,647,739</b>	<b>70,221,531</b>	<b>11,047,175</b>	<b>70,654,062</b>	<b>70,231,132</b>

## OTHER DISCLOSURES

	BANK			GROUP		
	31st Mar 2018 Shs '000 (Un - Audited)	31st Dec 2018 Shs '000 (Audited)	31st Mar 2019 Shs '000 (Un - Audited)	31st Mar 2018 Shs '000 (Un - Audited)	31st Dec 2018 Shs '000 (Audited)	31st Mar 2019 Shs '000 (Un - Audited)
<b>1) NON-PERFORMING LOANS AND ADVANCES</b>						
a) Gross non-performing loans and advances	5,359,377	16,310,889	16,117,142	5,359,377	16,307,586	16,117,142
b) Less: Interest in Suspense	860,501	1,016,081	1,922,637	860,501	1,016,081	1,922,637
<b>c) Total Non-Performing Loans and Advances (a-b)</b>	<b>4,498,876</b>	<b>15,294,808</b>	<b>14,194,505</b>	<b>4,498,876</b>	<b>15,291,505</b>	<b>14,194,505</b>
d) Less: Loan Loss Provisions	1,679,890	10,376,095	9,685,656	1,679,890	10,376,095	9,685,656
e) Net Non-Performing Loans (c-d)	2,818,986	4,918,713	4,508,849	2,818,986	4,915,410	4,508,849
f) Discounted Value of Securities	2,818,986	4,759,316	4,487,029	2,818,986	4,759,316	4,487,029
<b>g) Net NPLs Exposure (e-f)</b>	<b>-</b>	<b>159,397</b>	<b>21,820</b>	<b>-</b>	<b>156,094</b>	<b>21,820</b>
<b>2) Insider Loans and Advances</b>						
a) Directors, shareholders and associates	23,932	6,303	144,400	23,932	6,303	144,400
b) Employees	28,778	1,156,352	1,123,060	28,778	1,156,352	1,123,060
<b>c) Total Insider Loans and Advances and Other Facilities</b>	<b>52,710</b>	<b>1,162,655</b>	<b>1,267,460</b>	<b>52,710</b>	<b>1,162,655</b>	<b>1,267,460</b>
<b>3) Off-Balance Sheet Items</b>						
a) Letters of credit, guarantees, acceptances	450,146	2,541,805	1,446,408	450,146	2,541,805	1,446,408
b) Forwards, swaps and options	-	1,388,918	3,919,061	-	1,388,918	3,919,061
c) Other contingent liabilities	18,500	-	-	18,500	-	-
<b>d) Total Contingent Liabilities</b>	<b>468,646</b>	<b>3,930,723</b>	<b>5,365,469</b>	<b>468,646</b>	<b>3,930,723</b>	<b>5,365,469</b>
<b>4) Capital Strength</b>						
a) Core capital	814,952	6,952,209	7,107,471	814,952	6,952,209	7,107,471
b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
c) Excess/(Deficiency)	(185,048)	5,952,209	6,107,471	(185,048)	5,952,209	6,107,471
d) Supplementary Capital	21,275	-	-	21,275	-	-
<b>e) Total capital (a+d)</b>	<b>836,227</b>	<b>6,952,209</b>	<b>7,107,471</b>	<b>836,227</b>	<b>6,952,209</b>	<b>7,107,471</b>
f) Total risk weighted assets	7,333,031	28,664,566	26,960,175	7,333,031	28,664,566	26,960,175
g) Core capital/total deposit liabilities	12.5%	13.6%	13.9%	12.5%	13.6%	13.9%
h) Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
i) Excess/(Deficiency)	4.5%	5.6%	5.9%	4.5%	5.6%	5.9%
j) Core capital/ total risk weighted assets	11.1%	24.3%	26.4%	11.1%	24.3%	26.4%
k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
l) Excess/(Deficiency) (j-k)	0.6%	13.8%	15.9%	0.6%	13.8%	15.9%
m) Total capital/ total risk weighted assets	11.4%	24.3%	26.4%	11.4%	24.3%	26.4%
n) Minimum Statutory Ratio	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%
o) Excess/(Deficiency) (m-n)	-3.1%	9.8%	11.9%	-3.1%	9.8%	11.9%
<b>p) Adjusted Core Capital /Total Deposit Liabilities*</b>	<b>14.0%</b>	<b>14.0%</b>	<b>14.0%</b>	<b>14.0%</b>	<b>14.0%</b>	<b>14.0%</b>
<b>q) Adjusted Core Capital /Total Risk Weighted Assets*</b>	<b>24.9%</b>	<b>26.7%</b>	<b>26.7%</b>	<b>24.9%</b>	<b>26.7%</b>	<b>26.7%</b>
<b>r) Adjusted Total Capital /Total Risk Weighted Assets*</b>	<b>24.9%</b>	<b>26.7%</b>	<b>26.7%</b>	<b>24.9%</b>	<b>26.7%</b>	<b>26.7%</b>
<b>5) Liquidity</b>						
a) Liquidity Ratio	29.0%	82.8%	82.3%	29.0%	82.8%	82.3%
b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
c) Excess/(Deficiency) (a-b)	9.0%	62.8%	62.3%	9.0%	62.8%	62.3%

\*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 and have been approved by the Board of Directors. The complete set of un-audited financial statements, statutory and qualitative disclosures can be accessed on the institution's website [www.smbbank.co.ke](http://www.smbbank.co.ke). They may also be accessed at the institution's head office located on 14 Riverside Mews, Riverside, Nairobi Kenya

Moezz Mir  
Chief Executive Officer

Dr. James McFie  
Chairman, Board Audit Committee

## STATEMENT OF COMPREHENSIVE INCOME

	BANK			GROUP		
	31st Mar 2018 Shs '000 (Un - Audited)	31st Dec 2018 Shs '000 (Audited)	31st Mar 2019 Shs '000 (Un - Audited)	31st Mar 2018 Shs '000 (Un - Audited)	31st Dec 2018 Shs '000 (Audited)	31st Mar 2019 Shs '000 (Un - Audited)
<b>1.0 INTEREST INCOME</b>						
1.1 Loans and advances	52,129	789,909	235,417	52,129	789,909	235,417
1.2 Government securities	55,908	1,518,844	1,062,193	55,908	1,518,844	1,062,193
1.3 Deposits and placements with banking institutions	7,208	182,400	57,027	7,208	182,400	57,027
1.4 Other Interest Income	-	27,398	-	-	27,398	-
<b>1.5 Total Interest Income</b>	<b>115,245</b>	<b>2,518,551</b>	<b>1,354,637</b>	<b>115,245</b>	<b>2,518,551</b>	<b>1,354,637</b>
<b>2.0 INTEREST EXPENSES</b>						
2.1 Customer Deposits	103,332	1,215,852	629,514	103,332	1,215,852	629,514
2.2 Deposits and placements from banking institutions	2,267	31,217	125,774	2,267	31,217	125,774
2.3 Other Interest Expenses	-	215,501	150,315	-	215,501	150,315
<b>2.4 Total Interest Expenses</b>	<b>105,599</b>	<b>1,462,570</b>	<b>905,603</b>	<b>105,599</b>	<b>1,462,570</b>	<b>905,603</b>
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>9,646</b>	<b>1,055,981</b>	<b>449,034</b>	<b>9,646</b>	<b>1,055,981</b>	<b>449,034</b>
<b>4.0 OTHER OPERATING INCOME</b>						
4.1 Fees and commissions on loans and advances	6,951	23,423	17,602	6,951	23,423	17,602
4.2 Other Fees and Commissions	7,097	90,482	63,595	7,097	102,151	63,595
4.3 Foreign exchange trading income (loss)	4,257	178,004	50,479	4,257	178,004	50,479
4.4 Dividend Income	174	174	-	174	174	-
4.5 Other income	4,770	3,439,415	829,913	5,638	3,439,384	830,931
<b>4.6 Total Non-Interest Income</b>	<b>23,249</b>	<b>3,731,498</b>	<b>961,589</b>	<b>24,117</b>	<b>3,743,136</b>	<b>962,607</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>32,895</b>	<b>4,787,479</b>	<b>1,410,623</b>	<b>33,763</b>	<b>4,799,117</b>	<b>1,411,641</b>
<b>6.0 OPERATING EXPENSES</b>						
6.1 Loan Loss Provision	57,994	1,542,263	21,134	57,994	1,542,263	21,134
6.2 Staff costs	81,018	1,022,795	445,782	81,199	1,023,647	446,229
6.3 Directors' emoluments	-	8,387	15,256	-	8,387	15,256
6.4 Rentals Charges	14,636	199,160	159,197	14,636	199,160	159,197
6.5 Depreciation charge on property and equipment	8,301	124,199	78,500	8,831	124,230	78,526
6.6 Amortisation Charges	9,351	144,242	76,091	9,351	144,242	76,091
6.7 Other operating expenses	51,111	790,702	304,140	51,357	793,134	304,169
<b>6.8 Total Operating Expenses</b>	<b>222,911</b>	<b>3,831,748</b>	<b>1,100,100</b>	<b>223,368</b>	<b>3,835,063</b>	<b>1,100,602</b>
<b>7.0 Profit/(Loss) before tax and exceptional items</b>	<b>(190,016)</b>	<b>955,731</b>	<b>310,523</b>	<b>(189,605)</b>	<b>964,054</b>	<b>311,039</b>
8.0 Exceptional items	-	-				