



## STATEMENT OF FINANCIAL POSITION

	BANK			GROUP		
	31-Mar-19 Shs '000 (Un - Audited)	31-Dec-19 Shs '000 (Audited)	31-Mar-20 Shs '000 (Un-Audited)	31-Mar-19 Shs '000 (Un - Audited)	31-Dec-19 Shs '000 (Audited)	31-Mar-20 Shs '000 (Un-Audited)
<b>A. ASSETS</b>						
1 Cash ( both Local & Foreign)	3,247,281	1,278,352	1,763,117	3,247,281	1,278,352	1,763,117
2 Balances with Central Bank of Kenya	6,298,299	2,969,996	4,295,097	6,298,299	2,969,996	4,295,097
3 Kenya Government & other Securities held for dealing purposes	740,699	301,538	204,310	740,699	301,538	204,310
4 Financial Assets at Fair Value through Profit & Loss	325,741	1,552,811	1,460,545	325,741	1,552,811	1,460,545
5 Investment Securities:						
a).Held to Maturity:						
i).Kenya Government securities	29,130,125	15,385,838	15,528,559	29,130,125	15,385,838	15,528,559
ii).Other securities	297,584	295,140	71,350	297,584	295,140	71,350
b). Available for sale						
i).Kenya Government securities.	12,473,083	27,133,666	26,303,108	12,473,083	27,133,666	26,303,108
ii).Other securities.	2,113	2,416	2,416	2,165	2,467	2,468
6 Deposits and balances due from local banking institutions	1,164,827	2,857,914	2,086,721	1,164,827	2,857,914	2,086,721
7 Deposits and balances due from banking institutions abroad	626,223	1,719,084	1,152,090	626,223	1,719,084	1,152,090
8 Tax recoverable	60,108	-	-	62,783	-	-
9 Loans and advances to customers (net)	13,042,467	15,463,645	20,872,597	13,042,467	15,463,582	20,872,597
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	1,377,298	1,892,928	1,785,955	1,383,002	1,898,632	1,791,638
16 Prepaid lease rentals	-	-	-	-	-	-
17 Intangible assets	368,585	203,385	174,994	368,585	203,385	174,994
18 Deferred tax asset	-	377,082	438,410	-	378,060	439,388
19 Retirement benefit asset	-	-	-	-	-	-
20 Other assets	1,067,097	1,085,561	2,000,375	1,068,267	1,086,732	2,001,546
<b>21 TOTAL ASSETS</b>	<b>70,221,531</b>	<b>72,519,356</b>	<b>78,139,646</b>	<b>70,231,132</b>	<b>72,527,197</b>	<b>78,147,528</b>
<b>B LIABILITIES</b>						
22 Balances due to Central Bank of Kenya	9,397,616	9,743,979	9,909,190	9,397,616	9,743,979	9,909,190
23 Customer deposits	51,293,950	50,561,335	55,715,613	51,278,253	50,546,108	55,700,673
24 Deposits and balances due to local banking institutions	-	-	347,183	-	-	347,183
25 Deposits and balances due to foreign banking institutions	-	11,515	18,231	-	11,515	18,231
26 Other money market deposits	-	-	-	-	-	-
27 Borrowed funds	-	-	-	-	-	-
28 Balances due to banking institutions in the group	-	-	-	-	-	-
29 Tax payable	-	594,484	657,854	-	591,907	655,276
30 Dividends Payable	-	-	-	-	-	-
31 Deferred tax liability	1,399	-	-	421	-	-
32 Retirement benefit liability	-	-	-	-	-	-
33 Other liabilities	2,451,916	3,730,867	3,607,546	2,484,960	3,763,569	3,640,247
<b>34 TOTAL LIABILITIES</b>	<b>63,144,881</b>	<b>64,642,180</b>	<b>70,255,616</b>	<b>63,161,250</b>	<b>64,657,078</b>	<b>70,270,800</b>
<b>C SHAREHOLDERS' EQUITY</b>						
35 Paid up/Assigned capital	2,265,500	2,265,500	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	6,701,945	6,701,945
37 Revaluation reserves	(186,082)	21,092	(35,946)	(186,082)	21,092	(35,946)
38 Retained earnings/Accumulated Losses	(1,704,713)	(1,136,650)	(1,713,374)	(1,711,481)	(1,143,707)	(1,720,675)
39 Statutory Loan Reserves	-	25,289	665,904	-	25,289	665,904
40 Other Reserves	-	-	-	-	-	-
41 Proposed dividends	-	-	-	-	-	-
42 Non controlling Interest	-	-	-	-	-	-
43 Capital grants	-	-	-	-	-	-
<b>44 TOTAL SHAREHOLDERS' EQUITY</b>	<b>7,076,650</b>	<b>7,877,176</b>	<b>7,884,030</b>	<b>7,069,882</b>	<b>7,870,119</b>	<b>7,876,728</b>
<b>45 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>70,221,531</b>	<b>72,519,356</b>	<b>78,139,646</b>	<b>70,231,132</b>	<b>72,527,197</b>	<b>78,147,528</b>

## OTHER DISCLOSURES

	BANK			GROUP		
	31-Mar-19 Shs '000 (Un - Audited)	31-Dec-19 Shs '000 (Audited)	31-Mar-20 Shs '000 (Un-Audited)	31-Mar-19 Shs '000 (Un - Audited)	31-Dec-19 Shs '000 (Audited)	31-Mar-20 Shs '000 (Un-Audited)
<b>1) NON-PERFORMING LOANS AND ADVANCES</b>						
a) Gross Non-performing loans and advances	16,117,142	14,980,134	15,654,147	16,117,142	14,980,134	15,654,147
b) Less: Interest in Suspense	1,922,637	1,803,949	2,004,411	1,922,637	1,803,949	2,004,411
<b>c) Total Non-Performing Loans and Advances (a-b)</b>	<b>14,194,505</b>	<b>13,176,185</b>	<b>13,649,736</b>	<b>14,194,505</b>	<b>13,176,185</b>	<b>13,649,736</b>
d) Less:Loan Loss Provisions	9,685,656	9,958,623	10,443,585	9,685,656	9,958,623	10,443,585
e) Net Non-Performing Loans (c-d)	4,508,849	3,217,562	3,206,151	4,508,849	3,217,562	3,206,151
f) Discounted Value of Securities	4,487,029	3,103,550	3,187,210	4,487,029	3,103,550	3,187,210
<b>g) Net NPLs Exposure (e-f)</b>	<b>21,820</b>	<b>114,012</b>	<b>18,941</b>	<b>21,820</b>	<b>114,012</b>	<b>18,941</b>
<b>2) Insider Loans and Advances</b>						
a) Directors, Shareholders and Associates	144,400	142,148	140,762	144,400	142,148	140,762
b) Employees	1,123,060	1,175,865	1,184,306	1,123,060	1,175,865	1,184,306
<b>c) Total Insider Loans and Advances and Other Facilities</b>	<b>1,267,460</b>	<b>1,318,012</b>	<b>1,325,068</b>	<b>1,267,460</b>	<b>1,318,012</b>	<b>1,325,068</b>
<b>3) Off-Balance Sheet Items</b>						
a) Letters of credit, guarantees, acceptances	1,446,408	1,723,296	1,669,796	1,446,408	1,723,296	1,669,796
b) Forwards, swaps and options	3,919,061	24,529	5,271,158	3,919,061	24,529	5,271,158
c) Other contingent liabilities	-	-	-	-	-	-
<b>d) Total Contingent Liabilities</b>	<b>5,365,469</b>	<b>1,747,825</b>	<b>6,940,954</b>	<b>5,365,469</b>	<b>1,747,825</b>	<b>6,940,954</b>
<b>4) Capital Strength</b>						
a) Core capital	7,107,471	7,830,795	7,222,126	7,107,471	7,830,795	7,222,126
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)	6,107,471	6,830,795	6,222,126	6,107,471	6,830,795	6,222,126
d) Supplementary Capital	-	25,289	539,580	-	25,289	539,580
<b>e) Total capital (a+d)</b>	<b>7,107,471</b>	<b>7,856,083</b>	<b>7,761,706</b>	<b>7,107,471</b>	<b>7,856,083</b>	<b>7,761,706</b>
f) Total risk weighted assets	26,960,175	33,983,208	43,166,365	26,960,175	33,983,208	43,166,365
g) Core capital/total deposit liabilities	13.9%	15.5%	13.0%	13.9%	15.5%	13.0%
h) Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
i) Excess/(Deficiency)	5.9%	7.5%	5.0%	5.9%	7.5%	5.0%
j) Core capital/ total risk weighted assets	26.4%	23.0%	16.7%	26.4%	23.0%	16.7%
k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
l) Excess/(Deficiency) (j-k)	15.9%	12.5%	6.2%	15.9%	12.5%	6.2%
m) Total capital/ total risk weighted assets	26.4%	23.1%	18.0%	26.4%	23.1%	18.0%
n) Minimum Statutory Ratio	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%
o) Excess/(Deficiency) (m-n)	11.9%	8.6%	3.5%	11.9%	8.6%	3.5%
<b>p) Adjusted Core Capital /Total Deposit Liabilities*</b>	<b>14.0%</b>	<b>15.5%</b>	<b>13.0%</b>	<b>14.0%</b>	<b>15.5%</b>	<b>13.0%</b>
<b>q) Adjusted Core Capital /Total Risk Weighted Assets*</b>	<b>26.7%</b>	<b>23.1%</b>	<b>16.8%</b>	<b>26.7%</b>	<b>23.1%</b>	<b>16.8%</b>
<b>r) Adjusted Total Capital /Total Risk Weighted Assets*</b>	<b>26.7%</b>	<b>23.2%</b>	<b>18.0%</b>	<b>26.7%</b>	<b>23.2%</b>	<b>18.0%</b>
<b>5) Liquidity</b>						
a) Liquidity Ratio	82.3%	77.2%	68.9%	82.3%	77.2%	68.9%
b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
c) Excess/(Deficiency) (a-b)	62.3%	57.2%	48.9%	62.3%	57.2%	48.9%

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 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.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

Moezz Mir  
Chief Executive Officer

Dr. James McFie  
Director

## STATEMENT OF COMPREHENSIVE INCOME

	BANK			GROUP		
	31-Mar-19 Shs '000 (Un - Audited)	31-Dec-19 Shs '000 (Audited)	31-Mar-20 Shs '000 (Un-Audited)	31-Mar-19 Shs '000 (Un - Audited)	31-Dec-19 Shs '000 (Audited)	31-Mar-20 Shs '000 (Un-Audited)
<b>1.0 INTEREST INCOME</b>						
1.1 Loans and Advances	235,417	1,167,642	389,601	235,417	1,167,642	389,601
1.2 Government securities	1,062,193	4,508,663	1,161,748	1,062,193	4,508,663	1,161,748
1.3 Deposits and placements with banking institutions	57,027	215,363	28,785	57,027	215,363	28,785
1.4 Other Interest Income	-	377,631	129,499	-	377,631	129,499
<b>1.5 Total Interest Income</b>	<b>1,354,637</b>	<b>6,269,300</b>	<b>1,709,633</b>	<b>1,354,637</b>	<b>6,269,300</b>	<b>1,709,633</b>
<b>2.0 INTEREST EXPENSES</b>						
2.1 Customer Deposits	629,514	2,807,290	804,587	629,514	2,807,290	804,587
2.2 Deposits and placement from banking institutions	125,774	4,266	548	125,774	4,266	548
2.3 Other Interest Expenses	150,315	682,916	185,618	150,315	682,916	185,618
<b>2.4 Total Interest Expenses</b>	<b>905,603</b>	<b>3,494,472</b>	<b>990,753</b>	<b>905,603</b>	<b>3,494,472</b>	<b>990,753</b>
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>449,034</b>	<b>2,774,828</b>	<b>718,880</b>	<b>449,034</b>	<b>2,774,828</b>	<b>718,880</b>
<b>4.0 OTHER OPERATING INCOME</b>						
4.1 Fees and commissions on loans and advances	17,602	122,389	86,429	17,602	122,389	86,429
4.2 Other Fees and Commissions	63,595	222,361	49,643	63,595	222,361	49,643
4.3 Foreign exchange trading income (loss)	50,479	260,461	114,448	50,479	260,461	114,448
4.4 Dividend Income	-	-	-	-	-	-
4.5 Other income	829,913	2,919,825	550,003	830,931	2,921,553	550,004
<b>4.6 Total Non-Interest Income</b>	<b>961,589</b>	<b>3,525,036</b>	<b>800,523</b>	<b>962,607</b>	<b>3,526,763</b>	<b>800,524</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>1,410,623</b>	<b>6,299,864</b>	<b>1,519,403</b>	<b>1,411,641</b>	<b>6,301,591</b>	<b>1,519,404</b>
<b>6.0 OPERATING EXPENSES</b>						
6.1 Loan Loss Provision	21,134	672,809	301,238	21,134	672,809	301,238
6.2 Staff costs	445,782	2,041,590	570,135	446,229	2,042,921	570,351
6.3 Directors' emoluments	15,256	70,913	17,530	15,256	70,913	17,530
6.4 Rental charges	159,197	-	-	159,197	-	-
6.5 Depreciation charge on property and equipment	78,500	619,901	147,514	78,526	619,925	147,535
6.6 Amortisation Charges	76,091	266,633	48,601	76,091	266,633	48,601
6.7 Other Operating Expenses	304,140	1,448,034	368,453	304,169	1,448,079	368,462
<b>6.8 Total Operating Expenses</b>	<b>1,100,100</b>	<b>5,119,879</b>				