



	December 2018 SHS '000 (Audited)	December 2017 SHS '000 (Audited)
<b>I STATEMENT OF FINANCIAL POSITION</b>		
<b>A ASSETS</b>		
1 Cash (local and foreign)	2,024,503	1,586,469
2 Balances due from Central Bank of Kenya	20,037,372	6,458,315
3 Kenya Government securities held for dealing purposes	31,202,021	29,806,020
4 Financial assets at fair value through profit and loss	14	-
5 Investment securities:		
a) Held to maturity:		
a. Kenya Government securities	22,491,845	4,684,783
b. Other securities	709,111	759,395
b) Available for sale:		
a. Kenya Government securities	17,851,517	40,988,774
b. Other securities	-	-
6 Deposits and balances due from local banking institutions	661,520	33,156
7 Deposits and balances due from banking institutions abroad	6,673,823	8,159,869
8 Tax recoverable	-	16,667
9 Loans and advances to customers (net)	146,604,117	130,535,810
10 Balances due from banking institutions in the group	20,959,233	4,447,484
11 Investment in associates	-	-
12 Investment in subsidiary companies	2	2
13 Investment in joint ventures	-	-
14 Investment properties	-	-
15 Property and equipment	2,186,264	2,251,519
16 Prepaid lease rentals	47,993	53,901
17 Intangible assets	1,032,610	1,080,513
18 Deferred tax asset	3,205,939	2,488,760
19 Retirement benefit asset	-	-
20 Other assets	5,265,128	6,056,440
<b>21 TOTAL ASSETS</b>	<b>280,953,012</b>	<b>239,407,877</b>
<b>B LIABILITIES</b>		
22 Balances due to Central Bank of Kenya	-	-
23 Customer deposits	197,914,513	153,008,573
24 Deposits and balances due to local banking institutions	643	4,924,408
25 Deposits and balances due to banking institutions abroad	14,366,503	20,762,786
26 Other money markets deposits	-	-
27 Borrowed funds	10,728,180	7,160,030
28 Balances due to banking institutions in the group	15,926,194	12,609,173
29 Taxation payable	1,097,202	-
30 Dividends payable	-	-
31 Deferred tax liability	-	38,859
32 Retirement benefit liabilities	-	-
33 Other liabilities	6,329,061	7,852,854
<b>34 TOTAL LIABILITIES</b>	<b>246,362,296</b>	<b>206,356,683</b>
<b>C CAPITAL RESOURCES</b>		
35 Paid up / assigned capital	3,411,549	3,411,549
36 Share premium / (discount)	3,444,639	3,444,639
37 Revaluation reserve	122,598	122,598
38 Retained earnings	26,381,053	24,908,793
39 Statutory loan loss reserve	938,245	73
40 Other reserves	(1,007,368)	(436,458)
41 Proposed dividends	1,300,000	1,600,000
42 Capital grants	-	-
<b>43 SHAREHOLDERS' FUNDS</b>	<b>34,590,716</b>	<b>33,051,194</b>
44 Minority interest	-	-
<b>45 TOTAL LIABILITIES &amp; SHAREHOLDERS' FUNDS</b>	<b>280,953,012</b>	<b>239,407,877</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>		
<b>1 INTEREST INCOME</b>		
1.1 Loans and advances	14,200,051	12,061,634
1.2 Government securities	4,344,018	4,267,470
1.3 Deposits and placements with banking institutions	335,152	263,396
1.4 Other interest income	-	-
<b>1.5 Total interest income</b>	<b>18,879,221</b>	<b>16,592,500</b>
<b>2 INTEREST EXPENSES</b>		
2.1 Customer deposits	4,538,917	3,744,566
2.2 Deposits and placements from banking institutions	1,935,371	1,738,995
2.3 Other interest expenses	682,725	521,104
<b>2.4 Total interest expenses</b>	<b>7,157,013</b>	<b>6,004,665</b>
<b>3 NET INTEREST INCOME</b>	<b>11,722,208</b>	<b>10,587,835</b>
<b>4 NON-INTEREST INCOME</b>		
4.1 Fees and commissions on loans and advances	286,904	304,349
4.2 Other fees and commissions	3,727,237	3,227,273
4.3 Foreign exchange trading income	3,057,889	2,681,992
4.4 Dividend income	-	-
4.5 Other income	2,353,017	1,846,148
<b>4.6 Total non-interest income</b>	<b>9,425,047</b>	<b>8,059,762</b>
<b>5 TOTAL OPERATING INCOME</b>	<b>21,147,255</b>	<b>18,647,597</b>
<b>6 OTHER OPERATING EXPENSES</b>		
6.1 Loan loss provision	1,734,296	2,761,325
6.2 Staff costs	5,595,977	5,437,478
6.3 Directors emoluments	87,634	131,843
6.4 Rental charges	402,745	430,157
6.5 Depreciation on property and equipment	415,413	378,666
6.6 Amortisation charges	191,804	178,580
6.7 Other expenses	3,921,424	3,730,096
<b>6.8 Total other operating expenses</b>	<b>12,349,293</b>	<b>13,048,145</b>
<b>7 Profit / (loss) before tax and exceptional items</b>	<b>8,797,962</b>	<b>5,599,452</b>
8 Exceptional items	(12,744)	(186,502)
<b>9 Profit / (loss) after exceptional items</b>	<b>8,785,218</b>	<b>5,412,950</b>
10 Current tax	(2,586,360)	(2,061,861)
11 Deferred tax	(22,786)	988,047
<b>12 Profit / (loss) after tax and exceptional items</b>	<b>6,176,072</b>	<b>4,339,136</b>
13 Minority interest	-	-
<b>14 Profit / (loss) after tax, exceptional items and minority interest</b>	<b>6,176,072</b>	<b>4,339,136</b>
<b>15 Other comprehensive income</b>		
15.1 Gains / (losses) from translating the financial statements of foreign operations	(268,351)	73,788
15.2 Fair value changes in available for sale financial assets	(354,811)	299,969
15.3 Revaluation surplus on property, plant and equipment	-	-
15.4 Share of other comprehensive income of associates	-	-
15.5 Income tax relating to components of other comprehensive income	33,451	(1,324)
<b>16 Other comprehensive income for the year net of tax</b>	<b>(589,711)</b>	<b>372,433</b>
<b>17 Total comprehensive income for the year</b>	<b>5,586,361</b>	<b>4,711,569</b>
<b>18 EARNINGS PER SHARE - BASIC &amp; DILUTED</b>	<b>36.21</b>	<b>27.62</b>
<b>19 DIVIDEND PER SHARE - DECLARED</b>	<b>12.90</b>	<b>12.31</b>

	December 2018 SHS '000 (Audited)	December 2017 SHS '000 (Audited)
<b>III OTHER DISCLOSURES</b>		
<b>1) NON-PERFORMING LOANS AND ADVANCES ( NPLs)</b>		
a) Gross non-performing loans and advances	16,644,228	10,358,765
b) Less: Interest in suspense	2,792,113	1,663,972
<b>c) Total non-performing loans and advances (a-b)</b>	<b>13,852,115</b>	<b>8,694,793</b>
d) Less: loan loss provision	6,101,974	3,243,601
<b>e) Net non-performing Loans (c-d)</b>	<b>7,750,141</b>	<b>5,451,192</b>
f) Discounted value of securities	7,750,141	5,451,192
<b>g) Net NPLs exposure (e-f)</b>	<b>-</b>	<b>-</b>
<b>2) INSIDER LOANS, ADVANCES AND OTHER FACILITIES</b>		
a) Directors, shareholders and associates	1,064,249	2,048,050
b) Employees	4,194,627	3,866,766
<b>c) Total Insider loans, advances and other facilities</b>	<b>5,258,876</b>	<b>5,914,816</b>
<b>3) OFF BALANCE SHEET</b>		
a) Letters of credit, guarantees, acceptances	78,372,537	38,664,416
b) Forwards, swaps and options	138,103,511	112,347,281
c) Other contingent liabilities	-	-
<b>d) Total contingent liabilities</b>	<b>216,476,048</b>	<b>151,011,697</b>
<b>4) CAPITAL STRENGTH</b>		
a) Core capital	33,237,245	31,764,981
b) Minimum statutory capital	1,000,000	1,000,000
<b>c) Excess / (Deficiency)</b>	<b>32,237,245</b>	<b>30,764,981</b>
d) Supplementary capital	6,319,131	3,124,907
<b>e) Total capital (a + d)</b>	<b>39,556,376</b>	<b>34,889,888</b>
f) Total risk weighted assets	227,294,207	206,089,553
<b>g) Core capital / total deposit liabilities</b>	<b>16.5%</b>	<b>20.2%</b>
h) Minimum statutory ratio	8.0%	8.0%
<b>i) Excess / (Deficiency)</b>	<b>8.5%</b>	<b>12.2%</b>
<b>j) Core capital / total risk weighted assets</b>	<b>14.6%</b>	<b>15.4%</b>
k) Minimum statutory ratio	10.5%	10.5%
<b>l) Excess / (Deficiency)</b>	<b>4.1%</b>	<b>4.9%</b>
<b>m) Total capital / total risk weighted assets</b>	<b>17.4%</b>	<b>16.9%</b>
n) Minimum statutory ratio	14.5%	14.5%
<b>o) Excess / (Deficiency)</b>	<b>2.9%</b>	<b>2.4%</b>
<b>p) Adjusted Core Capital/Total Deposit Liabilities*</b>	<b>17.3%</b>	<b>0.0%</b>
<b>q) Adjusted Core Capital/Total Risk Weighted Assets*</b>	<b>15.3%</b>	<b>0.0%</b>
<b>r) Adjusted Total Capital/Total Risk Weighted Assets*</b>	<b>18.1%</b>	<b>0.0%</b>
<b>5) LIQUIDITY</b>		
a) Liquidity ratio	57.9%	52.4%
b) Minimum statutory ratio	20.0%	20.0%
<b>c) Excess / (Deficiency)</b>	<b>37.9%</b>	<b>32.4%</b>

\*The Adjusted Capital Ratios include the expected credit loss provisions added back to Capital in line with the CBK Guidance Note issued in April 2018 on implementation of IFRS 9.

#### MESSAGE FROM THE DIRECTORS

The above statement of financial position, statement of comprehensive income and other disclosures are extracts from the records of the Bank.

The complete set of audited financial statements, statutory and qualitative disclosures can be accessed on the institution's website [www.stanbicbank.co.ke](http://www.stanbicbank.co.ke)

They may also be accessed at the institution's Head Office located at Stanbic Bank Centre, Chiromo Road, Westlands.

The financial statements were approved by the Board of Directors on 28 February 2019 and signed on its behalf by:-

**Charles Mudiwa**  
Chief Executive

**Fred N. Ojiambo, MBS,SC**  
Chairman

**Christopher Newson**  
Director

**Lillian Mbindyo**  
Company Secretary