



| | December 2019 SHS '000 (Audited) | December 2018 SHS '000 (Audited) |
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| I STATEMENT OF FINANCIAL POSITION | | |
| A ASSETS | | |
| 1 Cash (local and foreign) | 2,737,198 | 2,024,503 |
| 2 Balances due from Central Bank of Kenya | 24,021,388 | 20,037,372 |
| 3 Kenya Government securities held for dealing purposes | 24,654,477 | 31,202,021 |
| 4 Financial assets at fair value through profit and loss | - | 14 |
| 5 Investment securities: | - | - |
| a) Held to maturity: | - | - |
| a. Kenya Government securities | 14,803,464 | 22,491,845 |
| b. Other securities | 661,295 | 709,111 |
| b) Available for sale: | - | - |
| a. Kenya Government securities | 20,403,544 | 17,851,517 |
| b. Other securities | - | - |
| 6 Deposits and balances due from local banking institutions | 7,124,815 | 661,520 |
| 7 Deposits and balances due from banking institutions abroad | 3,712,601 | 6,673,823 |
| 8 Tax recoverable | - | - |
| 9 Loans and advances to customers (net) | 152,813,955 | 146,604,117 |
| 10 Balances due from banking institutions in the group | 27,515,448 | 20,959,233 |
| 11 Investment in associates | - | - |
| 12 Investment in subsidiary companies | 2 | 2 |
| 13 Investment in joint ventures | - | - |
| 14 Investment properties | - | - |
| 15 Property and equipment | 3,617,011 | 2,186,264 |
| 16 Prepaid lease rentals | 45,040 | 47,993 |
| 17 Intangible assets | 862,394 | 1,032,610 |
| 18 Deferred tax asset | 4,396,400 | 3,205,939 |
| 19 Retirement benefit asset | - | - |
| 20 Other assets | 5,336,104 | 5,265,128 |
| 21 TOTAL ASSETS | 292,705,136 | 280,953,012 |
| B LIABILITIES | | |
| 22 Balances due to Central Bank of Kenya | - | - |
| 23 Customer deposits | 193,513,508 | 197,914,513 |
| 24 Deposits and balances due to local banking institutions | 103,620 | 643 |
| 25 Deposits and balances due to banking institutions abroad | 11,898,768 | 14,366,503 |
| 26 Other money markets deposits | - | - |
| 27 Borrowed funds | 13,952,672 | 10,728,180 |
| 28 Balances due to banking institutions in the group | 18,550,455 | 15,926,194 |
| 29 Taxation payable | 388,812 | 1,097,202 |
| 30 Dividends payable | - | - |
| 31 Deferred tax liability | - | - |
| 32 Retirement benefit liabilities | - | - |
| 33 Other liabilities | 15,357,461 | 6,329,061 |
| 34 TOTAL LIABILITIES | 253,765,296 | 246,362,296 |
| C CAPITAL RESOURCES | | |
| 35 Paid up / assigned capital | 3,411,549 | 3,411,549 |
| 36 Share premium / (discount) | 3,444,639 | 3,444,639 |
| 37 Revaluation reserve | 114,936 | 122,598 |
| 38 Retained earnings | 30,010,858 | 26,381,053 |
| 39 Statutory loan loss reserve | 938,245 | 938,245 |
| 40 Other reserves | (1,080,387) | (1,007,368) |
| 41 Proposed dividends | 2,100,000 | 1,300,000 |
| 42 Capital grants | - | - |
| 43 SHAREHOLDERS' FUNDS | 38,939,840 | 34,590,716 |
| 44 Minority interest | - | - |
| 45 TOTAL LIABILITIES & SHAREHOLDERS' FUNDS | 292,705,136 | 280,953,012 |
| II STATEMENT OF COMPREHENSIVE INCOME | | |
| 1 INTEREST INCOME | | |
| 1.1 Loans And Advances | 15,737,457 | 14,200,051 |
| 1.2 Government Securities | 4,089,916 | 4,344,018 |
| 1.3 Deposits And Placements With Banking Institutions | 578,009 | 335,152 |
| 1.4 Other Interest Income | - | - |
| 1.5 Total interest income | 20,405,382 | 18,879,221 |
| 2 INTEREST EXPENSES | | |
| 2.1 Customer deposits | 5,293,550 | 4,538,917 |
| 2.2 Deposits And Placements With Banking Institutions | 1,399,439 | 1,935,371 |
| 2.3 Other Interest Income | 972,109 | 682,725 |
| 2.4 Total interest expenses | 7,665,098 | 7,157,013 |
| 3 NET INTEREST INCOME | 12,740,284 | 11,722,208 |
| 4 NON-INTEREST INCOME | | |
| 4.1 Fees and commissions on loans and advances | 346,969 | 286,904 |
| 4.2 Other fees and commissions | 4,137,469 | 3,727,237 |
| 4.3 Foreign exchange trading income | 4,863,775 | 3,057,889 |
| 4.4 Dividend income | - | - |
| 4.5 Other income | 1,457,835 | 2,353,017 |
| 4.6 Total non-interest income | 10,806,048 | 9,425,047 |
| 5 TOTAL OPERATING INCOME | 23,546,332 | 21,147,255 |
| 6 OTHER OPERATING EXPENSES | | |
| 6.1 Loan loss provision | 2,614,456 | 1,734,296 |
| 6.2 Staff costs | 5,564,545 | 5,595,977 |
| 6.3 Directors emoluments | 134,879 | 87,634 |
| 6.4 Rental charges | 67,399 | 402,745 |
| 6.5 Depreciation on property and equipment | 805,348 | 415,413 |
| 6.6 Amortisation charges | 198,343 | 191,804 |
| 6.7 Other expenses | 5,921,700 | 3,921,424 |
| 6.8 Total other operating expenses | 15,306,670 | 12,349,293 |
| 7 Profit / (loss) before tax and exceptional items | 8,239,662 | 8,797,962 |
| 8 Exceptional items | (773,162) | (12,744) |
| 9 Profit / (loss) after exceptional items | 7,466,500 | 8,785,218 |
| 10 Current tax | (2,442,274) | (2,586,360) |
| 11 Deferred tax | 1,197,918 | (22,786) |
| 12 Profit / (loss) after tax and exceptional items | 6,222,144 | 6,176,072 |
| 13 Minority interest | - | - |
| 14 Profit / (loss) after tax, exceptional items and minority interest | 6,222,144 | 6,176,072 |
| 15 Other comprehensive income | | |
| 15.1 Gains / (losses) from translating the financial statements of foreign operations | (86,015) | (268,351) |
| 15.2 Fair value changes in available for sale financial assets | 11,723 | (354,811) |
| 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 |
| 16 Other comprehensive income for the year net of tax | (74,292) | (589,711) |
| 17 Total comprehensive income for the year | 6,147,851 | 5,586,361 |
| 18 EARNINGS PER SHARE - BASIC & DILUTED | 36.48 | 36.21 |
| 19 DIVIDEND PER SHARE - DECLARED | 15.24 | 12.90 |

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| III OTHER DISCLOSURES | | |
| 1) NON-PERFORMING LOANS AND ADVANCES (NPLs) | | |
| a) Gross non-performing loans and advances | 19,345,012 | 16,644,228 |
| b) Less: Interest in suspense | 4,096,473 | 2,792,113 |
| c) Total non-performing loans and advances (a-b) | 15,248,539 | 13,852,115 |
| d) Less: loan loss provision | 6,948,155 | 6,101,974 |
| e) Net non-performing Loans (c-d) | 8,300,384 | 7,750,141 |
| f) Discounted value of securities | 8,300,384 | 7,750,141 |
| g) Net NPLs exposure (e-f) | - | - |
| 2) INSIDER LOANS, ADVANCES AND OTHER FACILITIES | | |
| a) Directors, shareholders and associates | 86,615 | 1,064,249 |
| b) Employees | 3,894,366 | 4,194,627 |
| c) Total Insider loans, advances and other facilities | 3,980,981 | 5,258,876 |
| 3) OFF BALANCE SHEET | | |
| a) Letters of credit, guarantees, acceptances | 69,391,552 | 78,372,537 |
| b) Forwards, swaps and options | 179,895,845 | 138,103,511 |
| c) Other contingent liabilities | - | - |
| d) Total contingent liabilities | 249,287,397 | 216,476,048 |
| 4) CAPITAL STRENGTH | | |
| a) Core capital | 36,148,884 | 33,237,245 |
| b) Minimum statutory capital | 1,000,000 | 1,000,000 |
| c) Excess / (Deficiency) | 35,148,884 | 32,237,245 |
| d) Supplementary capital | 7,537,732 | 6,319,131 |
| e) Total capital (a + d) | 43,686,616 | 39,556,376 |
| f) Total risk weighted assets | 238,222,002 | 227,294,207 |
| g) Core capital / total deposit liabilities | 18.4% | 16.5% |
| h) Minimum statutory ratio | 8.0% | 8.0% |
| i) Excess / (Deficiency) | 10.4% | 8.5% |
| j) Core capital / total risk weighted assets | 15.2% | 14.6% |
| k) Minimum statutory ratio | 10.5% | 10.5% |
| l) Excess / (Deficiency) | 4.7% | 4.1% |
| m) Total capital / total risk weighted assets | 18.3% | 17.4% |
| n) Minimum statutory ratio | 14.5% | 14.5% |
| o) Excess / (Deficiency) | 3.8% | 2.9% |
| p) Adjusted Core Capital/Total Deposit Liabilities* | 19.7% | 17.3% |
| q) Adjusted Core Capital/Total Risk Weighted Assets* | 16.2% | 15.3% |
| r) Adjusted Total Capital/Total Risk Weighted Assets* | 19.4% | 18.1% |
| 5) LIQUIDITY | | |
| a) Liquidity ratio | 58.4% | 57.9% |
| b) Minimum statutory ratio | 20.0% | 20.0% |
| c) Excess / (Deficiency) | 38.4% | 37.9% |

*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.

*In quarter 3, Stanbic Bank accepted voluntary retirement of 88 of its staff members. The exceptional item presented in the statement of comprehensive income relates to costs for the voluntary early retirement programme.

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. This set of audited financial statements, statutory and qualitative disclosures can be accessed on the institution's website www.stanbicbank.co.ke

They may also be accessed at the institution's head office located at Stanbic Centre, Chiromo Road, Westlands.

The financial statements were approved by the Board of Directors on 28th February 2020 and signed on its behalf by:-

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| Charles Mudiwa Chief Executive | Kitili Mbathi Chairman |
| Dorcas Kombo Director | L.N Mbindyo Company Secretary |