



	June 2018 SHS '000 (Unaudited)	March 2018 SHS '000 (Unaudited)	December 2017 SHS '000 (Audited)	June 2017 SHS '000 (Unaudited)
<b>I STATEMENT OF FINANCIAL POSITION</b>				
<b>A ASSETS</b>				
1 Cash (local and foreign)	1,703,255	1,791,316	1,586,469	1,588,093
2 Balances due from Central Bank of Kenya	10,865,049	6,492,511	6,458,315	4,885,724
3 Kenya Government securities held for dealing purposes	52,674,067	44,210,813	29,806,020	28,595,709
4 Financial assets at fair value through profit and loss	20	11,621	-	130,051
5 Investment securities:				
a) Held to maturity:				
a. Kenya Government securities	15,378,842	14,528,189	4,684,783	-
b. Other securities	733,115	741,259	759,395	-
b) Available for sale:				
a. Kenya Government securities	22,724,511	32,259,055	40,988,772	43,092,335
b. Other securities	-	-	-	2,751
6 Deposits and balances due from local banking institutions	1,540,430	920,898	33,156	32,419
7 Deposits and balances due from banking institutions abroad	4,189,290	6,030,972	8,159,869	13,632,210
8 Tax recoverable	2,311	16,698	16,667	824,314
9 Loans and advances to customers (net)	136,476,522	128,497,138	130,535,810	117,944,960
10 Balances due from banking institutions in the group	11,463,924	1,298,790	4,447,484	1,906,284
11 Investment in associates	-	-	-	-
12 Investment in subsidiary companies	2	2	2	2
13 Investment in joint ventures	-	-	-	-
14 Investment properties	-	-	-	-
15 Property and equipment	2,220,998	2,300,290	2,251,519	2,270,724
16 Prepaid lease rentals	49,471	50,947	53,901	52,424
17 Intangible assets	966,789	1,023,458	1,080,514	898,896
18 Deferred tax asset	3,136,366	3,174,851	2,488,760	1,451,071
19 Retirement benefit asset	-	-	-	-
20 Other assets	5,270,840	5,637,118	6,056,441	7,496,461
<b>21 TOTAL ASSETS</b>	<b>269,395,802</b>	<b>248,985,926</b>	<b>239,407,877</b>	<b>224,804,428</b>
<b>B LIABILITIES</b>				
22 Balances due to Central Bank of Kenya	1,997,477	-	-	-
23 Customer deposits	164,870,288	147,768,795	153,008,573	130,163,885
24 Deposits and balances due from local banking institutions	13,053,673	7,546,095	4,924,408	7,824,695
25 Deposits and balances due to banking institutions abroad	21,782,296	16,150,821	20,762,786	30,587,985
26 Other money markets deposits	-	-	-	-
27 Borrowed funds	12,169,958	12,049,339	7,160,030	8,339,453
28 Balances due to banking institutions in the group	14,964,427	24,327,399	12,609,173	9,184,086
29 Taxation payable	1,103,715	894,482	-	-
30 Dividends payable	900,000	-	-	-
31 Deferred tax liability	-	-	38,859	-
32 Retirement benefit liabilities	-	-	-	-
33 Other liabilities	6,348,823	7,200,369	7,852,854	7,873,843
<b>34 TOTAL LIABILITIES</b>	<b>237,190,657</b>	<b>215,937,300</b>	<b>206,356,683</b>	<b>193,973,947</b>
<b>C CAPITAL RESOURCES</b>				
35 Paid up / assigned capital	3,411,549	3,411,549	3,411,549	3,411,549
36 Share premium / (discount)	3,444,639	3,444,639	3,444,639	3,444,639
37 Revaluation reserve	122,598	122,598	122,598	122,598
38 Retained earnings	26,008,454	25,235,018	24,908,793	23,521,943
39 Statutory loan loss reserve	-	-	73	-
40 Other reserves	(782,095)	(765,178)	(436,458)	329,752
41 Proposed dividends	-	1,600,000	1,600,000	-
42 Capital grants	-	-	-	-
<b>43 SHAREHOLDERS' FUNDS</b>	<b>32,205,145</b>	<b>33,048,626</b>	<b>33,051,194</b>	<b>30,830,481</b>
44 Minority interest	-	-	-	-
<b>45 TOTAL LIABILITIES &amp; SHAREHOLDERS' FUNDS</b>	<b>269,395,802</b>	<b>248,985,926</b>	<b>239,407,877</b>	<b>224,804,428</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>				
<b>1 INTEREST INCOME</b>				
1.1 Loans and advances	6,739,071	3,332,175	12,061,634	5,843,565
1.2 Government securities	2,284,424	1,214,048	4,267,470	1,899,876
1.3 Deposits and placements with banking institutions	89,491	18,747	263,396	152,101
1.4 Other interest income	-	-	-	-
<b>1.5 Total interest income</b>	<b>9,112,986</b>	<b>4,564,970</b>	<b>16,592,500</b>	<b>7,895,542</b>
<b>2 INTEREST EXPENSES</b>				
2.1 Customer deposits	2,229,094	1,077,812	3,744,566	1,745,945
2.2 Deposits and placements from banking institutions	987,460	470,521	1,738,995	902,481
2.3 Other interest expenses	320,758	144,630	521,104	258,415
<b>2.4 Total interest expenses</b>	<b>3,537,312</b>	<b>1,692,963</b>	<b>6,004,665</b>	<b>2,906,841</b>
<b>3 NET INTEREST INCOME</b>	<b>5,575,674</b>	<b>2,872,007</b>	<b>10,587,835</b>	<b>4,988,701</b>
<b>4 NON-INTEREST INCOME</b>				
4.1 Fees and commissions on loans and advances	141,646	66,130	304,349	190,661
4.2 Other fees and commissions	1,841,089	975,406	3,227,273	1,709,038
4.3 Foreign exchange trading income	1,681,813	793,065	2,681,992	1,501,538
4.4 Dividend income	-	-	-	-
4.5 Other income	1,620,559	944,779	1,846,148	614,058
<b>4.6 Total non-interest income</b>	<b>5,285,107</b>	<b>2,779,380</b>	<b>8,059,762</b>	<b>4,015,295</b>
<b>5 TOTAL OPERATING INCOME</b>	<b>10,860,781</b>	<b>5,651,387</b>	<b>18,647,597</b>	<b>9,003,996</b>
<b>6 OTHER OPERATING EXPENSES</b>				
6.1 Loan loss provision	253,291	63,439	2,761,325	1,869,207
6.2 Staff costs	2,775,036	1,496,846	5,437,478	2,387,708
6.3 Directors emoluments	38,798	19,430	131,843	143,739
6.4 Rental charges	193,628	100,522	430,157	230,441
6.5 Depreciation on property and equipment	204,388	101,843	378,666	180,840
6.6 Amortisation charges	114,479	56,730	178,580	85,287
6.7 Other expenses	1,866,014	1,015,758	3,730,096	1,841,284
<b>6.8 Total other operating expenses</b>	<b>5,445,634</b>	<b>2,854,568</b>	<b>13,048,145</b>	<b>6,738,506</b>
<b>7 Profit / (loss) before tax and exceptional items</b>	<b>5,415,147</b>	<b>2,796,819</b>	<b>5,599,452</b>	<b>2,265,490</b>
8 Exceptional items	(315,690)	(43,712)	(186,502)	(74,897)
<b>9 Profit / (loss) after exceptional items</b>	<b>5,099,457</b>	<b>2,753,107</b>	<b>5,412,950</b>	<b>2,190,593</b>
10 Current tax	(1,641,994)	(891,039)	(2,061,861)	(518,997)
11 Deferred tax	31,181	64,157	988,047	57,645
<b>12 Profit / (loss) after tax and exceptional items</b>	<b>3,488,644</b>	<b>1,926,225</b>	<b>4,339,136</b>	<b>1,729,241</b>
13 Minority interest	-	-	-	-
<b>14 Profit / (loss) after tax, exceptional items and minority interest</b>	<b>3,488,644</b>	<b>1,926,225</b>	<b>4,339,136</b>	<b>1,729,241</b>
<b>15 Other comprehensive income</b>				
15.1 Gains / (losses) from translating the financial statements of foreign operations	(9,628)	(36,314)	73,788	(40,799)
15.2 Fair value changes in available for sale financial assets	(275,353)	(287,682)	299,969	287,603
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	8,466	12,165	(1,324)	(18,350)
<b>16 Other comprehensive income for the year net of tax</b>	<b>(276,515)</b>	<b>(311,831)</b>	<b>372,433</b>	<b>228,454</b>
<b>17 Total comprehensive income for the year</b>	<b>3,212,129</b>	<b>1,614,394</b>	<b>4,711,569</b>	<b>1,957,695</b>
<b>18 EARNINGS PER SHARE - BASIC &amp; DILUTED</b>	<b>20.45</b>	<b>11.29</b>	<b>25.44</b>	<b>10.14</b>
<b>19 DIVIDEND PER SHARE - DECLARED</b>	<b>5.28</b>	<b>0.00</b>	<b>12.31</b>	<b>2.93</b>

	June 2018 SHS '000 (Unaudited)	March 2018 SHS '000 (Unaudited)	December 2017 SHS '000 (Audited)	June 2017 SHS '000 (Unaudited)
<b>III OTHER DISCLOSURES</b>				
<b>1) NON-PERFORMING LOANS AND ADVANCES (NPLs)</b>				
a) Gross non-performing loans and advances	10,550,075	10,391,897	10,358,765	6,482,691
b) Less: Interest in suspense	2,181,958	1,908,556	1,663,972	1,202,180
<b>c) Total non-performing loans and advances (a-b)</b>	<b>8,368,117</b>	<b>8,483,341</b>	<b>8,694,793</b>	<b>5,280,511</b>
d) Less: loan loss provision	3,254,227	3,313,585	3,243,601	1,634,942
<b>e) Net non-performing Loans (c-d)</b>	<b>5,113,890</b>	<b>5,169,756</b>	<b>5,451,192</b>	<b>3,645,569</b>
f) Discounted value of securities	5,113,890	5,169,756	5,451,192	3,645,569
<b>g) Net NPLs exposure (e-f)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2) INSIDER LOANS, ADVANCES AND OTHER FACILITIES</b>				
a) Directors, shareholders and associates	5,127,968	2,918,320	2,048,050	937,839
b) Employees	4,002,160	4,098,039	3,866,766	3,706,035
<b>c) Total Insider loans, advances and other facilities</b>	<b>9,130,128</b>	<b>7,016,359</b>	<b>5,914,816</b>	<b>4,643,874</b>
<b>3) OFF BALANCE SHEET</b>				
a) Letters of credit, guarantees, acceptances	72,478,526	52,639,366	38,664,416	39,554,138
b) Forwards, swaps and options	129,010,436	117,975,730	112,347,281	103,486,143
c) Other contingent liabilities	-	-	-	-
<b>d) Total contingent liabilities</b>	<b>201,488,962</b>	<b>170,615,096</b>	<b>151,011,697</b>	<b>143,040,281</b>
<b>4) CAPITAL STRENGTH</b>				
a) Core capital	31,120,321	31,128,094	31,764,981	29,513,510
b) Minimum statutory capital	1,000,000	1,000,000	1,000,000	1,000,000
<b>c) Excess / (Deficiency)</b>	<b>30,120,321</b>	<b>30,128,094</b>	<b>30,764,981</b>	<b>28,513,510</b>
d) Supplementary capital	5,767,147	5,965,683	3,124,907	3,522,453
<b>e) Total capital (a + d)</b>	<b>36,887,468</b>	<b>37,093,777</b>	<b>34,889,888</b>	<b>33,035,963</b>
<b>f) Total risk weighted assets</b>	<b>212,138,105</b>	<b>200,240,145</b>	<b>206,089,553</b>	<b>191,693,554</b>
<b>g) Core capital / total deposit liabilities</b>	<b>18.3%</b>	<b>20.5%</b>	<b>20.2%</b>	<b>20.8%</b>
h) Minimum statutory ratio	8.0%	8.0%	8.0%	8.0%
<b>i) Excess / (Deficiency)</b>	<b>10.3%</b>	<b>12.5%</b>	<b>12.2%</b>	<b>12.8%</b>
<b>j) Core capital / total risk weighted assets</b>	<b>14.7%</b>	<b>15.5%</b>	<b>15.4%</b>	<b>15.4%</b>
k) Minimum statutory ratio	10.5%	10.5%	10.5%	10.5%
<b>l) Excess / (Deficiency)</b>	<b>4.2%</b>	<b>5.0%</b>	<b>4.9%</b>	<b>4.9%</b>
<b>m) Total capital / total risk weighted assets</b>	<b>17.4%</b>	<b>18.5%</b>	<b>16.9%</b>	<b>17.2%</b>
n) Minimum statutory ratio	14.5%	14.5%	14.5%	14.5%
<b>o) Excess / (Deficiency)</b>	<b>2.9%</b>	<b>4.0%</b>	<b>2.4%</b>	<b>2.7%</b>
p) Adjusted Core Capital/Total Deposit Liabilities*	19.5%	21.4%	-	-
q) Adjusted Core Capital/Total Risk Weighted Assets*	15.6%	16.1%	-	-
r) Adjusted Total Capital/Total Risk Weighted Assets*	18.3%	19.0%	-	-
<b>5) LIQUIDITY</b>				
<b>a) Liquidity ratio</b>	<b>56.9%</b>	<b>63.6%</b>	<b>52.4%</b>	<b>52.6%</b>
b) Minimum statutory ratio	20.0%	20.0%	20.0%	20.0%
<b>c) Excess / (Deficiency)</b>	<b>36.9%</b>	<b>43.6%</b>	<b>32.4%</b>	<b>32.6%</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.

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 09 August 2018 and signed on its behalf by:

**Charles Mudiwa**  
Chief Executive

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

**Christopher Newson**  
Director

**L.N. Mbindyo**  
Company Secretary