

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 31 DECEMBER 2019

	BANK		GROUP CONSOLIDATED	
	31-Dec-18 Audited Shs. '000	31-Dec-19 Audited Shs. '000	31-Dec-18 Audited Shs. '000	31-Dec-19 Audited Shs. '000
I STATEMENT OF FINANCIAL POSITION AS AT				
A ASSETS				
1 Cash (both Local & Foreign)	732,668	870,112	732,668	870,112
2 Balances due from Central Bank of Kenya	1,407,646	2,436,549	1,407,646	2,436,549
3 Kenya Government and other securities held for dealing purposes	312,715	934,543	312,715	934,543
4 Financial Assets at fair value through profit and loss	106,579	318,195	106,579	318,195
5 Investment Securities:				
a) Held to Maturity:				
a. Kenya Government securities	3,317,236	2,300,990	3,317,236	2,300,990
b. Other securities	-	-	-	-
b) Available for sale:				
a. Kenya Government securities	-	-	-	-
b. Other securities	-	-	-	-
6 Deposits and balances due from local banking institutions	2,465,422	239,503	2,465,422	239,503
7 Deposits and balances due from banking institutions abroad	1,520,971	1,503,723	1,520,971	1,503,723
8 Tax recoverable	111,315	4,566	113,250	7,401
9 Loans and advances to customers (net)	13,134,315	14,526,066	13,134,315	14,526,066
10 Balances due from banking institutions in the group	-	-	-	-
11 Investments in associates	-	-	-	-
12 Investments in subsidiary companies	1,000	1,000	-	-
13 Investments in joint ventures	-	-	-	-
14 Investment properties	-	-	-	-
15 Property and equipment	433,176	1,353,950	433,216	1,353,974
16 Prepaid lease rentals	-	-	-	-
17 Intangible assets	331,257	289,132	336,407	293,682
18 Deferred tax asset	491,273	666,147	491,966	665,310
19 Retirement benefit asset	-	-	-	-
20 Other assets	963,597	1,007,162	936,534	1,010,021
21 TOTAL ASSETS	25,329,169	26,451,638	25,308,924	26,460,069
B LIABILITIES				
22 Balances due to Central Bank of Kenya	-	-	-	-
23 Customer deposits	17,001,480	17,268,392	16,941,908	17,197,726
24 Deposits and balances due to local banking institutions	3,523,597	745,245	3,523,597	745,245
25 Deposits and balances due to foreign banking institutions	-	-	-	-
26 Other money market deposits	-	-	-	-
27 Borrowed funds	413,450	2,882,177	413,450	2,882,177
28 Balances due to banking institutions in the group	-	-	-	-
29 Tax payable	-	-	-	-
30 Dividends payable	-	-	-	-
31 Deferred tax liability	-	-	-	-
32 Retirement benefit liability	-	-	-	-
33 Other liabilities	353,517	1,537,841	353,662	1,554,683
34 TOTAL LIABILITIES	21,292,043	22,433,655	21,232,617	22,379,831
C SHAREHOLDERS' FUNDS				
35 Paid up/assigned capital	2,046,198	2,046,198	2,046,198	2,046,198
36 Share premium/(discount)	1,246,599	1,246,599	1,246,599	1,246,599
37 Revaluation reserves	67,376	50,206	67,376	50,206
38 Retained earnings/accumulated losses	676,953	674,980	716,135	737,235
39 Statutory loan loss reserves	-	-	-	-
40 Other reserves	-	-	-	-
41 Proposed dividends	-	-	-	-
42 Capital grants	-	-	-	-
43 TOTAL SHAREHOLDERS' FUNDS	4,037,126	4,017,983	4,076,307	4,080,238
44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	25,329,169	26,451,638	25,308,924	26,460,069
II STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED				
	31-Dec-18 Audited Shs. '000	31-Dec-19 Audited Shs. '000	31-Dec-18 Audited Shs. '000	31-Dec-19 Audited Shs. '000
1.0 INTEREST INCOME				
1.1 Loans and advances	1,703,291	1,768,893	1,703,291	1,768,893
1.2 Government securities	355,128	305,339	355,128	305,339
1.3 Deposits and placements with banking institutions	59,986	59,138	59,986	59,138
1.4 Other interest income	-	-	-	-
1.5 Total interest income	2,118,405	2,133,370	2,118,405	2,133,370
2.0 INTEREST EXPENSE				
2.1 Customer deposits	729,209	838,283	729,209	838,283
2.2 Deposits and placement from banking institutions	185,107	103,205	185,107	103,205
2.3 Other interest expenses	141,106	257,974	141,106	257,974
2.4 Total interest expenses	1,055,421	1,199,462	1,055,421	1,199,462
3.0 NET INTEREST INCOME/(LOSS)	1,062,984	933,908	1,062,984	933,908
4.0 NON-INTEREST INCOME				
4.1 Fees and commissions on loans and advances	336,739	482,096	376,019	482,096
4.2 Other fees and commissions	474,304	484,483	474,304	537,495
4.3 Foreign exchange trading income/(loss)	210,070	265,243	210,070	265,243
4.4 Dividend income	-	-	-	-
4.5 Other income	23,788	164,977	23,788	164,986
4.6 Total Non-interest income	1,044,901	1,396,799	1,084,181	1,449,820
5.0 TOTAL OPERATING INCOME	2,107,885	2,330,707	2,147,165	2,383,728
6.0 OTHER OPERATING EXPENSES				
6.1 Loan loss provision	780,880	402,867	780,880	402,867
6.2 Staff costs	793,317	824,932	802,767	837,545
6.3 Directors' emoluments	60,873	63,435	60,873	63,435
6.4 Rental charges	197,746	212,435	197,746	213,128
6.5 Depreciation charge on property and equipment	99,964	74,876	100,014	74,891
6.6 Amortisation charges	78,659	103,514	79,259	104,114
6.7 Other operating expenses	658,510	584,159	662,987	588,103
6.8 Total other operating expenses	2,669,950	2,266,218	2,684,527	2,284,084
7.0 Profit/(loss) before tax and exceptional items	(562,065)	64,489	(537,362)	99,644
8.0 Exceptional items	-	-	-	-
9.0 Profit/(loss) after exceptional items	(562,065)	64,489	(537,362)	99,644
10.0 Current tax	(145)	(109,339)	(7,505)	(119,891)
11.0 Deferred tax	166,813	134,265	166,984	132,735
12.0 Profit/(loss) after tax and exceptional items	(395,397)	89,415	(377,883)	112,488
13.0 Other comprehensive income				
13.1 Gains/(losses) from translating the financial statements of foreign operations	-	-	-	-
13.2 Fair value changes in available for sale financial assets	-	-	-	-
13.3 Revaluation (deficit)/surplus on property, plant and equipment	-	(5,000)	-	(5,000)
13.4 Share of other comprehensive income of associates	-	-	-	-
13.5 Income tax relating to components of other comprehensive income	-	250	-	250
14.0 Other comprehensive income for the year net of tax	-	(4,750)	-	(4,750)
15.0 Total comprehensive income for the year	(395,397)	84,665	(377,883)	107,738
III OTHER DISCLOSURES				
	31-Dec-18 Audited Shs. '000	31-Dec-19 Audited Shs. '000		
1.0 NON-PERFORMING LOANS AND ADVANCES				
(a) Gross non-performing loans and advances	2,941,718	3,258,027		
(b) Less: interest in suspense	268,707	398,659		
(c) Total non-performing loans and advances (a-b)	2,673,011	2,859,368		
(c) Other contingent liabilities	705,433	921,360		
(e) Net non-performing loans and advances (c-d)	1,967,572	1,938,008		
(f) Discounted value of securities	1,869,217	1,900,467		
(g) Net NPLs exposure (e-f)	98,355	37,541		
2.0 INSIDER LOANS AND ADVANCES				
(a) Directors, shareholders and associates	84,221	158,036		
(b) Employees	480,678	498,280		
(c) Total insider loans and advances and other facilities	564,899	656,316		
3.0 OFF-BALANCE SHEET ITEMS				
(a) Letters of credit, guarantees, acceptances	15,835,357	11,898,896		
(b) Forwards, swaps and options	6,582,349	12,662,114		
(c) Other contingent liabilities	283,823	246,886		
(d) Total contingent liabilities	22,701,529	24,807,896		
4.0 CAPITAL STRENGTH				
(a) Core capital	3,875,451	3,698,408		
(b) Minimum statutory capital	1,000,000	1,000,000		
(c) Excess/(deficiency)(a-b)	2,875,451	2,698,408		
(d) Supplementary capital	16,844	1,229,752		
(e) Total capital (a+d)	3,892,295	4,927,160		
(f) Total risk weighted assets	27,021,094	27,479,534		
(g) Core capital/total deposits liabilities	22.8%	21.4%		
(h) Minimum statutory ratio	8.0%	8.0%		
(i) Excess/(deficiency) (g-h)	14.8%	13.4%		
(j) Core capital / total risk weighted assets	14.3%	13.5%		
(k) Minimum statutory ratio	10.5%	10.5%		
(l) Excess (deficiency) (j-k)	3.8%	3.0%		
(m) Total capital/total risk weighted assets	14.4%	17.9%		
(n) Minimum statutory ratio	14.5%	14.5%		
(o) Excess/(deficiency) (m-n)	-0.1%	3.4%		
(p) Adjusted core capital/total deposits liabilities*	24.9%	23.0%		
(q) Adjusted core capital/total risk weighted assets*	15.7%	14.5%		
(r) Adjusted total capital/total risk weighted assets*	15.7%	19.0%		
5.0 LIQUIDITY				
(a) Liquidity ratio	35.4%	42.0%		
(b) Minimum statutory ratio	20.0%	20.0%		
(c) Excess (deficiency) (a-b)	15.4%	22.0%		

* 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. These financial statements are extracts from the books of the institution as audited by PricewaterhouseCoopers LLP and received an unqualified opinion. The complete set of audited financial statements, statutory and qualitative disclosures can be accessed on the institution's website www.sidianbank.co.ke. They may also be accessed at the institution's head office located at K-Rep Centre, Wood Avenue, Kilimani, Nairobi.