

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31 DECEMBER 2017

I STATEMENT OF FINANCIAL POSITION		31-Dec-16	31-Dec-17
		Audited	Audited
		Shs. '000'	Shs. '000'
A ASSETS			
1 Cash (both local and foreign)		641,223	659,796
2 Balances due from Central Bank of Kenya		1,574,819	1,961,536
3 Kenya Government and other securities held for dealing purposes		-	-
4 Financial Assets at fair value through profit and loss		-	40,508
5 Investment Securities:			
a) Held to Maturity:			
a. Kenya Government securities		2,522,997	1,899,299
b. Other securities		-	-
b) Available for sale:			
a. Kenya Government securities		-	-
b. Other securities		-	-
6 Deposits and balances due from local banking institutions		348,194	931,781
7 Deposits and balances due from banking institutions abroad		537,541	289,168
8 Tax recoverable		104,177	108,903
9 Loans and advances to customers (net)		13,571,012	11,409,325
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		537,399	497,192
16 Prepaid lease rentals		-	-
17 Intangible assets		335,737	290,416
18 Deferred tax asset		57,189	268,320
19 Retirement benefit asset		-	-
20 Other assets		644,210	944,508
21 TOTAL ASSETS		20,875,499	19,301,752
B LIABILITIES			
22 Balances due to Central Bank of Kenya		-	1,000,001
23 Customer deposits		13,685,093	12,760,791
24 Deposits and balances due to local banking institutions		2,269,645	1,379,412
25 Deposits and balances due to foreign banking institutions		-	-
26 Other money market deposits		-	-
27 Borrowed funds		589,149	434,340
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		462,824	280,230
34 TOTAL LIABILITIES		17,006,712	15,854,774
C SHAREHOLDERS' FUNDS			
35 Paid up /Assigned capital		1,470,175	1,470,175
36 Share premium/(discount)		706,082	706,082
37 Revaluation reserves		68,553	68,161
38 Retained earnings/Accumulated losses		1,609,146	1,190,874
39 Statutory loan loss reserve		14,832	11,686
40 Other Reserves		-	-
41 Proposed dividends		-	-
42 Capital grants		-	-
43 TOTAL SHAREHOLDERS' FUNDS		3,868,788	3,446,978
44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		20,875,499	19,301,752
II STATEMENT OF COMPREHENSIVE INCOME		Period ended	Period ended
		31-Dec-16	31-Dec-17
		Audited	Audited
		Shs. '000'	Shs. '000'
1.0 INTEREST INCOME			
1.1 Loans and advances		2,765,478	1,762,317
1.2 Government securities		281,901	231,763
1.3 Deposits and placements with banking institutions		48,193	19,832
1.4 Other interest income		-	-
1.5 Total interest income		3,095,572	2,013,912
2.0 INTEREST EXPENSE			
2.1 Customer deposits		931,686	633,675
2.2 Deposits and placement from banking institutions		208,222	153,963
2.3 Other interest expense		54,964	178,936
2.4 Total interest expense		1,194,873	966,574
3.0 NET INTEREST INCOME/(LOSS)		1,900,699	1,047,338
4.0 OTHER OPERATING INCOME			
4.1 Fees and commissions on loans and advances		248,382	187,376
4.2 Other fees and commissions		263,072	324,799
4.3 Foreign exchange trading income/(loss)		70,833	112,410
4.4 Dividend income		-	-
4.5 Other income		14,085	31,750
4.6 Total other operating income		596,373	656,335
5.0 TOTAL OPERATING INCOME		2,497,072	1,703,672
6.0 OPERATING EXPENSES			
6.1 Loan loss provision		310,536	464,126
6.2 Staff costs		897,505	778,084
6.3 Directors' emoluments		33,608	49,079
6.4 Rental charges		223,194	189,890
6.5 Depreciation charge on property and equipment		111,234	126,365
6.6 Amortisation charges		95,478	86,406
6.7 Other operating expenses		763,626	642,663
6.8 Total operating expenses		2,435,181	2,336,613
7.0 Profit/(loss) before tax and exceptional items		61,892	(632,941)
8.0 Exceptional items		-	-
9.0 Profit/(loss) after exceptional items		61,892	(632,941)
10.0 Current tax		33,844	-
11.0 Deferred tax		-	(211,131)
12.0 Profit/(loss) after tax and exceptional items		28,048	(421,810)
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 surplus on Property, plant and equipment		-	-
13.4 Share of other comprehensive income of associates		-	-
13.5 Income tax relating to components of other comprehensive income		-	-
14.0 Other comprehensive income for the year net of tax		-	-
15.0 Total comprehensive income for the year		28,048	(421,810)
III OTHER DISCLOSURES			
1.0 NON-PERFORMING LOANS AND ADVANCES			
(a) Gross non-performing loans and advances		2,458,729	2,595,562
(b) Less: Interest in suspense		311,261	243,678
(c) Total Non-performing loans and advances (a-b)		2,147,468	2,351,885
(d) Less: Loan loss provisions		605,557	676,847
(e) Net Non-performing loans and advances (c-d)		1,541,911	1,675,038
(f) Discounted value of securities		1,482,737	1,605,603
(g) Net NPLs Exposure (e-f)		59,174	69,435
2.0 INSIDER LOANS AND ADVANCES			
(a) Directors, shareholders and associates		83,640	96,792
(b) Employees		316,733	432,309
(c) Total Insider Loans and Advances and other facilities		400,372	529,101
3.0 OFF-BALANCE SHEET ITEMS			
(a) Letters of credit, guarantees, acceptances		896,478	6,585,941
(b) Forwards, swaps and options		630,400	1,855,045
(c) Other contingent liabilities		-	248,160
(d) Total Contingent Liabilities		1,526,878	8,689,146
4.0 CAPITAL STRENGTH			
(a) Core capital		3,785,403	3,324,904
(b) Minimum statutory capital		1,000,000	1,000,000
(c) Excess/(Deficiency) (a-b)		2,785,403	2,324,904
(d) Supplementary capital		31,970	28,726
(e) Total capital (a+d)		3,817,373	3,353,630
(f) Total risk weighted assets		16,420,056	20,377,205
(g) Core capital/total deposits Liabilities		27.7%	26.1%
(h) Minimum statutory ratio		8.0%	8.0%
(i) Excess/(Deficiency) (g-h)		19.7%	18.1%
(j) Core capital / total risk weighted assets		23.1%	16.3%
(k) Minimum statutory ratio		10.5%	10.5%
(l) Excess (Deficiency) (j-k)		12.6%	5.8%
(m) Total capital/total risk weighted assets		23.2%	16.5%
(n) Minimum statutory ratio		14.5%	14.5%
(o) Excess/(Deficiency) (m-n)		8.7%	2.0%
5.0 LIQUIDITY			
(a) Liquidity ratio		25.5%	24.3%
(b) Minimum statutory ratio		20.0%	20.0%
(c) Excess (Deficiency) (a-b)		5.5%	4.3%

These financial statements are extracts from the books of the institution as audited by PricewaterhouseCoopers 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.

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