

AUDITED FINANCIAL STATEMENTS

As At 31st December 2021

Regulated by the Central Bank of Kenya.



A MEMBER OF THE OLD MUTUAL GROUP

	BANK		GROUP	
	AUDITED 31st Dec, 2021 KShs. '000'	AUDITED 31st Dec, 2020 KShs. '000'	AUDITED 31st Dec, 2021 KShs. '000'	AUDITED 31st Dec, 2020 KShs. '000'
A) STATEMENT OF COMPREHENSIVE INCOME				
1.0 Income				
1.1 Interest on Loan Portfolio	3,647,803	3,947,841	3,647,803	3,947,841
1.2 Fees and Commission on Loan Portfolio	393,451	557,594	393,451	557,594
1.3 Government Securities	548,941	456,773	550,108	456,773
1.4 Deposit and Balances with Banks and Financial Inst.	63,734	95,276	63,734	95,276
1.5 Other Investments	-	-	-	-
1.6 Other Operating Income	164,283	123,872	213,087	168,548
1.7 Non-Operating Income	3,174	3,883	3,174	3,883
1.8 Total Income	4,821,386	5,185,239	4,871,357	5,229,915
2.0 Expenses				
2.1 Interest and Fee Expense on Deposits	1,848,812	1,865,720	1,844,966	1,865,720
2.2 Other Fees and Commissions expense	236,395	237,121	241,494	241,007
2.3 Provision for Loan Impairment	518,235	952,075	516,915	954,132
2.4 Staff Costs	998,591	902,578	1,007,463	908,152
2.5 Director's Emoluments	14,562	12,270	18,168	13,230
2.6 Rental Charges	116,946	138,593	117,487	138,981
2.7 Depreciation Charges	337,277	274,550	337,330	274,617
2.8 Amortization Charges	79,551	90,665	82,009	91,216
2.9 Other Administrative Expense	876,341	739,719	878,941	741,327
Total Expenses	5,026,710	5,213,291	5,044,773	5,228,382
3.0 Operating Profit	(205,324)	(28,052)	(173,416)	1,533
4.0 Interest and Fee Expense on Borrowings(Finance Costs)	316,332	447,938	316,380	447,950
5.0 Loss before tax	(521,656)	(475,990)	(489,796)	(446,417)
6.0 Current Tax	139,734	118,296	149,324	123,056
6.1 Deferred Tax	(254,722)	(195,150)	(254,584)	(195,390)
7.0 Loss (After Taxes and Before Donations)	(406,668)	(399,136)	(384,536)	(374,083)
8.0 Donations for Operating Expense	-	-	-	-
9.0 Loss For the year	(406,668)	(399,136)	(384,536)	(374,083)
Other Comprehensive Income	-	30,624	-	30,624
Deferred tax on revaluation surplus	-	(9,187)	-	(9,187)
10.0 Total comprehensive loss of the year	(406,668)	(377,699)	(384,536)	(352,646)
B) STATEMENT OF FINANCIAL POSITION				
1.0 ASSETS				
1.1 Cash and bank balances	388,285	398,943	388,285	398,943
1.2 Short term deposits with banks	2,651,354	3,098,714	2,651,354	3,098,714
1.3 Government securities	4,997,463	4,294,395	5,008,746	4,294,395
1.4 Advances to customers	15,377,715	17,561,162	15,377,715	17,561,162
1.5 Due from related organisations	5,497	577	517	577
1.6 Other receivables	522,798	381,968	528,486	388,308
1.7 Tax recoverable	284,275	337,493	293,406	337,493
1.8 Other investment	5,000	5,000	-	-
1.9 Investment in associate companies	58,174	55,951	58,174	55,952
1.10 Intangible assets	544,444	623,995	549,757	630,626
1.11 Property and equipment	1,919,190	1,749,697	1,919,467	1,750,027
1.12 Deferred Tax Assets	1,025,356	770,634	1,025,586	771,001
1.13 Total Assets	27,779,551	29,278,529	27,801,493	29,287,198
2.0 LIABILITIES				
2.1 Cash collaterals held	449,996	478,033	449,996	478,033
2.2 Customer deposits	21,074,297	22,453,308	20,997,414	22,386,869
2.3 Borrowings	692,139	2,017,292	692,139	2,017,292
2.4 Deferred tax liability	-	-	-	-
2.5 Due to related organisations	37,802	31,775	37,802	30,103
2.6 Other liabilities	1,974,921	1,391,057	1,979,034	1,392,543
2.7 Tax payable	-	-	-	2,714
3.0 Total Liabilities	24,229,155	26,371,465	24,156,385	26,307,554
4.0 SHARE CAPITAL & RESERVES				
4.1 Share capital	659,996	480,000	659,996	480,000
4.2 Share premium	3,769,763	2,899,759	3,769,763	2,899,759
4.3 Retained earnings	(1,154,680)	(748,012)	(1,059,968)	(675,432)
4.4 Revaluation reserve	275,317	275,317	275,317	275,317
4.5 Statutory reserve	-	-	-	-
4.6 Total Shareholders' funds	3,550,396	2,907,064	3,645,108	2,979,644
5.0 TOTAL LIABILITIES AND EQUITY	27,779,551	29,278,529	27,801,493	29,287,198
C) OTHER DISCLOSURES				
1 NON-PERFORMING LOANS AND ADVANCES				
(a) Gross Non-Performing Loans and Advances	3,917,317	4,086,134	3,917,317	4,086,134
Less:				
(b) Interest in Suspense	674,630	605,937	674,630	605,937
(c) Total Non-Performing Loans and Advances (a-b)	3,242,687	3,480,197	3,242,687	3,480,197
(d) Impairment Loss Allowance	3,319,356	3,121,778	3,319,356	3,121,778
(e) Net Non-Performing Loans (c-d)	(76,669)	358,419	(76,669)	358,419
(f) Realizable Value of Securities	(76,669)	358,419	(76,669)	358,419
(g) Net NPLs Exposure (e-f)	-	-	-	-
2 INSIDER LOANS AND ADVANCES				
(a) Directors, Shareholders and Associates	19,615	31,231	19,615	31,231
(b) Employees	309,196	467,529	309,196	467,529
(c) Total Insider Loans, Advances and Other Facilities	328,811	498,760	328,811	498,760
3 OFF-BALANCE SHEET ITEMS				
(a) Guarantees and Commitments	515,044	156,940	515,044	156,940
(b) Other Contingent Liabilities	57,400	1,047,600	57,400	1,047,600
(c) Total Contingent Liabilities	572,444	1,204,540	572,444	1,204,540
4 CAPITAL STRENGTH				
(a) Core Capital	2,186,550	1,800,161	2,186,550	1,800,161
(b) Minimum Statutory Capital	60,000	60,000	60,000	60,000
(c) Excess/(Deficiency) (a-b)	2,126,550	1,740,161	2,126,550	1,740,161
(d) Supplementary Capital	468,830	68,829	468,830	68,829
(e) Total Capital (a+b)	2,655,380	1,868,990	2,655,380	1,868,990
(f) Total Risk Weighted Assets	17,885,295	19,715,361	17,885,295	19,715,361
(g) Core Capital/ Total Deposit Liabilities	10.2%	7.9%	10.2%	7.9%
(h) Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%
(i) Excess/(Deficiency) (g-h)	2.2%	-0.1%	2.2%	-0.1%
(j) Core Capital/ Total Risk Weighted Assets	12.2%	9.1%	12.2%	9.1%
(k) Minimum Statutory Ratio	10.0%	10.0%	10.0%	10.0%
(l) Excess/(Deficiency) (j-k)	2.2%	-0.9%	2.2%	-0.9%
(m) Total Capital/ Total Risk Weighted Assets	14.8%	9.5%	14.8%	9.5%
(n) Minimum Statutory Ratio	12.0%	12.0%	12.0%	12.0%
(o) Excess/(Deficiency) (m-n)	2.8%	-2.5%	2.8%	-2.5%
(p) Adjusted Core Capital/Total Deposit Liabilities*	11.3%	9.5%	11.3%	9.5%
(q) Adjusted Core Capital/Total Risk Weighted Assets*	13.5%	11.1%	13.5%	11.1%
(r) Adjusted Total Capital/Total Risk Weighted Assets*	16.2%	11.4%	16.2%	11.4%
5 LIQUIDITY				
(a) Liquidity Ratio	34.2%	28.6%	34.2%	28.6%
(b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
(c) Excess/(Deficiency) (a-b)	14.2%	8.6%	14.2%	8.6%

MESSAGE FROM THE DIRECTORS

The above statement of comprehensive income, statement of financial position and other disclosures are extracts from the books of the institution as at 31st December 2021 which were audited by Deloitte and Touche and received unqualified opinion. They were approved by the Board on 30th March 2022. Signed on its behalf by:

George A. Maina - Chairman

Sophia Mukoba - Chairman Audit Committee

Apollo N. Njoroge - Managing Director