

Standard Chartered Bank Kenya Limited

The Board of Directors of Standard Chartered Bank Kenya Limited is pleased to announce the Audited results of the Bank and the Group for the year ended 31 December 2016



| STATEMENT OF FINANCIAL POSITION | BANK | | GROUP | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| | 2016 KShs. 000 Audited | 2015 KShs. 000 Audited | 2016 KShs. 000 Audited | 2015 KShs. 000 Audited |
| ASSETS | | | | |
| Cash (both local and foreign) | 3,473,071 | 3,791,248 | 3,473,071 | 3,791,248 |
| Balances due from Central Bank of Kenya | 12,040,483 | 10,449,333 | 12,040,483 | 10,449,333 |
| Kenya Government securities and other securities held for dealing purposes | 4,780,246 | 5,709,525 | 4,780,246 | 5,709,525 |
| Financial assets at fair value through profit and loss | 554,026 | 688,538 | 554,026 | 688,538 |
| Investment securities: | | | | |
| a) Held to Maturity: | | | | |
| i. Kenya Government securities | - | - | - | - |
| ii. Other securities | - | - | - | - |
| b) Available for sale: | | | | |
| i. Kenya Government securities | 81,565,176 | 67,416,543 | 81,708,503 | 67,416,543 |
| ii. Other securities | 510,209 | 494,879 | 510,209 | 494,879 |
| Deposits and balances due from local banking institutions | 1,255,156 | 2,979,530 | 1,255,156 | 2,979,530 |
| Deposits and balances due from banking institutions abroad | 310,879 | 211,385 | 310,879 | 211,385 |
| Tax recoverable | - | 173,246 | 7,168 | 178,494 |
| Loans and advances to customers (net) | 122,711,038 | 115,125,427 | 122,711,038 | 115,125,427 |
| Balances due from banking institutions in the group | 14,011,495 | 17,890,777 | 14,151,412 | 17,857,239 |
| Investments in associates | - | - | - | - |
| Investments in subsidiary companies | 141,243 | 141,243 | - | - |
| Investments in joint ventures | - | - | - | - |
| Investment properties | - | - | - | - |
| Property and equipment | 2,985,751 | 3,265,044 | 2,985,751 | 3,265,044 |
| Prepaid lease rentals | 243,980 | 246,908 | 243,980 | 246,908 |
| Intangible assets | 2,457,419 | 2,905,991 | 2,457,419 | 2,905,991 |
| Deferred tax asset | 63,348 | - | 63,705 | - |
| Retirement benefit asset | - | - | - | - |
| Other assets | 3,170,588 | 2,640,939 | 3,228,954 | 2,645,363 |
| TOTAL ASSETS | 250,274,108 | 234,130,556 | 250,482,000 | 233,965,447 |
| LIABILITIES | | | | |
| Balances due to Central Bank of Kenya | - | - | - | - |
| Customer deposits | 186,598,226 | 172,036,056 | 186,598,226 | 172,036,056 |
| Deposits and balances due to local banking institutions | 1,618,256 | 2,885,506 | 1,618,256 | 2,885,506 |
| Deposits and balances due to foreign banking institutions | 1,428,159 | 1,407,907 | 1,428,159 | 1,407,907 |
| Other money market deposits | - | - | - | - |
| Borrowed funds | - | - | - | - |
| Balances due to banking institutions in the group | 10,759,556 | 10,898,963 | 10,174,520 | 10,355,723 |
| Tax payable | 1,046,259 | - | 1,128,697 | 37,049 |
| Dividends payable | - | 1,474,527 | - | 1,474,527 |
| Deferred tax liability | - | 37,323 | - | 29,036 |
| Retirement benefit liability | 85,376 | 12,204 | 85,376 | 12,204 |
| Other liabilities | 4,833,497 | 4,463,587 | 4,844,938 | 4,475,654 |
| TOTAL LIABILITIES | 206,369,329 | 193,216,073 | 205,878,172 | 192,713,662 |
| SHAREHOLDERS' FUNDS | | | | |
| Paid up / Assigned capital | 1,997,553 | 1,825,798 | 1,997,553 | 1,825,798 |
| Share premium / (discount) | 7,792,427 | 7,792,427 | 7,792,427 | 7,792,427 |
| Revaluation reserves | 457,041 | 515,790 | 457,041 | 515,790 |
| Retained earnings / (Accumulated losses) | 26,050,443 | 24,518,834 | 26,750,324 | 24,856,136 |
| Statutory loan loss reserve | 568,868 | 618,797 | 568,868 | 618,797 |
| Other reserves (Available-for-sale) | 274,764 | (172,831) | 273,932 | (172,831) |
| Proposed dividends | 4,893,378 | 3,949,184 | 4,893,378 | 3,949,184 |
| Capital share | 1,870,305 | 1,866,484 | 1,870,305 | 1,866,484 |
| TOTAL SHAREHOLDERS' EQUITY | 43,904,779 | 40,914,483 | 44,603,828 | 41,251,785 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 250,274,108 | 234,130,556 | 250,482,000 | 233,965,447 |

| STATEMENT OF COMPREHENSIVE INCOME | BANK | | GROUP | |
|--|-------------------|-------------------|-------------------|-------------------|
| INTEREST INCOME | | | | |
| Loans and advances | 14,845,035 | 14,914,705 | 14,845,035 | 14,914,705 |
| Government securities | 10,048,834 | 6,973,609 | 10,065,081 | 6,973,609 |
| Deposits and placements with banking institutions | 466,765 | 754,560 | 466,765 | 754,560 |
| Other interest income | 398,264 | 234,211 | 398,264 | 234,211 |
| Total interest income | 25,758,898 | 22,877,085 | 25,775,145 | 22,877,085 |
| INTEREST EXPENSES | | | | |
| Customer deposits | 5,712,735 | 4,014,212 | 5,684,222 | 3,982,472 |
| Deposits and placements from banking institutions | 133,810 | 510,951 | 133,810 | 510,951 |
| Other interest expenses | 561,618 | 267,630 | 561,618 | 267,630 |
| Total interest expenses | 6,408,163 | 4,792,793 | 6,379,650 | 4,761,053 |
| NET INTEREST INCOME / (LOSS) | 19,350,735 | 18,084,292 | 19,395,495 | 18,116,032 |
| NON-INTEREST INCOME | | | | |
| Fees and commissions on loans and advances | 173,410 | 339,578 | 173,410 | 339,578 |
| Other fees and commissions | 3,731,715 | 3,568,445 | 4,360,874 | 3,809,834 |
| Foreign exchange trading income / (loss) | 2,839,996 | 2,331,776 | 2,839,996 | 2,331,776 |
| Dividend income | - | - | - | - |
| Other income | 1,215,345 | 767,929 | 1,215,314 | 767,929 |
| Total Non-Interest income | 7,960,466 | 7,007,728 | 8,589,594 | 7,249,117 |
| TOTAL OPERATING INCOME | 27,311,201 | 25,092,020 | 27,985,089 | 25,365,149 |
| OTHER OPERATING EXPENSES | | | | |
| Loan loss provision | 2,199,899 | 4,896,355 | 2,199,899 | 4,896,355 |
| Staff costs | 6,936,322 | 6,030,394 | 7,031,586 | 6,096,766 |
| Directors' emoluments | 162,493 | 132,567 | 162,493 | 132,567 |
| Rental charges | 531,452 | 512,393 | 534,294 | 513,607 |
| Depreciation charge on property and equipment | 441,737 | 480,980 | 441,737 | 480,980 |
| Amortisation charges | 464,575 | 488,434 | 464,575 | 488,434 |
| Other operating expenses | 3,810,297 | 3,576,920 | 3,862,386 | 3,596,508 |
| Total other operating expenses | 14,546,775 | 16,118,043 | 14,696,970 | 16,205,217 |
| Profit / (loss) before tax and exceptional items | 12,764,426 | 8,973,977 | 13,288,119 | 9,159,932 |
| Exceptional items | - | - | - | - |
| Profit / (loss) after exceptional items | 12,764,426 | 8,973,977 | 13,288,119 | 9,159,932 |
| Current tax | (4,347,126) | (3,070,728) | (4,499,953) | (3,129,245) |
| Deferred tax | 269,428 | 310,197 | 261,141 | 311,740 |
| Profit / (loss) after tax and exceptional items | 8,686,728 | 6,213,446 | 9,049,307 | 6,342,427 |
| OTHER COMPREHENSIVE INCOME | | | | |
| Gains / (losses) from translating the financial statements of foreign operations | - | - | - | - |
| Fair value changes in available for sale financial assets | 562,521 | (409,535) | 561,332 | (409,535) |
| Revaluation surplus on property, plant and equipment | - | - | - | - |
| Share of other comprehensive income of associates | - | - | - | - |
| Income tax relating to components of other comprehensive income | (168,757) | 122,861 | (168,400) | 122,861 |
| Other comprehensive income for the year net of tax | 393,764 | (286,674) | 392,932 | (286,674) |
| Total comprehensive income for the year | 9,080,492 | 5,926,772 | 9,442,239 | 6,055,753 |
| EARNINGS PER SHARE - BASIC AND DILUTED (KShs) (2015 restated) | 24.80 | 17.60 | 25.85 | 17.97 |
| DIVIDEND PER SHARE - DECLARED (KShs) | 20.00 | 17.00 | 20.00 | 17.00 |

| OTHER DISCLOSURES | BANK | |
|--|------------------------------|------------------------------|
| | 2016 KShs. 000 Audited | 2015 KShs. 000 Audited |
| 1) NON-PERFORMING LOANS AND ADVANCES | | |
| (a) Gross non-performing loans and advances | 15,038,172 | 14,697,920 |
| (b) Less: Interest in suspense | 4,871,365 | 3,016,256 |
| (c) Total non-performing loans and advances (a-b) | 10,166,807 | 11,681,664 |
| (d) Less: Loan loss provisions | 4,914,946 | 4,763,351 |
| (e) Net non-performing loans and advances (c-d) | 5,251,861 | 6,918,313 |
| (f) Realizable value of securities | 4,501,523 | 6,129,712 |
| (g) Net NPLs Exposure (e-f) | 750,338 | 788,601 |
| 2) INSIDER LOANS AND ADVANCES | | |
| (a) Directors, shareholders and associates | 21,237 | 28,252 |
| (b) Employees | 6,227,157 | 5,918,281 |
| (c) Total insider loans and advances | 6,248,394 | 5,946,533 |
| 3) OFF-BALANCE SHEET ITEMS | | |
| (a) Letters of credit, guarantees and acceptances | 35,615,697 | 34,386,994 |
| (b) Forwards, swaps and options | 53,029,551 | 47,792,560 |
| (c) Other contingent liabilities | - | - |
| (d) Total contingent liabilities | 88,645,248 | 82,179,554 |
| 4) CAPITAL STRENGTH | | |
| (a) Core capital | 35,257,985 | 33,258,825 |
| (b) Minimum statutory capital | 1,000,000 | 1,000,000 |
| (c) Excess / (deficiency) (a-b) | 34,257,985 | 32,258,825 |
| (d) Supplementary capital | 6,845,851 | 6,888,466 |
| (e) Total capital (a+d) | 42,103,836 | 40,147,291 |
| (f) Total risk weighted assets | 201,320,647 | 189,747,429 |
| (g) Core capital / total deposit liabilities | 18.90% | 19.33% |
| (h) Minimum statutory ratio | 8.00% | 8.00% |
| (i) Excess / (deficiency) (g-h) | 10.90% | 11.33% |
| (j) Core capital / total risk weighted assets | 17.51% | 17.53% |
| (k) Minimum statutory ratio | 10.50% | 10.50% |
| (l) Excess / (deficiency) (j-k) | 7.01% | 7.03% |
| (m) Total capital / total risk weighted assets | 20.91% | 21.16% |
| (n) Minimum statutory ratio | 14.50% | 14.50% |
| (o) Excess / (deficiency) (m-n) | 6.41% | 6.66% |
| 5) LIQUIDITY | | |
| (a) Liquidity ratio | 56.93% | 53.74% |
| (b) Minimum statutory ratio | 20.00% | 20.00% |
| (c) Excess / (deficiency) (a-b) | 36.93% | 33.74% |

DIVIDENDS

The Board has resolved to recommend to the shareholders at the forthcoming Annual General Meeting, the payment of a final dividend for the year of KShs 14.00 for every ordinary share of KShs 5.00. One interim dividend of KShs 6.00 for every ordinary share of KShs 5.00 was paid in August 2016. The total dividend therefore, is KShs 20.00 (2015: KShs 17.00).

The dividend will be payable to shareholders registered on the Company's Register at the close of business on 25 April 2017 and will be paid on or after 26 May 2017.

The directors are also pleased to announce the payment of the final dividend on the non-cumulative, non-redeemable, non-participating, non-voting and non-convertible preference shares for the period 30 June 2016 to 30 December 2016 at the rate of 6% per annum on the issue price of each share.

The Register will remain closed on 25 April 2017 for the preparation of dividend warrants.

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the thirty first Annual General Meeting of the shareholders of the Company will be held at the Safari Park Hotel, on 25 May 2017.

MESSAGE FROM THE DIRECTORS

The above Statement of Comprehensive Income and Statement of Financial Position are extracts of financial statements audited by KPMG Kenya and can be accessed on the Company's website www.sc.com/ke/investor-relations. To get a full picture of the Group's performance, the set of published financial statements will be available from the Company Secretary at our offices at StandardChartered@Chiro, 48 Westlands Road, after approval by members at the Annual General Meeting.

The financial statements were approved by the Board of Directors on 22 March 2017 and signed on its behalf by:

Mrs. Anne Mutahi

Chair to the Board

Lamin Manjang

Managing Director & Chief Executive Officer

22 March 2017

The full Annual Report & Financial Statements will be available on www.sc.com/ke/investor-relations after 30 April 2017.

Standard Chartered Bank Kenya Limited is regulated by Central Bank of Kenya.



Who backs your bigger picture?

We do. Our experience in wealth management will grow and protect your wealth.

Investment services
• Local and international wealth advisory services
• Partnership with global fund houses

Insurance services (life and general insurance)
Partnership with insurance firms to offer diversified solutions

Foreign Exchange
Our global network gives you access to over 17 currencies to transact in

Borrow against individual investments
Borrow against your investments in Mutual Funds, Bonds or Fixed Deposits

Talk to us to know more.

sc.com/ke

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