Standard Chartered

press release

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Standard Chartered pre – tax profits jump 41% to Kshs. 3.3bn, Revenue up 33% to Kshs. 5.5bn in the first quarter of 2012

May 17, NAIROBI: Standard Chartered Bank today announced an excellent performance for the first quarter of 2012 with income rising 33 per cent to Kshs.5.5 billion and operating profit before tax of 41 per cent to Kshs. 3.3 billion. The Bank has seen substantial income growth momentum across both businesses during the first quarter of the year with Consumer Banking revenue growing by 47 per cent While Wholesale Banking revenue grew by 45 per cent.

Commenting on the results, the Bank's CEO Richard Etemesi said, the results demonstrate the Bank's commitment to delivering consistent and sustained performance.

"These are a great set of results and we are delivering on our promises. We are very pleased with our first quarter performance. We have continued to invest in both our businesses. Consumer Banking income momentum has continued while Wholesale Banking has also had a strong start to the year with a record performance in client income, contributing significantly to the total Wholesale Bank income," said Etemesi**.**

Etemesi also attributed the good performance to the benefits of sticking to a clear and consistent strategy; of investing for growth; of disciplined management of capital, liquidity, costs and risks.

"We have remained disciplined on costs and processes and innovative on products and services. Our improved technology platforms have enabled us to serve new business segments and respond to the changing business environment", Etemesi added.

The Bank's loans and advances grew by 41% to Kshs. 96.5 billion due to growth in both consumer and corporate assets. On the other hand, customer deposits grew by 17% to Kshs. 118.6 billion. The net bad debt charge reduced from Kshs.135.5 million in the first quarter of 2011 to Kshs.134.3 million in the first quarter of 2012.

"*In the last one year, our total non-performing loans have remained flat at Kshs.1.2 billion despite significant growth in loans and advances and remain among the lowest in the market. This translates to 1.3% of gross total loans compared to 1.8% in the first quarter of 2011, a reflection of our prudent approach to lending and proactive risk management capability*", says Etemesi.

The Bank's cost income ratio has decreased to 38.0% in the first quarter of 2012 compared to 40.4% in the same period in 2011.

On the outlook for the rest of the year, Etemesi said, "both the businesses enter the second quarter with good momentum, but we remain vigilant about the global outlook and the uncertainties within the political and economic environment in Kenya. Therefore we will continue to look for opportunities and take advantage of these to build and grow our business. The Bank is in great shape, has good momentum, and is superbly positioned for the future."