

# Standard Chartered Bank Kenya Limited

The Board of Directors of Standard Chartered Bank Kenya Limited is pleased to announce the un-audited results of the Bank and the Group for the three month period ended 31 March 2018



STATEMENT OF FINANCIAL POSITION		BANK			GROUP	
	31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.12.2017	31.03.2017
	KShs. 000	KShs. 000	KShs. 000	KShs. 000	KShs. 000	KShs. 000
	Un-audited	Audited	Un-audited	Un-audited	Audited	Un-audited
<b>ASSETS</b>						
Cash (both local and foreign)	4,287,831	3,723,226	2,947,073	4,287,831	3,723,226	2,947,073
Balances due from Central Bank of Kenya	12,671,049	9,618,366	14,356,430	12,671,049	9,618,366	14,356,430
Kenya Government securities and other securities held for dealing purposes	8,566,271	7,046,674	10,478,040	8,566,271	7,046,674	10,478,040
Financial assets at fair value through profit and loss	734,197	597,360	425,803	734,197	597,360	425,803
Investment securities:						
a) Held to Maturity:						
i. Kenya Government securities	-	-	-	-	-	-
ii. Other securities	-	-	-	-	-	-
b) Available for sale:						
i. Kenya Government securities	111,281,205	102,837,472	95,971,234	112,074,426	103,486,084	96,284,760
ii. Other securities	9,037	8,999	524,099	9,037	8,999	524,099
Deposits and balances due from local banking institutions	4,253,789	5,230,390	4,826,180	4,253,789	5,230,390	4,826,180
Deposits and balances due from banking institutions abroad	64,604	95,474	219,814	64,604	95,474	219,814
Tax recoverable	355,762	1,350,060	-	367,748	1,389,789	-
Loans and advances to customers (net)	113,847,613	126,294,470	116,875,407	113,847,613	126,294,470	116,875,407
Balances due from banking institutions in the group	26,585,962	16,090,088	17,700,421	26,552,898	16,121,687	17,700,509
Investments in associates	-	-	-	-	-	-
Investments in subsidiary companies	141,243	141,243	141,243	-	-	-
Investments in joint ventures	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-
Property and equipment	3,269,642	3,351,240	3,031,389	3,269,642	3,351,240	3,031,389
Prepaid lease rentals	239,825	240,557	243,249	239,825	240,557	243,249
Intangible assets	2,113,523	2,220,661	2,371,345	2,113,523	2,220,661	2,371,345
Deferred tax asset	1,591,780	875,656	215,116	1,598,841	880,747	217,299
Retirement benefit asset	-	-	-	-	-	-
Other assets	3,293,338	5,402,602	3,680,041	3,343,534	5,418,717	3,733,504
<b>TOTAL ASSETS</b>	<b>293,306,671</b>	<b>285,124,538</b>	<b>274,006,884</b>	<b>293,994,828</b>	<b>285,724,441</b>	<b>274,234,901</b>
<b>LIABILITIES</b>						
Balances due to Central Bank of Kenya	-	-	-	-	-	-
Customer deposits	231,986,234	213,349,290	205,016,693	231,986,234	213,349,290	205,016,693
Deposits and balances due to local banking institutions	463,714	11,139,733	3,734,201	463,714	11,139,733	3,734,201
Deposits and balances due to foreign banking institutions	1,267,568	1,561,623	1,333,923	1,267,568	1,561,623	1,333,923
Other money market deposits	-	-	-	-	-	-
Borrowed funds	-	-	-	-	-	-
Balances due to banking institutions in the group	9,467,858	8,977,301	9,609,348	8,831,642	8,448,453	8,912,395
Tax payable	-	-	2,018,974	61,837	25,721	2,133,856
Dividends payable	-	-	-	-	-	-
Deferred tax liability	-	-	-	-	-	-
Retirement benefit liability	169,336	164,371	95,931	169,336	164,371	95,931
Other liabilities	4,923,687	5,348,368	6,537,050	4,952,762	5,370,713	6,552,269
<b>TOTAL LIABILITIES</b>	<b>248,278,397</b>	<b>240,540,686</b>	<b>228,346,120</b>	<b>247,733,093</b>	<b>240,059,904</b>	<b>227,779,268</b>
<b>SHAREHOLDERS' FUNDS</b>						
Paid up / Assigned capital	1,997,553	1,997,553	1,997,553	1,997,553	1,997,553	1,997,553
Share premium	7,792,427	7,792,427	7,792,427	7,792,427	7,792,427	7,792,427
Revaluation reserves	748,953	751,347	455,817	748,953	751,347	455,817
Retained earnings	27,036,848	26,912,026	28,206,054	28,285,546	28,003,352	29,006,016
Statutory loan loss reserve	-	216,289	367,476	-	216,289	367,476
Other reserves (Available-for-Sale)	1,189,438	646,775	72,212	1,174,201	636,134	67,119
Proposed dividends	4,378,573	4,378,573	4,893,378	4,378,573	4,378,573	4,893,378
Capital grants	1,884,482	1,888,862	1,875,847	1,884,482	1,888,862	1,875,847
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>45,028,274</b>	<b>44,583,852</b>	<b>45,660,764</b>	<b>46,261,735</b>	<b>45,664,537</b>	<b>46,455,633</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>293,306,671</b>	<b>285,124,538</b>	<b>274,006,884</b>	<b>293,994,828</b>	<b>285,724,441</b>	<b>274,234,901</b>

STATEMENT OF COMPREHENSIVE INCOME		BANK			GROUP	
<b>INTEREST INCOME</b>						
Loans and advances	3,426,216	13,558,397	3,644,325	3,426,216	13,558,397	3,644,325
Government securities	3,092,343	11,281,884	2,367,980	3,112,323	11,333,686	2,375,559
Deposits and placements with banking institutions	93,432	530,499	146,252	93,432	530,499	146,252
Other interest income	192,941	851,743	170,088	192,941	851,743	170,088
<b>Total interest income</b>	<b>6,804,932</b>	<b>26,222,523</b>	<b>6,328,645</b>	<b>6,824,912</b>	<b>26,274,325</b>	<b>6,336,224</b>
<b>INTEREST EXPENSES</b>						
Customer deposits	1,694,241	6,436,104	1,485,036	1,688,527	6,407,540	1,477,997
Deposits and placements from banking institutions	16,951	215,877	36,891	16,951	215,877	36,891
Other interest expenses	274,117	1,084,935	185,787	274,117	1,084,935	185,787
<b>Total interest expenses</b>	<b>1,985,309</b>	<b>7,736,916</b>	<b>1,707,714</b>	<b>1,979,595</b>	<b>7,708,352</b>	<b>1,700,675</b>
<b>NET INTEREST INCOME</b>	<b>4,819,623</b>	<b>18,485,607</b>	<b>4,620,931</b>	<b>4,845,317</b>	<b>18,565,973</b>	<b>4,635,549</b>
<b>NON-INTEREST INCOME</b>						
Fees and commissions on loans and advances	72,183	153,433	59,151	72,183	153,433	59,151
Other fees and commissions	1,129,444	3,622,033	921,344	1,383,199	4,361,261	1,088,951
Foreign exchange trading income	595,890	2,661,343	691,384	595,890	2,661,343	691,384
Dividend income	-	-	-	-	-	-
Other income	212,432	1,596,297	285,973	212,372	1,596,183	285,933
<b>Total Non-Interest income</b>	<b>2,009,949</b>	<b>8,033,106</b>	<b>1,957,852</b>	<b>2,263,644</b>	<b>8,772,220</b>	<b>2,125,419</b>
<b>TOTAL OPERATING INCOME</b>	<b>6,829,572</b>	<b>26,518,713</b>	<b>6,578,783</b>	<b>7,108,961</b>	<b>27,338,193</b>	<b>6,760,968</b>
<b>OTHER OPERATING EXPENSES</b>						
Loan loss provision	1,065,080	4,185,571	772,332	1,065,080	4,185,571	772,332
Staff costs	1,571,738	6,549,961	1,584,946	1,611,507	6,724,878	1,611,520
Directors' emoluments	79,707	307,181	67,332	79,707	307,181	67,332
Rental charges	144,998	530,721	128,398	145,280	532,822	128,991
Depreciation charge on property and equipment	105,925	419,971	106,259	105,925	419,971	106,259
Amortisation charges	107,870	462,020	102,208	107,870	462,020	102,208
Other operating expenses	1,207,393	4,553,304	956,557	1,221,231	4,634,457	968,091
<b>Total other operating expenses</b>	<b>4,282,711</b>	<b>17,008,729</b>	<b>3,718,032</b>	<b>4,336,600</b>	<b>17,266,900</b>	<b>3,756,733</b>
<b>Profit / (loss) before tax and exceptional items</b>	<b>2,546,861</b>	<b>9,509,984</b>	<b>2,860,751</b>	<b>2,772,361</b>	<b>10,071,293</b>	<b>3,004,235</b>
Exceptional items	-	-	-	-	-	-
<b>Profit / (loss) after exceptional items</b>	<b>2,546,861</b>	<b>9,509,984</b>	<b>2,860,751</b>	<b>2,772,361</b>	<b>10,071,293</b>	<b>3,004,235</b>
Current tax	(1,040,932)	(4,095,502)	(972,715)	(1,109,060)	(4,265,896)	(1,016,118)
Deferred tax	173,699	1,108,171	64,959	173,699	1,108,701	64,959
<b>Profit / (loss) after tax and exceptional items</b>	<b>1,679,628</b>	<b>6,522,653</b>	<b>1,952,995</b>	<b>1,837,000</b>	<b>6,914,098</b>	<b>2,053,076</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
Gains / (losses) from translating the financial statements of foreign operations	-	-	-	-	-	-
Fair value changes in available-for-sale financial assets	111,723	467,606	(289,360)	160,791	453,593	(295,447)
Revaluation surplus on property, plant and equipment	-	488,605	-	-	488,605	-
Share of other comprehensive income of associates	-	-	-	-	-	-
Income tax relating to components of other comprehensive income	(33,517)	(295,863)	86,808	(48,237)	(291,659)	88,634
<b>Other comprehensive income for the period / year net of tax</b>	<b>78,206</b>	<b>660,348</b>	<b>(202,552)</b>	<b>112,554</b>	<b>650,539</b>	<b>(206,813)</b>
<b>Total comprehensive income for the period / year</b>	<b>1,757,834</b>	<b>7,183,001</b>	<b>1,750,443</b>	<b>1,949,554</b>	<b>7,564,637</b>	<b>1,846,263</b>
<b>EARNINGS PER SHARE - BASIC AND DILUTED (KShs)</b>	<b>4.77</b>	<b>18.50</b>	<b>5.69</b>	<b>5.23</b>	<b>19.64</b>	<b>5.98</b>
<b>DIVIDEND PER SHARE - DECLARED (KShs)</b>	<b>-</b>	<b>17.00</b>	<b>-</b>	<b>-</b>	<b>17.00</b>	<b>-</b>

OTHER DISCLOSURES		BANK		
	31.03.2018	31.12.2017	31.03.2017	
	KShs. 000	KShs. 000	KShs. 000	
	Un-audited	Audited	Un-audited	
<b>1) NON-PERFORMING LOANS AND ADVANCES</b>				
(a) Gross non-performing loans and advances	17,793,483	17,620,531	15,367,574	
(b) Less: Interest in suspense	6,431,622	6,302,823	4,906,757	
<b>(c) Total non-performing loans and advances (a-b)</b>	<b>11,361,861</b>	<b>11,317,708</b>	<b>10,460,817</b>	
(d) Less: Loan loss provisions	6,945,964	6,808,880	5,115,694	
<b>(e) Net non-performing loans and advances (c-d)</b>	<b>4,415,897</b>	<b>4,508,828</b>	<b>5,345,123</b>	
(f) Realizable value of securities	4,169,294	4,116,747	4,114,308	
<b>(g) Net NPLs Exposure (e-f)</b>	<b>246,603</b>	<b>392,081</b>	<b>1,230,815</b>	
<b>2) INSIDER LOANS AND ADVANCES</b>				
(a) Directors, shareholders and associates	52,427	50,203	19,483	
(b) Employees	6,076,512	6,329,178	6,328,712	
<b>(c) Total insider loans and advances</b>	<b>6,128,939</b>	<b>6,379,381</b>	<b>6,348,195</b>	
<b>3) OFF-BALANCE SHEET ITEMS</b>				
(a) Letters of credit, guarantees and acceptances	43,822,152	41,117,237	36,744,098	
(b) Forwards, swaps and options	125,850,794	88,018,730	65,599,162	
(c) Other contingent liabilities	-	-	-	
<b>(d) Total contingent liabilities</b>	<b>169,672,946</b>	<b>129,135,967</b>	<b>102,343,260</b>	
<b>4) CAPITAL STRENGTHH</b>				
(a) Core capital	34,099,922	35,628,197	36,365,564	
(b) Minimum statutory capital	1,000,000	1,000,000	1,000,000	
(c) Excess / (deficiency) (a-b)	33,099,922	34,628,197	35,365,564	
(d) Supplementary capital	6,262,260	6,614,023	6,671,389	
<b>(e) Total capital (a+d)</b>	<b>40,362,182</b>	<b>42,242,220</b>	<b>43,036,953</b>	
(f) Total risk weighted assets	226,678,875	228,112,212	208,598,091	
(g) Core capital / total deposit liabilities	14.70%	16.70%	17.74%	
(h) Minimum statutory ratio	8.00%	8.00%	8.00%	
(i) Excess /(deficiency) (g-h)	6.70%	8.70%	9.74%	
(j) Core capital / total risk weighted assets	15.04%	15.62%	17.43%	
(k) Minimum statutory ratio	10.50%	10.50%	10.50%	
(l) Excess / (deficiency) (j-k)	4.54%	5.12%	6.93%	
(m) Total capital/total risk weighted assets	17.81%	18.52%	20.63%	
(n) Minimum statutory ratio	14.50%	14.50%	14.50%	
(o) Excess / (deficiency) (m-n)	3.31%	4.02%	6.13%	
(p) Adjusted core capital/ total deposit liabilities	15.12%	-	-	
(q) Adjusted core capital/ total risk weighted assets	15.48%	-	-	
(n) Adjusted total capital/ total risk weighted liabilities	18.34%	-	-	
<b>5) LIQUIDITY</b>				
(a) Liquidity ratio	68.83%	58.73%	65.82%	
(b) Minimum statutory ratio	20.00%	20.00%	20.00%	
(c) Excess / (deficiency) (a-b)	48.83%	38.73%	45.82%	


\*The adjusted capital ratios include the expected credit loss provisions added back to capital in line with the Central Bank of Kenya guidance note issued in April 2018 on implementation of IFRS 9.

These financial statements are extracts from the books of the institution and can be accessed on the institution's website **www.sc.com/ke/investor-relations**. They may also be accessed at the institution's head office located at StandardChartered@Chiromo, 48 Westlands Road.

**Mrs. Anne Mutahi**  
Chair to the Board

**Mr. Lamin Manjang**  
Managing Director & Chief Executive Officer

**28 May 2018**  
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