

STANDARD CHARTERED BANK KENYA LIMITED
CONSOLIDATED PROFIT AND LOSS STATEMENT
FULL YEAR FINANCIAL STATEMENTS AND OTHER DISCLOSURES

II	PROFIT AND LOSS ACCOUNT	31.12.2010	31.12.2011
		Shs. '000'	Shs. '000'
		Audited	Audited
1	INTEREST INCOME		
	1.1 Loans and advances	5,995,619	9,546,532
	1.2 Government securities	3,660,676	2,240,570
	1.3 Deposits and placements with banking institutions	128,915	263,286
	1.4 Other Interest Income	127,225	72,329
	1.5 Total Interest Income	9,912,435	12,122,717
2	INTEREST EXPENSES		
	2.1 Customer deposits	1,144,871	1,153,556
	2.2 Deposits and placements from banking institutions	362,433	826,627
	2.3 Other Interest Expenses	21,821	27,498
	2.4 Total Interest Expenses	1,529,125	2,007,681
3	NET INTEREST INCOME/(LOSS)	8,383,310	10,115,036
4	NON-OPERATING INCOME		
	4.1 Fees and commissions on loans and advances	690,819	766,316
	4.2 Other fees and commissions	1,939,937	2,636,120
	4.3 Foreign Exchange trading income/ (loss)	1,622,154	2,586,397
	4.4 Dividend Income	-	-
	4.5 Other income	1,513,868	110,398
	4.6 Total Non-Interest Income	5,766,778	6,099,231
5	TOTAL OPERATING INCOME	14,150,088	16,214,267
6	OTHER OPERATING EXPENSES		
	6.1 Loan loss provision	446,680	561,217
	6.2 Staff costs	3,314,797	3,621,200
	6.3 Directors' emoluments	88,030	123,734
	6.4 Rentals charges	261,132	329,089
	6.5 Depreciation charge on property and equipment	205,506	341,857
	6.6 Amortisation charges	96,767	369,282
	6.7 Other operating expenses	2,055,292	2,612,753
	6.8 Total Other Operating Expenses	6,468,204	7,959,132
7	Profit/ (loss) before tax and exceptional items	7,681,884	8,255,135
8	Exceptional items	-	-
9	Profit/ (loss) after exceptional items	7,681,884	8,255,135
10	Current tax	2,333,020	2,576,029
11	Deferred tax	(27,327)	(157,715)
12	Profit/ (loss) after tax and exceptional items	5,376,191	5,836,821

NAME OF INSTITUTION: STANDARD CHARTERED BANK KENYA LIMITED
CONSOLIDATED FULL YEAR FINANCIAL STATEMENTS AND DISCLOSURES

I BALANCE SHEET	31.12.2010	31.12.2011
	Shs. '000'	Shs. '000'
A. ASSETS	Audited	Audited
1. Cash (both local and foreign)	2,663,148	2,926,464
2. Balances due from Central Bank of Kenya	5,547,674	9,078,590
3. Kenya Government Securities	51,353,787	24,584,908
4. Foreign Currency Treasury bills and bonds	-	-
5. Deposits and balances due from local banking institutions	3,111,053	1,936,706
6. Deposits and balances due from banking institutions abroad	132,815	605,721
7. Kenya Government and other securities held for dealing purposes	4,079,800	468,735
8. Tax recoverable	-	-
9. Loans and advances to customers (net)	60,336,829	96,097,823
10. Investment Securities	-	-
11. Balances due from group companies	5,208,201	16,678,067
12. Investments in associates	-	-
13. Investments in subsidiary companies	-	-
14. Investments in joint ventures	-	-
15. Investment properties	-	-
16. Property and equipment	3,676,107	4,113,491
17. Prepaid lease rentals	110,513	107,042
18. Intangible assets	4,739,681	4,373,307
19. Deferred tax asset	-	327,104
20. Retirement benefit asset	-	-
21. Other assets	1,786,641	2,748,666
22. TOTAL ASSETS	142,746,249	164,046,624
B. LIABILITIES		
23. Balances due to Central Bank of Kenya	-	-
24. Customer deposits	100,504,065	122,323,049
25. Deposits and balances due to local banking institutions	3,565,307	4,983,727
26. Deposits and balances due to banking institutions abroad	647,373	2,755,260
27. Other money market deposits	-	-
28. Borrowed funds	-	-
29. Balances due to group companies	10,397,957	8,183,214
30. Tax payable	36,247	108,172
31. Dividends payable	-	-
32. Deferred tax liability	1,098,526	-
33. Retirement benefit liability	165,076	49,000
34. Other liabilities	6,000,576	4,949,746
35. TOTAL LIABILITIES	122,415,127	143,352,168
C. SHAREHOLDERS' FUNDS		
36. Paid up/Assigned Capital	1,715,386	1,715,386
37. Share premium/ (discount)	4,836,258	4,836,258
38. Revaluation reserves	1,232,254	(1,764,804)
39. Retained earnings/ Accumulated losses	7,872,096	10,240,075
40. Statutory Reserve	259,155	452,010
41. Fair value reserve	-	-
42. Proposed dividends	2,524,846	3,325,848
43. Capital grants	1,891,127	1,889,683
44. TOTAL SHAREHOLDERS' EQUITY	20,331,122	20,694,456
45. TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	142,746,249	164,046,624

STANDARD CHARTERED BANK KENYA LIMITED
COMPANY PROFIT AND LOSS STATEMENT
FULL YEAR FINANCIAL STATEMENTS AND OTHER DISCLOSURES

II	PROFIT AND LOSS ACCOUNT	31.12.2010 Shs. '000' Audited	31.12.2011 Shs. '000' Audited
1	INTEREST INCOME		
	1.1 Loans and advances	5,995,619	9,546,532
	1.2 Government securities	3,660,676	2,240,570
	1.3 Deposits and placements with banking institutions	128,915	263,286
	1.4 Other Interest Income	127,225	72,329
	1.5 Total Interest Income	9,912,435	12,122,717
2	INTEREST EXPENSES		
	2.1 Customer deposits	1,149,117	1,156,993
	2.2 Deposits and placements from banking institutions	362,433	826,627
	2.3 Other Interest Expenses	21,821	27,498
	2.4 Total Interest Expenses	1,533,371	2,011,118
3	NET INTEREST INCOME/(LOSS)	8,379,064	10,111,599
4	NON-OPERATING INCOME		
	4.1 Fees and commissions on loans and advances	690,819	766,316
	4.2 Other fees and commissions	1,925,089	2,621,495
	4.3 Foreign Exchange trading income/ (loss)	1,622,154	2,586,397
	4.4 Dividend Income	-	-
	4.5 Other income	1,513,868	110,398
	4.6 Total Non-Interest Income	5,751,930	6,084,606
5	TOTAL OPERATING INCOME	14,130,994	16,196,205
6	OTHER OPERATING EXPENSES		
	6.1 Loan loss provision	446,680	561,217
	6.2 Staff costs	3,310,733	3,613,501
	6.3 Directors' emoluments	88,030	123,734
	6.4 Rentals charges	261,132	329,089
	6.5 Depreciation charge on property and equipment	205,506	341,857
	6.6 Amortisation charges	96,767	369,282
	6.7 Other operating expenses	2,054,614	2,606,685
	6.8 Total Other Operating Expenses	6,463,462	7,945,365
7	Profit/ (loss) before tax and exceptional items	7,667,532	8,250,840
8	Exceptional items	-	-
9	Profit/ (loss) after exceptional items	7,667,532	8,250,840
10	Current tax	2,329,846	2,574,428
11	Deferred tax	(28,502)	(157,594)
12	Profit/ (loss) after tax and exceptional items	5,366,188	5,834,006

NAME OF INSTITUTION: STANDARD CHARTERED BANK KENYA LIMITED
COMPANY FULL YEAR FINANCIAL STATEMENTS AND DISCLOSURES

I BALANCE SHEET	31.12.2010	31.12.2011
	Shs. '000'	Shs. '000'
A. ASSETS	Audited	Audited
1. Cash (both local and foreign)	2,663,148	2,926,464
2. Balances due from Central Bank of Kenya	5,547,674	9,078,590
3. Kenya Government Securities	51,353,787	24,584,908
4. Foreign Currency Treasury bills and bonds	-	-
5. Deposits and balances due from local banking institutions	3,111,053	1,936,706
6. Deposits and balances due from banking institutions abroad	132,815	605,721
7. Kenya Government and other securities held for dealing purposes	4,079,800	468,735
8. Tax recoverable	-	-
9. Loans and advances to customers (net)	60,336,829	96,097,823
10. Investment Securities	-	-
11. Balances due from group companies	5,208,201	16,678,067
12. Investments in associates	-	-
13. Investments in subsidiary companies	140,243	140,243
14. Investments in joint ventures	-	-
15. Investment properties	-	-
16. Property and equipment	3,676,107	4,113,491
17. Prepaid lease rentals	110,513	107,042
18. Intangible assets	4,739,681	4,373,307
19. Deferred tax asset	-	321,875
20. Retirement benefit asset	-	-
21. Other assets	1,780,178	2,748,666
22. TOTAL ASSETS	142,880,029	164,181,638
B. LIABILITIES		
23. Balances due to Central Bank of Kenya	-	-
24. Customer deposits	100,504,065	122,323,049
25. Deposits and balances due to local banking institutions	3,565,307	4,983,727
26. Deposits and balances due to banking institutions abroad	647,373	2,755,260
27. Other money market deposits	-	-
28. Borrowed funds	-	-
29. Balances due to group companies	10,660,000	8,448,868
30. Tax payable	44,918	120,027
31. Dividends payable	-	-
32. Deferred tax liability	1,103,634	-
33. Retirement benefit liability	165,076	49,000
34. Other liabilities	5,979,169	4,930,701
35. TOTAL LIABILITIES	122,669,542	143,610,632
C. SHAREHOLDERS' FUNDS		
36. Paid up/Assigned Capital	1,715,386	1,715,386
37. Share premium/ (discount)	4,836,258	4,836,258
38. Revaluation reserves	1,232,254	(1,764,804)
39. Retained earnings/ Accumulated losses	7,751,461	10,116,625
40. Statutory Reserve	259,155	452,010
41. Fair value reserve	-	-
42. Proposed dividends	2,524,846	3,325,848
43. Capital grants	1,891,127	1,889,683
44. TOTAL SHAREHOLDERS' EQUITY	20,210,487	20,571,006
45. TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	142,880,029	164,181,638

STANDARD CHARTERED BANK KENYA LIMITED
FULL YEAR FINANCIAL STATEMENTS AND OTHER DISCLOSURES

III. OTHER DISCLOSURES	31.12.2010	31.12.2011
	Shs. '000'	Shs. '000'
	Audited	Audited
1) NON-PERFORMING LOANS AND ADVANCES		
a) Gross non-performing loans and advances	1,205,556	1,030,827
Less		
b) Interest in suspense	413,889	354,081
c) Net Non-Performing Loans and Advances (a-b)	791,667	676,746
Less		
d) Loan loss Provisions	481,214	423,503
e) Net Non-Performing Loans (c-d)	310,453	253,243
f) Realizable Value of Securities	185,844	127,194
g) Net NPLs Exposure (e-f)	124,609	126,049
2) INSIDER LOANS AND ADVANCES		
a) Directors, shareholders and associates	32,384	65,570
b) Employees	2,404,864	2,699,329
c) Total Insider Loans, Advances and Other Facilities	2,437,248	2,764,899
3) OFF-BALANCE SHEET ITEMS		
a) Letters of credit, guarantees, acceptances	24,366,053	32,309,595
b) Other contingent items	29,008,290	54,725,047
c) Total Contingent Liabilities	53,374,343	87,034,642
4) CAPITAL STRENGTH		
a) Core Capital	11,393,981	14,122,455
b) Minimum Statutory Capital	500,000	700,000
c) Excess/ (Deficiency)	10,893,981	13,422,455
d) Supplementary Capital	335,246	2,291,330
e) Total capital (a+d)	11,729,227	16,413,785
f) Total risk weighted assets	81,936,011	114,759,981
g) Core capital/total deposit liabilities	11%	12%
h) Minimum Statutory Ratio	8%	8%
i) Excess/ (Deficiency) (g-h)	3%	4%
j) Core capital/total risk weighted assets	14%	12%
k) Minimum Statutory Ratio	8%	8%
l) Excess/ (Deficiency) (j-k)	6%	4%
m) Total capital/total risk weighted assets	14%	14%
n) Minimum Statutory Ratio	12%	12%
o) Excess/ (Deficiency) (m-n)	2%	2%
5) LIQUIDITY		
a) Liquidity Ratio	55%	34%
b) Minimum Statutory Ratio	20%	20%
c) Excess/ (Deficiency) (a-b)	35%	14%

**STANDARD CHARTERED BANK KENYA LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FULL YEAR FINANCIAL STATEMENTS AND OTHER DISCLOSURES**

	31.12.11 Shs. '000' Audited	31.12.10 Shs. '000' Audited
Profit before taxation	8,255,135	7,681,884
Depreciation	341,857	205,506
Amortisation of Intangibles	366,374	93,851
Profit on sale of property and equipment	(51)	(2,508)
Profit on sale of non-current asset held for sale	(356,427)	-
Amortisation of prepaid operating lease rentals	2,908	2,916
Retirement benefit obligations	(63,176)	70,063
(Increase)/decrease in operating assets		
Balances with Central Bank of Kenya - Cash Reserve Ratio	(2,041,045)	(1,082,298)
Government and other securities held for trading	610,190	1,675,288
Derivative financial instruments	(101,773)	(212,996)
Loans and advances to banks	200,000	(300,000)
Loans and advances to customers	(35,760,994)	(3,641,953)
Investment securities	20,048,014	(6,087,111)
Amounts due from group companies	(2,585,559)	548,528
Other assets	(860,252)	472,397
Increase/(decrease) in operating liabilities		
Deposits from banks	320,666	152,936
Deposits from customers	21,818,984	13,730,413
Derivative financial instruments	537,315	42,561
Amounts due to group companies	(1,206,153)	4,202,876
Defined benefit obligations	(52,900)	(26,400)
Other liabilities	(1,588,145)	1,754,646
Cash flows from operating activities	7,884,968	19,280,599
Income taxes paid	(2,504,104)	(2,606,196)
Net cash flows from operating activities	5,380,864	16,674,403
Cash flows from investing activities		
Purchase of property and equipment	(719,272)	(1,447,245)
Proceeds from sale of non-current asset held for sale	697,032	-
Proceeds from sale of property and equipment	1,452	2,925
Purchase of intangible assets	-	(11,081)
Purchase of custody business	-	(1,883,365)
Net cash used in investing activities	(20,788)	(3,338,766)
Cash flows from financing activities		
Ordinary shares issued, net of issue costs	-	2,391,805
Share based payments		
2010/ 2009 settled	(67,454)	(74,590)
2011/ 2010 allocated during the year	66,010	67,454
Dividends paid on ordinary shares:		
Final 2010/ 2009	(2,440,156)	(1,903,775)
Interim 2011/ 2010	-	(1,435,386)
Dividends paid on preference shares:		
Final 2010/ 2009	(84,690)	(84,690)
Interim 2011/ 2010	-	(83,310)
Net cash used in financing activities	(2,526,290)	(1,122,492)
Increase in cash and cash equivalents	2,833,786	12,213,145
Cash and cash equivalents at 1 January	4,095,636	(8,117,509)
Cash and cash equivalents at 31 December	6,929,422	4,095,636
Analysis of the balance of cash and cash equivalents		
Cash on hand	2,926,464	2,663,148
Unrestricted cash balances with Central Bank of Kenya	1,948,832	458,961
Treasury bills	2,403,388	7,508,604
Loans and advances to banks	992,427	1,493,868
Deposits from banks	(7,265,385)	(4,059,744)
Amounts due from group companies	9,339,721	455,414
Amounts due to group companies	(3,416,025)	(4,424,615)
	6,929,422	4,095,636

STANDARD CHARTERED BANK KENYA LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 31 DECEMBER 2011
KSh's'000

	Share capital	Share premium	Capital contribution reserve	Revaluation reserve	Fair value reserve	Statutory credit risk reserve	Retained earnings	Proposed dividends	Total
At 1 January 2011	1,715,386	4,836,258	1,891,127	304,363	927,891	259,155	7,872,096	2,524,846	20,331,122
Net profit for the year	-	-	-	-	-	-	5,836,821	-	5,836,821
Other comprehensive income									
Change in fair value of available-for-sale investments	-	-	-	-	(4,616,524)	-	-	-	(4,616,524)
Deferred tax on change in fair value of available-for-sale investments	-	-	-	-	1,372,529	-	-	-	1,372,529
Realised revaluation reserves on sale of property	-	-	-	(55,958)	-	-	55,958	-	-
Deferred tax on realised revaluation reserves on sale of property	-	-	-	16,788	-	-	(16,788)	-	-
Revaluation surplus	-	-	-	401,412	-	-	-	-	401,412
Deferred tax on revaluation surplus	-	-	-	(104,614)	-	-	-	-	(104,614)
Excess depreciation transfer	-	-	-	(15,273)	-	-	15,273	-	-
Deferred tax on excess depreciation transfer	-	-	-	4,582	-	-	(4,582)	-	-
Transfer to statutory credit risk reserve	-	-	-	-	-	192,855	(192,855)	-	-
Total other comprehensive income for the year	-	-	-	246,937	(3,243,995)	192,855	(142,994)	-	(2,947,197)
Total comprehensive income for the year	-	-	-	246,937	(3,243,995)	192,855	5,693,827	-	2,889,624
Transactions with owners recorded directly in equity									
Share based payments:									
2010 paid	-	-	(67,454)	-	-	-	-	-	(67,454)
2011 accrual	-	-	66,010	-	-	-	-	-	66,010
Dividends paid:									
Final 2010	-	-	-	-	-	-	-	(2,524,846)	(2,524,846)
Proposed final dividends:									
Ordinary shares	-	-	-	-	-	-	(3,157,848)	3,157,848	-
Preference shares	-	-	-	-	-	-	(168,000)	168,000	-
Total contributions by and distributions to owners	-	-	(1,444)	-	-	-	(3,325,848)	801,002	(2,526,290)
At 31 December 2011	1,715,386	4,836,258	1,889,683	551,300	(2,316,104)	452,010	10,240,075	3,325,848	20,694,456

STANDARD CHARTERED BANK KENYA LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 31 DECEMBER 2010
KSh's'000

	Share capital	Share premium	Capital contribution reserve	Revaluation reserve	Fair value reserve	Statutory credit risk reserve	Retained earnings	Proposed dividends	Total
At 1 January 2010 – As previously stated	1,639,839	2,520,000	-	316,641	666,296	179,070	6,607,254	1,988,465	13,917,565
Change in accounting policy (Note 2 (v))	-	-	74,590	-	-	-	-	-	74,590
Restated balance at 1 January 2010	1,639,839	2,520,000	74,590	316,641	666,296	179,070	6,607,254	1,988,465	13,992,155
Net profit for the year	-	-	-	-	-	-	5,376,191	-	5,376,191
Other comprehensive income									
Change in fair value of available-for-sale investments	-	-	-	-	355,953	-	-	-	355,953
Deferred tax on change in fair value of available-for-sale investments	-	-	-	-	(94,358)	-	-	-	(94,358)
Excess depreciation transfer	-	-	-	(17,540)	-	-	17,540	-	-
Deferred tax on excess depreciation transfer	-	-	-	5,262	-	-	(5,262)	-	-
Transfer to statutory credit risk reserve	-	-	-	-	-	80,085	(80,085)	-	-
Total other comprehensive income	-	-	-	(12,278)	261,595	80,085	(67,807)	-	261,595
Total comprehensive income for the year	-	-	-	(12,278)	261,595	80,085	5,308,384	-	5,637,786
Transactions with owners recorded directly in equity									
Shares issued, net of issue costs	75,547	2,316,258	-	-	-	-	-	-	2,391,805
On acquisition of custody business	-	-	1,823,673	-	-	-	-	-	1,823,673
Share based payments:									
2009 paid	-	-	(74,590)	-	-	-	-	-	(74,590)
2010 accrual	-	-	67,454	-	-	-	-	-	67,454
Dividends paid:									
Final 2009	-	-	-	-	-	-	-	(1,988,465)	(1,988,465)
Interim 2010	-	-	-	-	-	-	(1,435,386)	-	(1,435,386)
Preference Shares	-	-	-	-	-	-	(83,310)	-	(83,310)
Proposed Dividends:									
Ordinary Shares	-	-	-	-	-	-	(2,440,156)	2,440,156	-
Preference Shares	-	-	-	-	-	-	(84,690)	84,690	-
Total contributions by and distributions to owners	75,547	2,316,258	1,816,537	-	-	-	(4,043,542)	536,381	701,181
At 31 December 2010	1,715,386	4,836,258	1,891,127	304,363	927,891	259,155	7,872,096	2,524,846	20,331,122