

# 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 six month period ended 30 June 2017

STATEMENT OF FINANCIAL POSITION	BANK				GROUP			
	30.06.2017	31.03.2017	31.12.2016	30.06.2016	30.06.2017	31.03.2017	31.12.2016	30.06.2016
	KShs. 000	KShs. 000	KShs. 000	KShs. 000	KShs. 000	KShs. 000	KShs. 000	KShs. 000
	Un-audited	Un-audited	Audited	Un-audited	Un-audited	Audited	Un-audited	Un-audited
<b>ASSETS</b>								
Cash (both local and foreign)	2,834,764	2,947,073	3,473,071	2,483,970	2,834,764	2,947,073	3,473,071	2,483,970
Balances due from Central Bank of Kenya	8,901,394	14,356,430	12,040,483	11,260,716	8,901,394	14,356,430	12,040,483	11,260,716
Kenya Government securities and other securities held for dealing purposes	10,696,807	10,478,040	4,780,246	6,892,276	10,696,807	10,478,040	4,780,246	6,892,276
Financial assets at fair value through profit and loss	739,993	425,803	554,026	1,014,144	739,993	425,803	554,026	1,014,144
Investment securities:								
a) Held to Maturity:								
i. Kenya Government securities	-	-	-	-	-	-	-	-
ii. Other securities	-	-	-	-	-	-	-	-
b) Available for sale:								
i. Kenya Government securities	105,138,763	95,971,234	81,565,176	85,253,589	105,588,613	96,284,760	81,708,503	85,402,418
ii. Other securities	519,096	524,099	510,209	516,350	519,096	524,099	510,209	516,350
Deposits and balances due from local banking institutions	11,684,960	4,826,180	1,255,156	4,323,521	11,684,960	4,826,180	1,255,156	4,323,521
Deposits and balances due from banking institutions abroad	103,962	219,814	310,879	240,011	103,962	219,814	310,879	240,011
Tax recoverable	872,035	-	-	-	898,951	-	7,168	-
Loans and advances to customers (net)	113,040,256	116,875,407	122,711,038	114,265,013	113,040,256	116,875,407	122,711,038	114,265,013
Balances due from banking institutions in the group	23,531,349	17,700,421	14,011,495	20,733,712	23,531,437	17,700,509	14,151,412	20,733,781
Investments in associates	-	-	-	-	-	-	-	-
Investments in subsidiary companies	141,243	141,243	141,243	141,243	-	-	-	-
Investments in joint ventures	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-
Property and equipment	2,995,694	3,031,389	2,985,751	3,085,002	2,995,694	3,031,389	2,985,751	3,085,002
Prepaid lease rentals	242,021	243,249	243,980	245,445	242,021	243,249	243,980	245,445
Intangible assets	2,268,670	2,371,345	2,457,419	2,675,942	2,268,670	2,371,345	2,457,419	2,675,942
Deferred tax asset	732,900	215,116	63,348	-	735,626	217,299	63,705	-
Retirement benefit asset	-	-	-	-	-	-	-	-
Other assets	4,267,200	3,680,041	3,170,588	2,772,793	4,295,042	3,733,504	3,228,954	2,809,631
<b>TOTAL ASSETS</b>	<b>288,711,107</b>	<b>274,006,884</b>	<b>250,274,108</b>	<b>255,903,727</b>	<b>289,077,286</b>	<b>274,234,901</b>	<b>250,482,000</b>	<b>255,948,220</b>
<b>LIABILITIES</b>								
Balances due to Central Bank of Kenya	-	-	-	-	-	-	-	-
Customer deposits	224,482,823	205,016,693	186,598,226	190,872,512	224,482,823	205,016,693	186,598,226	190,872,512
Deposits and balances due to local banking institutions	252,337	3,734,201	1,618,256	2,039,842	252,337	3,734,201	1,618,256	2,039,842
Deposits and balances due to foreign banking institutions	2,075,888	1,333,923	1,428,159	3,803,667	2,075,888	1,333,923	1,428,159	3,803,667
Other money market deposits	-	-	-	-	-	-	-	-
Borrowed funds	-	-	-	-	-	-	-	-
Balances due to banking institutions in the group	9,505,522	9,609,348	10,759,556	10,354,428	8,954,964	8,912,395	10,174,520	9,865,351
Tax payable	-	2,018,974	1,046,259	73,747	13,332	2,133,856	1,128,697	97,152
Dividends payable	-	-	-	-	-	-	-	-
Deferred tax liability	-	-	-	961,632	-	-	-	961,981
Retirement benefit liability	92,954	95,931	85,376	16,354	92,954	95,931	85,376	16,354
Other liabilities	9,603,176	6,537,050	4,833,497	4,698,447	9,615,032	6,552,269	4,844,938	4,709,732
<b>TOTAL LIABILITIES</b>	<b>246,012,700</b>	<b>228,346,120</b>	<b>206,369,329</b>	<b>212,820,629</b>	<b>245,487,330</b>	<b>227,779,268</b>	<b>205,878,172</b>	<b>212,366,591</b>
<b>SHAREHOLDERS' FUNDS</b>								
Paid up / Assigned capital	1,997,553	1,997,553	1,997,553	1,825,798	1,997,553	1,997,553	1,997,553	1,825,798
Share premium / (discount)	7,792,427	7,792,427	7,792,427	7,792,427	7,792,427	7,792,427	7,792,427	7,792,427
Revaluation reserves	421,942	455,817	457,041	459,490	421,942	455,817	457,041	459,490
Retained earnings / (Accumulated losses)	27,369,637	28,206,054	26,050,443	27,186,888	28,267,547	29,006,016	26,750,324	27,684,602
Statutory loan loss reserve	884,405	367,476	568,868	928,112	884,405	367,476	568,868	928,112
Other reserves (Available for Sale)	720,253	72,212	274,764	902,947	713,892	67,119	273,932	903,764
Proposed dividends	1,629,107	4,893,378	4,893,378	2,144,833	1,629,107	4,893,378	4,893,378	2,144,833
Capital grants	1,883,083	1,875,847	1,870,305	1,842,603	1,883,083	1,875,847	1,870,305	1,842,603
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>42,698,407</b>	<b>45,660,764</b>	<b>43,904,779</b>	<b>43,083,098</b>	<b>43,589,956</b>	<b>46,455,633</b>	<b>44,603,828</b>	<b>43,581,629</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>288,711,107</b>	<b>274,006,884</b>	<b>250,274,108</b>	<b>255,903,727</b>	<b>289,077,286</b>	<b>274,234,901</b>	<b>250,482,000</b>	<b>255,948,220</b>

OTHER DISCLOSURES	BANK			
	30.06.2017	31.03.2017	31.12.2016	30.06.2016
	KShs. 000	KShs. 000	KShs. 000	KShs. 000
	Un-audited	Un-audited	Audited	Un-audited
<b>1) NON-PERFORMING LOANS AND ADVANCES</b>				
(a) Gross non-performing loans and advances	16,913,092	15,367,574	15,038,172	15,360,300
(b) Less: Interest in suspense	5,373,826	4,906,757	4,871,365	4,025,674
(c) <b>Total non-performing loans and advances (a-b)</b>	<b>11,539,266</b>	<b>10,460,817</b>	<b>10,166,807</b>	<b>11,334,626</b>
(d) Less: Loan loss provisions	6,788,081	5,115,694	4,914,946	5,510,145
(e) <b>Net non-performing loans and advances (c-d)</b>	<b>4,751,185</b>	<b>5,345,123</b>	<b>5,251,861</b>	<b>5,824,481</b>
(f) Realizable value of securities	4,478,101	4,114,308	4,501,523	4,955,321
(g) <b>Net NPLs Exposure (e-f)</b>	<b>273,084</b>	<b>1,230,815</b>	<b>750,338</b>	<b>869,160</b>
<b>2) INSIDER LOANS AND ADVANCES</b>				
(a) Directors, shareholders and associates	18,084	19,483	21,237	19,660
(b) Employees	6,283,450	6,328,712	6,227,157	5,887,918
(c) <b>Total insider loans and advances</b>	<b>6,301,534</b>	<b>6,348,195</b>	<b>6,248,394</b>	<b>5,887,578</b>
<b>3) OFF-BALANCE SHEET ITEMS</b>				
(a) Letters of credit, guarantees and acceptances	37,840,372	36,744,098	35,615,697	36,744,694
(b) Forwards, swaps and options	77,350,152	65,599,162	53,029,551	72,714,823
(c) Other contingent liabilities	-	-	-	-
(d) <b>Total contingent liabilities</b>	<b>115,190,524</b>	<b>102,343,260</b>	<b>88,645,248</b>	<b>109,459,517</b>
<b>4) CAPITAL STRENGTH</b>				
(a) Core capital	35,268,280	36,365,564	35,257,985	34,645,917
(b) Minimum statutory capital	1,000,000	1,000,000	1,000,000	1,000,000
(c) Excess / (deficiency) (a-b)	34,268,280	35,365,564	34,257,985	33,645,917
(d) Supplementary capital	7,225,667	6,671,389	6,845,851	7,117,927
(e) <b>Total capital (a+d)</b>	<b>42,493,947</b>	<b>43,036,953</b>	<b>42,103,836</b>	<b>41,763,844</b>
(f) Total risk weighted assets	211,018,014	208,598,091	201,320,647	193,809,794
(g) Core capital / total deposit liabilities	15.71%	17.74%	18.90%	18.15%
(h) Minimum statutory ratio	8.00%	8.00%	8.00%	8.00%
(i) Excess / (deficiency) (g-h)	7.71%	9.74%	10.90%	10.15%
(j) Core capital / total risk weighted assets	16.71%	17.43%	17.51%	17.88%
(k) Minimum statutory ratio	10.50%	10.50%	10.50%	10.50%
(l) Excess / (deficiency) (j-k)	6.21%	6.93%	7.01%	7.38%
(m) Total capital / total risk weighted assets	20.14%	20.63%	20.91%	21.55%
(n) Minimum statutory ratio	14.50%	14.50%	14.50%	14.50%
(o) Excess / (deficiency) (m-n)	5.64%	6.13%	6.41%	7.05%
<b>5) LIQUIDITY</b>				
(a) Liquidity ratio	69.09%	65.82%	56.93%	61.93%
(b) Minimum statutory ratio	20.00%	20.00%	20.00%	20.00%
(c) Excess / (deficiency) (a-b)	49.09%	45.82%	36.93%	41.93%

## MESSAGE FROM THE DIRECTORS

The Directors are pleased to announce the payment of an interim dividend of KShs 4.50 per ordinary share of KShs 5.00. The Directors are also pleased to announce the payment of an interim dividend on the non-redeemable, non-cumulative, non-voting, non-participating and non-convertible preference shares for the period 31 December 2016 to 29 June 2017 at the rate of 6% per annum on the issue price of each share. Both dividends will be paid on or after 19 October 2017 to the shareholders on the share register at the close of business on 21 September 2017.

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](http://www.sc.com/ke/investor-relations). They may also be accessed at the institution's head office located at StandardChartered@Chiromo, 48 Westlands Road.

**Mr. Lamin Manjang**  
Managing Director & Chief Executive Officer  
29 August 2017

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

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

STATEMENT OF COMPREHENSIVE INCOME								
	30.06.2017	31.03.2017	31.12.2016	30.06.2016	30.06.2017	31.03.2017	31.12.2016	30.06.2016
	KShs. 000	KShs. 000	KShs. 000	KShs. 000	KShs. 000	KShs. 000	KShs. 000	KShs. 000
	Un-audited	Un-audited	Audited	Un-audited	Un-audited	Audited	Un-audited	Un-audited
<b>INTEREST INCOME</b>								
Loans and advances	6,883,114	3,644,325	14,845,035	7,778,323	6,883,114	3,644,325	14,845,035	7,778,323
Government securities	5,191,004	2,367,980	10,048,834	4,765,641	5,209,533	2,375,559	10,065,081	4,773,341
Deposits and placements with banking institutions	255,762	146,252	466,765	298,270	255,762	146,252	466,765	298,270
Other interest income	390,126	170,088	398,264	193,969	390,126	170,088	398,264	193,969
<b>Total interest income</b>	<b>12,720,006</b>	<b>6,328,645</b>	<b>25,758,898</b>	<b>13,036,203</b>	<b>12,738,535</b>	<b>6,336,224</b>	<b>25,775,145</b>	<b>13,043,903</b>
<b>INTEREST EXPENSES</b>								
Customer deposits	3,041,119	1,485,036	5,712,735	2,754,187	3,025,600	1,477,997	5,684,222	2,740,122
Deposits and placements from banking institutions	99,162	36,891	133,810	78,492	99,162	36,891	133,810	78,492
Other interest expenses	457,259	185,787	561,618	265,497	457,259	185,787	561,618	265,497
<b>Total interest expenses</b>	<b>3,597,540</b>	<b>1,707,714</b>	<b>6,408,163</b>	<b>3,098,176</b>	<b>3,582,021</b>	<b>1,700,675</b>	<b>6,379,650</b>	<b>3,084,111</b>
<b>NET INTEREST INCOME / (LOSS)</b>	<b>9,122,466</b>	<b>4,620,931</b>	<b>19,350,735</b>	<b>9,938,027</b>	<b>9,156,514</b>	<b>4,635,549</b>	<b>19,395,495</b>	<b>9,959,792</b>
<b>NON-INTEREST INCOME</b>								
Fees and commissions on loans and advances	85,405	59,151	173,410	121,683	85,405	59,151	173,410	121,683
Other fees and commissions	1,743,616	921,344	3,731,715	1,827,044				