

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 2019



STATEMENT OF FINANCIAL POSITION				
	BANK		GROUP	
	2019 KShs. 000 Audited	2018 KShs. 000 Audited	2019 KShs. 000 Audited	2018 KShs. 000 Audited
ASSETS				
Cash (both local and foreign)	3,288,211	3,579,449	3,288,211	3,579,449
Balances due from Central Bank of Kenya	17,333,002	16,704,262	17,333,002	16,704,262
Kenya Government securities and other securities held for dealing purposes	1,938,728	3,936,835	1,938,728	3,936,835
Financial assets at fair value through profit and loss	809,581	393,620	809,581	393,620
Investment securities:				
a) Amortised cost:				
i. Kenya Government securities	-	-	-	-
ii. Other securities	-	-	-	-
b) Fair value through other comprehensive income (FVOCI):				
i. Kenya Government securities	96,545,418	93,745,440	97,671,849	94,749,090
ii. Other securities	18,354	18,814	18,354	18,814
Deposits and balances due from local banking institutions	7,580,585	5,868,647	7,580,585	5,868,647
Deposits and balances due from banking institutions abroad	153,871	147,399	153,871	147,399
Tax recoverable	1,025,900	350,921	1,091,528	398,697
Loans and advances to customers (net)	128,690,341	118,651,550	128,690,341	118,651,550
Balances due from banking institutions in the group	33,118,334	31,739,282	31,799,225	31,468,359
Investments in associates	-	-	-	-
Investments in subsidiary companies	141,243	141,243	-	-
Investments in joint ventures	-	-	-	-
Investment properties	-	-	-	-
Property and equipment	3,893,947	3,071,308	3,893,947	3,071,308
Prepaid lease rentals	-	237,630	-	237,630
Intangible assets	2,731,693	1,829,701	2,731,693	1,829,701
Deferred tax asset	1,537,998	1,082,980	1,641,887	1,144,461
Retirement benefit asset	-	-	-	-
Other assets	3,488,697	3,191,921	3,496,254	3,204,201
TOTAL ASSETS	302,295,903	284,691,002	302,139,056	285,404,023
LIABILITIES				
Balances due to Central Bank of Kenya	-	-	-	-
Customer deposits	228,433,515	224,284,420	228,433,515	224,284,420
Deposits and balances due to local banking institutions	7,817,724	13,420	7,817,724	13,420
Deposits and balances due to foreign banking institutions	209,980	142,539	209,980	142,539
Other money market deposits	-	-	-	-
Borrowed funds	-	-	-	-
Balances due to banking institutions in the group	11,837,084	9,220,590	11,122,125	8,546,722
Tax payable	-	-	-	69,699
Dividends payable	412,358	-	412,358	-
Deferred tax liability	-	-	-	-
Retirement benefit liability	267,394	215,175	267,394	215,175
Other liabilities	6,096,338	5,478,579	6,115,433	5,492,660
TOTAL LIABILITIES	255,074,393	239,354,723	254,378,529	238,764,635
SHAREHOLDERS' FUNDS				
Paid up / Assigned capital	1,997,553	1,997,553	1,997,553	1,997,553
Share premium / (Discount)	7,792,427	7,792,427	7,792,427	7,792,427
Revaluation reserves	732,195	741,771	732,195	741,771
Retained earnings / (Accumulated losses)	27,129,743	26,663,820	27,690,235	27,977,099
Statutory loan loss reserve	1,477,402	-	1,477,402	-
Other reserves (fair value)	924,070	1,315,278	902,595	1,305,108
Proposed dividends	5,237,349	4,893,838	5,237,349	4,893,838
Capital grants	1,930,771	1,931,592	1,930,771	1,931,592
TOTAL SHAREHOLDERS' EQUITY	47,221,510	45,336,279	47,760,527	46,639,388
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	302,295,903	284,691,002	302,139,056	285,404,023
STATEMENT OF COMPREHENSIVE INCOME				
INTEREST INCOME				
Loans and advances	13,406,673	13,127,082	13,406,673	13,127,082
Government securities	10,484,602	12,376,736	10,596,127	12,459,334
Deposits and placements with banking institutions	1,078,961	650,145	1,078,961	650,145
Other interest income	190,691	634,363	190,691	634,363
Total interest income	25,160,927	26,788,326	25,272,452	26,870,924
INTEREST EXPENSES				
Customer deposits	5,174,332	6,458,457	5,155,004	6,435,688
Deposits and placements from banking institutions	61,015	62,679	61,015	62,679
Other interest expenses	583,940	976,260	583,940	976,260
Total interest expenses	5,819,287	7,497,396	5,799,959	7,474,627
NET INTEREST INCOME / (LOSS)	19,341,640	19,290,930	19,472,493	19,396,297
NON-INTEREST INCOME				
Fees and commissions on loans and advances	256,718	326,081	256,718	326,081
Other fees and commissions	3,882,408	4,081,334	4,892,262	5,077,993
Foreign exchange trading income / (loss)	3,174,026	2,843,768	3,174,026	2,843,768
Dividend income	1,294,374	208,460	-	-
Other income	904,414	953,777	904,414	953,381
Total Non-Interest income	9,511,940	8,413,420	9,227,420	9,201,223
TOTAL OPERATING INCOME	28,853,580	27,704,350	28,699,913	28,597,520
OTHER OPERATING EXPENSES				
Loan loss provision	572,592	1,930,511	572,592	1,930,511
Staff costs	7,021,758	7,185,924	7,136,019	7,365,038
Directors' emoluments	274,722	299,160	274,722	299,160
Rental charges	307,869	563,191	308,217	564,142
Depreciation charge on property and equipment	636,674	441,602	636,674	441,602
Amortisation charges	651,889	397,107	651,889	397,107
Other operating expenses	6,696,850	5,453,288	6,945,943	5,753,344
Total other operating expenses	16,162,354	16,270,783	16,526,056	16,750,904
Profit / (loss) before tax and exceptional items	12,691,226	11,433,567	12,173,857	11,846,616
Exceptional items	-	-	-	-
Profit / (loss) after exceptional items	12,691,226	11,433,567	12,173,857	11,846,616
Current tax	(3,981,481)	(3,343,244)	(4,254,462)	(3,587,864)
Deferred tax	279,815	(215,231)	317,378	(159,559)
Profit / (loss) after tax and exceptional items	8,989,560	7,875,092	8,236,773	8,099,193
OTHER COMPREHENSIVE INCOME				
Gains / (losses) from translating the financial statements of foreign operations	-	-	-	-
Fair value changes in financial assets at FVOCI	(584,011)	571,930	(600,162)	569,533
Revaluation surplus on property, plant and equipment	-	-	-	-
Share of other comprehensive income of associates	-	-	-	-
Income tax relating to components of other comprehensive income	175,203	(171,579)	180,049	(170,859)
Other comprehensive income for the year net of tax	(408,808)	400,351	(420,113)	398,674
Total comprehensive income for the year	8,580,752	8,275,443	7,816,660	8,497,867
EARNINGS PER SHARE - BASIC AND DILUTED (KShs)	25.68	22.44	23.49	23.09
DIVIDEND PER SHARE - DECLARED (KShs)	20.00	19.00	20.00	19.00

OTHER DISCLOSURES			BANK	
			2019 KShs. 000 Audited	2018 KShs. 000 Audited
1) NON-PERFORMING LOANS AND ADVANCES				
(a) Gross non-performing loans and advances			20,057,683	21,660,851
(b) Less: Interest in suspense			7,788,053	7,789,581
(c) Total non-performing loans and advances (a-b)			12,269,630	13,871,270
(d) Less: Loan loss provisions			8,004,255	6,724,460
(e) Net non-performing loans and advances (c-d)			4,265,375	7,146,810
(f) Realizable value of securities			3,218,283	4,497,335
(g) Net NPLs Exposure (e-f)			1,047,092	2,649,475
2) INSIDER LOANS AND ADVANCES				
(a) Directors, shareholders and associates			47,149	46,134
(b) Employees			7,066,418	6,582,941
(c) Total insider loans and advances			7,113,567	6,629,075
3) OFF-BALANCE SHEET ITEMS				
(a) Letters of credit, guarantees and acceptances			52,218,765	46,000,041
(b) Forwards, swaps and options			78,653,950	68,801,264
(c) Other contingent liabilities			-	-
(d) Total contingent liabilities			130,872,715	114,801,305
4) CAPITAL STRENGTHH				
(a) Core capital			35,701,874	35,459,462
(b) Minimum statutory capital			1,000,000	1,000,000
(c) Excess / (deficiency) (a-b)			34,701,874	34,459,462
(d) Supplementary capital			7,336,051	6,317,316
(e) Total capital (a+d)			43,037,925	41,776,778
(f) Total risk weighted assets			242,802,511	214,581,735
(g) Core capital / total deposit liabilities			15.63%	15.81%
(h) Minimum statutory ratio			8.00%	8.00%
(i) Excess / (deficiency) (g-h)			7.63%	7.81%
(j) Core capital / total risk weighted assets			14.70%	16.52%
(k) Minimum statutory ratio			10.50%	10.50%
(l) Excess / (deficiency) (j-k)			4.20%	6.02%
(m) Total capital / total risk weighted assets			17.73%	19.47%
(n) Minimum statutory ratio			14.50%	14.50%
(o) Excess / (deficiency) (m-n)			3.23%	4.97%
(p) Adjusted core capital/ total deposit liabilities*			15.68%	15.91%
(q) Adjusted core capital/ total risk weighted assets*			14.75%	16.63%
(r) Adjusted total capital/ total risk weighted assets*			17.77%	19.68%
5) LIQUIDITY				
(a) Liquidity ratio			62.57%	66.61%
(b) Minimum statutory ratio			20.00%	20.00%
(c) Excess / (deficiency) (a-b)			42.57%	46.61%

* The Adjusted Capital Ratios includes the expected credit loss provisions added back to Capital in line with the CBK Guidance Note issued in April 2018 on implementation of IFRS 9.

DIVIDENDS
The Board has resolved to recommend to the shareholders at the forthcoming Annual General Meeting (AGM), the payment of a final dividend for the year of KShs. 15.00 for every ordinary share of KShs. 5.00. One interim dividend of KShs. 5.00 for every ordinary share of KShs. 5.00 was paid in October 2019. The total dividend therefore, is KShs. 20.00 (2018: KShs. 19.00).
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 ended 30 June 2019 to 30 December 2019 at the rate of 6% per annum on the issue price of each share.

COVID-19 STATEMENT
DEFERRAL OF THE 34TH ANNUAL GENERAL MEETING
Following the Presidential Directive on 15 March 2020 that suspended public gatherings and meetings among other measures, the Capital Markets Authority (CMA) advised in a press statement dated 18 March 2020 that AGMs scheduled for March, April and May 2020 be deferred to a later date.

The AGM scheduled for Thursday 28 May 2020 has therefore been postponed until further notice.

We continue to monitor the situation and determine the next appropriate steps with advice from relevant health experts, the Government and the CMA.

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 received an unqualified opinion. They 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 complete set of audited financial statements will be available on www.sc.com/ke/investor-relations or from the Company Secretary at our offices at StandardChartered@Chiromo, 48 Westlands Road after 30 April 2020.

The financial statements were approved by the Board of Directors on 18 March 2020 and signed on its behalf by:

Patrick Obath Chairman	Kariuki Ngari Managing Director & Chief Executive Officer
18 March 2020	

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