

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 2020



STATEMENT OF FINANCIAL POSITION		BANK			GROUP	
	31.03.2020 KShs. '000 Un-audited	31.12.2019 KShs. '000 Audited	31.03.2019 KShs. '000 Un-audited	31.03.2020 KShs. '000 Un-audited	31.12.2019 KShs. '000 Audited	31.03.2019 KShs. '000 Un-audited
ASSETS						
Cash (both local and foreign)	3,067,013	3,288,211	2,723,967	3,067,013	3,288,211	2,723,967
Balances due from Central Bank of Kenya	26,084,004	17,333,002	28,067,294	26,084,004	17,333,002	28,067,294
Kenya Government and other securities held for dealing purposes	5,700,682	1,938,728	5,771,489	5,700,682	1,938,728	5,771,489
Financial Assets at fair value through profit and loss	1,136,077	809,581	460,995	1,136,077	809,581	460,995
Investment Securities:						
a) Amortised cost:						
i. Kenya Government securities	-	-	-	-	-	-
ii. Other securities	-	-	-	-	-	-
b) Fair Value through other comprehensive income (FVOCI):						
i. Kenya Government securities	89,265,796	96,545,418	103,069,053	89,265,796	97,671,849	104,193,149
ii. Other securities	-	18,354	18,263	-	18,354	18,263
Deposits and balances due from local banking institutions	5,426,208	7,580,585	3,577,209	5,426,208	7,580,585	3,577,209
Deposits and balances due from banking institutions abroad	372,310	153,871	111,208	372,310	153,871	111,208
Tax recoverable	521,253	1,025,900	-	542,086	1,091,528	4,439
Loans and advances to customers (net)	125,536,619	128,690,341	117,564,368	125,536,619	128,690,341	117,564,368
Balances due from banking institutions in the group	42,588,217	33,118,334	28,710,814	42,563,715	31,799,225	28,682,143
Investments in associates	-	-	-	-	-	-
Investments in subsidiary companies	141,243	141,243	141,243	-	-	-
Investments in joint ventures	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-
Property and equipment	3,771,025	3,893,947	3,669,827	3,771,025	3,893,947	3,669,827
Prepaid lease rentals	-	-	236,898	-	-	236,898
Intangible assets	3,149,574	2,731,693	1,751,998	3,149,574	2,731,693	1,751,998
Deferred tax asset	1,192,521	1,537,998	1,225,996	1,279,662	1,641,887	1,287,367
Retirement benefit asset	-	-	-	-	-	-
Other assets	3,479,471	3,488,697	3,125,552	3,582,654	3,496,254	3,245,741
TOTAL ASSETS	311,432,013	302,295,903	300,226,174	311,477,425	302,139,056	301,366,355
LIABILITIES						
Balances due to Central Bank of Kenya	-	-	-	-	-	-
Customer deposits	243,550,712	228,433,515	232,774,655	243,550,712	228,433,515	232,774,655
Deposits and balances due to local banking institutions	209,368	7,817,724	22,447	209,368	7,817,724	22,447
Deposits and balances due to foreign banking institutions	474,818	209,980	259,610	474,818	209,980	259,610
Other money market deposits	-	-	-	-	-	-
Borrowed funds	-	-	-	-	-	-
Balances due to banking institutions in the group	11,857,831	11,837,084	8,697,866	11,089,621	11,122,125	8,189,006
Tax payable	-	-	871,321	31,107	-	994,469
Dividends payable	404,429	412,358	-	404,429	412,358	-
Deferred tax liability	-	-	-	-	-	-
Retirement benefit liability	274,162	267,394	222,691	274,162	267,394	222,691
Other liabilities	5,591,805	6,096,338	9,756,239	5,611,177	6,115,433	9,770,050
TOTAL LIABILITIES	262,363,125	255,074,393	252,604,829	261,645,394	254,378,529	252,232,928
SHAREHOLDERS' FUNDS						
Paid up/Assigned Capital	1,997,553	1,997,553	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	7,792,427	7,792,427
Revaluation reserves	729,801	732,195	739,377	729,801	732,195	739,377
Retained earnings/ (Accumulated losses)	28,736,546	27,129,743	28,815,089	29,499,689	27,690,235	30,338,196
Statutory loan loss reserves	1,681,216	1,477,402	51,103	1,681,216	1,477,402	51,103
Other Reserves (Fair value)	1,009,793	924,070	1,449,512	1,009,793	902,595	1,438,487
Proposed dividends	5,237,349	5,237,349	4,893,838	5,237,349	5,237,349	4,893,838
Capital grants	1,884,203	1,930,771	1,882,446	1,884,203	1,930,771	1,882,446
TOTAL SHAREHOLDERS' EQUITY	49,068,888	47,221,510	47,621,345	49,832,031	47,760,527	49,133,427
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	311,432,013	302,295,903	300,226,174	311,477,425	302,139,056	301,366,355

STATEMENT OF COMPREHENSIVE INCOME		BANK			GROUP	
INTEREST INCOME						
Loans and advances	3,183,421	13,406,673	3,423,371	3,183,421	13,406,673	3,423,371
Government securities	2,508,367	10,484,602	2,700,789	2,521,241	10,596,127	2,726,778
Deposits and placements with banking institutions	336,081	1,078,961	208,631	336,081	1,078,961	208,631
Other Interest Income	73,762	190,691	29,733	73,762	190,691	29,733
TOTAL INTEREST INCOME	6,101,631	25,160,927	6,362,524	6,114,505	25,272,452	6,388,513
INTEREST EXPENSES						
Customer deposits	1,203,930	5,174,332	1,299,708	1,199,348	5,155,004	1,294,375
Deposits and placements from banking institutions	28,938	61,015	3,314	28,938	61,015	3,314
Other Interest expenses	163,065	583,940	111,567	163,065	583,940	111,567
TOTAL INTEREST EXPENSES	1,395,933	5,819,287	1,414,589	1,391,351	5,799,959	1,409,256
NET INTEREST INCOME/(LOSS)	4,705,698	19,341,640	4,947,935	4,723,154	19,472,493	4,979,257
NON-INTEREST INCOME						
Fees and commissions on loans and advances	73,474	256,718	76,362	73,474	256,718	76,362
Other fees and commissions	806,437	3,882,408	944,444	1,167,862	4,892,262	1,232,874
Foreign exchange trading income/ (loss)	695,237	3,174,026	817,773	695,237	3,174,026	817,773
Dividend Income	-	1,294,374	-	-	-	-
Other income	329,821	904,414	263,640	299,040	904,414	263,615
TOTAL NON-INTEREST INCOME	1,904,969	9,511,940	2,102,219	2,235,613	9,227,420	2,390,624
TOTAL OPERATING INCOME	6,610,667	28,853,580	7,050,154	6,958,767	28,699,913	7,369,881
OTHER OPERATING EXPENSES						
Loan loss provision	428,006	572,592	415,139	428,006	572,592	415,139
Staff costs	1,713,044	7,021,758	1,812,815	1,738,454	7,136,019	1,841,163
Directors' emoluments	37,329	274,722	65,786	37,329	274,722	65,786
Rental charges	48,971	307,869	77,692	48,971	308,217	77,656
Depreciation charge on property and equipment	161,177	636,674	153,202	161,177	636,674	153,202
Amortisation charges	169,955	651,889	78,435	169,955	651,889	78,435
Other operating expenses	1,428,986	6,696,850	1,219,472	1,461,245	6,945,943	1,194,804
Total Other Operating Expenses	3,987,468	16,162,354	3,822,541	4,045,137	16,526,056	3,826,185
Profit/ (loss) before tax and exceptional items	2,623,199	12,691,226	3,227,613	2,913,630	12,173,857	3,543,696
Exceptional items	-	-	-	-	-	-
Profit/ (loss) after exceptional items	2,623,199	12,691,226	3,227,613	2,913,630	12,173,857	3,543,696
Current tax	(506,238)	(3,981,481)	(1,228,180)	(586,474)	(4,254,462)	(1,333,959)
Deferred tax	(308,738)	279,815	200,545	(316,283)	317,378	200,069
Profit/ (loss) after tax and exceptional items	1,808,223	8,989,560	2,199,978	2,010,873	8,236,773	2,409,806
Minority Interest	-	-	-	-	-	-
Profit/ (loss) after tax,exceptional items and minority interest	1,808,223	8,989,560	2,199,978	2,010,873	8,236,773	2,409,806
OTHER COMPREHENSIVE INCOME						
Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-	-	-
Fair value changes in financial assets at FVOCI	122,462	(584,011)	191,763	153,140	(600,162)	210,156
Revaluation surplus on Property, plant and equipment	-	-	-	-	-	-
Share of other comprehensive income of associates	-	-	-	-	-	-
Income tax relating to components of other comprehensive income	(36,739)	175,203	(57,529)	(45,942)	180,049	(63,047)
Other Comprehensive Income for the period net of tax	85,723	(408,808)	134,234	107,198	(420,113)	147,109
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,893,946	8,580,752	2,334,212	2,118,071	7,816,660	2,556,915
EARNINGS PER SHARE-BASIC & DILUTED (KShs)	5.14	25.68	6.28	5.73	23.49	6.89
DIVIDEND PER SHARE-DECLARED (KShs)	-	20.00	-	-	20.00	-

OTHER DISCLOSURES		BANK		
		31.03.2020 KShs. '000 Un-audited	31.12.2019 KShs. '000 Audited	31.03.2019 KShs. '000 Un-audited
1) NON-PERFORMING LOANS AND ADVANCES				
a) Gross non-performing loans and advances		20,022,480	20,057,683	21,208,732
b) Less: Interest in suspense		7,830,322	7,788,053	8,197,999
c) Net Non-Performing Loans and Advances (a-b)		12,192,158	12,269,630	13,010,733
d) Less: Loan loss provisions		7,797,795	8,004,255	8,028,618
e) Net Non-Performing Loans (c-d)		4,394,363	4,265,375	4,982,115
f) Realizable Value of Securities		3,220,026	3,218,283	3,643,480
g) Net NPLs Exposure (e-f)		1,174,337	1,047,092	1,338,635
2) INSIDER LOANS AND ADVANCES				
a) Directors, shareholders and associates		42,706	47,149	57,997
b) Employees		6,581,931	7,066,418	6,314,183
c) Total Insider Loans, Advances and Other Facilities		6,624,637	7,113,567	6,372,180
3) OFF-BALANCE SHEET ITEMS				
a) Letters of credit,guarantees, acceptances		52,647,111	52,218,765	45,506,586
b) Forwards, swaps, and options		130,490,897	78,653,950	124,060,762
c) Other contingent Liabilities		-	-	-
d) Total Contingent Liabilities		183,138,008	130,872,715	169,567,348
4) CAPITAL STRENGTH				
a) Core Capital		36,801,741	35,701,874	36,425,604
b) Minimum Statutory Capital		1,000,000	1,000,000	1,000,000
c) Excess/ (Deficiency)		35,801,741	34,701,874	35,425,604
d) Supplementary Capital		7,446,116	7,336,051	6,184,917
e) Total capital (a+d)		44,247,857	43,037,925	42,610,521
f) Total risk weighted assets		245,559,880	242,802,511	226,560,453
g) Core capital/total deposit liabilities		15.11%	15.63%	15.65%
h) Minimum Statutory Ratio		8.00%	8.00%	8.00%
i) Excess/ (Deficiency) (g-h)		7.11%	7.63%	7.65%
j) Core capital/total risk weighted assets		14.99%	14.70%	16.08%
k) Minimum Statutory Ratio		10.50%	10.50%	10.50%
l) Excess/ (Deficiency) (j-k)		4.49%	4.20%	5.58%
m) Total capital/total risk weighted assets		18.02%	17.73%	18.81%
n) Minimum Statutory Ratio		14.50%	14.50%	14.50%
o) Excess/ (Deficiency) (m-n)		3.52%	3.23%	4.31%
(p) Adjusted Core Capital/Total Deposit Liabilities*		15.15%	15.68%	15.70%
(q) Adjusted Core Capital/Total Risk Weighted Assets*		15.03%	14.75%	16.13%
(r) Adjusted Total Capital/Total Risk Weighted Assets*		18.06%	17.77%	18.96%
5) LIQUIDITY				
a) Liquidity Ratio		67.58%	62.57%	71.72%
b) Minimum Statutory Ratio		20.00%	20.00%	20.00%
c) Excess/ (Deficiency) (a-b)		47.58%	42.57%	51.72%

*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.

Message from the Directors

With the rapidly unfolding economic crisis that has come out of the COVID-19 pandemic, 2020 performance will be impacted. The global economic outlook has worsened considerably since quarter one 2020 with GDP projection at minus three per cent from the initial projection of 3.3 per cent growth. In Kenya, the Central Bank of Kenya revised its GDP forecast down to 2.3 per cent from its 3.4 per cent outlook in March 2020.

In response to the pandemic, we have invested over KShs 59 million to ensure the safety of our staff and enabling them to continue supporting our clients. This has been in the form of necessary technology, appropriate personal protective equipment and premises safety & hygiene measures.

Our digital investments have seen us offer over 70 services on the SC Mobile App, significantly reducing the need for clients to visit a branch. To support our clients, we have restructured facilities amounting to KShs 22 billion and extended KShs 1.6 billion of additional financing to SMEs that are at the forefront of fighting the pandemic. We remain committed to continue supporting our clients through the disruption.

For our wider community, we recently donated KShs 122 million to boost short-term emergency relief support to vulnerable communities. We commit to delivering longer-term assistance to our communities.

We remain alert and watchful to manage the rapidly evolving situation. We will continue to support our employees and clients, and to manage our risk, capital and liquidity with that view in mind.

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 48 Westlands Road.

Patrick Obath	Kariuki Ngari
Chairman	Managing Director & Chief Executive Officer
28 May 2020	

Standard Chartered Bank Kenya Limited is regulated by Central Bank