

## Standard Chartered Bank Kenya Limited

### Audited results for year ended 31<sup>st</sup> December 2007

Year ended 31st December	2007	2006	Variance
<b>INTEREST INCOME</b>	Kshs '000	Kshs '000	
Loans and Advances	4,209,733	3,818,236	10.25%
Government Securities	2,211,107	2,388,456	-7.43%
Deposits and Placements	517,040	220,380	134.61%
Other Interest Income	184,771	183,120	0.90%
<b>TOTAL INTEREST INCOME</b>	<b>7,122,651</b>	<b>6,610,192</b>	<b>7.75%</b>
<b>INTEREST EXPENSE</b>			
Customer deposits	1,395,273	1,465,267	-4.78%
Deposits and placements	132,187	105,379	25.44%
Other Interest Expenses	-	-	
<b>TOTAL INTEREST EXPENSES</b>	<b>1,527,460</b>	<b>1,570,646</b>	<b>-2.75%</b>
<b>NET INTEREST INCOME</b>	<b>5,595,191</b>	<b>5,039,546</b>	<b>11.03%</b>
<b>OTHER OPERATING INCOME</b>			
Fees and commissions on loans	404,063	393,636	2.65%
Other fees and commissions	1,681,738	1,577,539	6.61%
Forex Trading income	1,261,278	849,247	48.52%
Dividend Income	-	-	-
Other income	651,359	88,464	636.30%
<b>Total Non-interest income</b>	<b>3,998,438</b>	<b>2,908,886</b>	<b>37.46%</b>
<b>TOTAL OPERATING INCOME</b>	<b>9,593,629</b>	<b>7,948,432</b>	<b>20.70%</b>
<b>OTHER OPERATING EXPENSES</b>			
Loan Loss Provision	250,249	520,212	-51.89%
Staff Costs	2,507,488	1,780,869	40.80%
Directors Emoluments	83,950	119,986	-30.03%
Rental Charges	174,990	142,687	22.64%
Depreciation	156,566	144,770	8.15%
Amortization	12,172	15,959	-23.73%
Other operating Expenses	1,498,026	1,413,522	5.98%
<b>TOTAL</b>	<b>4,683,441</b>	<b>4,138,005</b>	<b>13.18%</b>
<b>OPERATING PROFITS</b>	<b>4,910,188</b>	<b>3,810,427</b>	<b>28.86%</b>
Exceptional Items	-	-	-
<b>PROFIT BEFORE TAX</b>	<b>4,910,188</b>	<b>3,810,427</b>	<b>28.86%</b>
Taxation	(1,589,422)	(1,148,103)	38.44%
Deferred Tax	149,111	(28,024)	-632.08%
<b>PROFIT AFTER TAX</b>	<b>3,469,877</b>	<b>2,634,300</b>	<b>31.72%</b>
<b>EPS</b>	<b>12.14</b>	<b>9.07</b>	<b>33.85%</b>
<b>DPS</b>	<b>10</b>	<b>8.5</b>	<b>17.65%</b>

The Bank has more than tripled its growth rate, with a 29 per cent increase in pre-tax profits for 2007 against 9 per cent for the previous year. It hit Kshs4.9bn from Kshs3.8bn, boosted by increased business volumes. The Bank's overall revenue expanded to Kshs9.6bn, registering a growth of 21 per cent.

Loans and advances doubled their growth to 10 per cent at Kshs39.5bn, against a pace of 5 per cent in 2006 at Kshs35.8bn. Increase in foreign exchange earnings was outstanding, growing by 49 per cent to Kshs1.3bn, from Kshs0.80bn earned in 2006.

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Profits after tax grew by 31 per cent to stand at Kshs3.4bn against Kshs2.6bn recorded in a similar period in 2006. Earnings per share also grew remarkably to Kshs12.14 per share from Kshs9.07, a 33 per cent increase.

### **Dividends**

During the year, the Bank paid two interim dividends of Kshs2.50 each for every ordinary share of Kshs5 paid on September and December 2007. The Board recommended to shareholders payment of a final dividend of Kshs5.00, bringing the total dividend to Kshs10.00, up from the previous year's Kshs8.50.

### **Outlook**

With the strong revenue growth and proactive risk management that the Bank has undertaken, the management expects this to spurn positive growth in the coming year.