

OTHER DISCLOSURES	BANK		PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010	GROUP		BANK	
	2010	2009		2010	2009	2010	2009
AS AT 31 DECEMBER 2010	KShs '000	KShs '000		KShs '000	KShs '000	KShs '000	KShs '000
1) NON-PERFORMING LOANS AND ADVANCES			INTEREST INCOME				
a) Gross non-performing loans and advances	1,205,556	1,473,750	Loans and advances	5,995,619	5,789,506	5,995,619	5,789,506
Less			Government securities	3,660,676	3,139,456	3,660,676	3,139,456
b) Interest in suspense	413,889	464,688	Deposits and placements with banking institutions	128,915	595,089	128,915	595,089
c) Total Non-Performing Loans and Advances (a-b)	791,667	1,009,062	Other Interest Income	127,225	94,789	127,225	94,789
Less			Total Interest Income	9,912,435	9,618,840	9,912,435	9,618,840
d) Loan loss Provisions	481,214	431,716	INTEREST EXPENSES				
e) Net Non-Performing Loans (c-d)	310,453	577,346	Customer deposits	1,144,871	1,658,801	1,149,117	1,662,628
f) Discounted Value of Securities	185,844	384,565	Deposits and placements from banking institutions	362,433	235,723	362,433	235,723
g) Net NPLs Exposure (e-f)	124,609	192,781	Other Interest Expenses	21,821	-	21,821	-
			Total Interest Expenses	1,529,125	1,894,524	1,533,371	1,896,351
2) INSIDER LOANS AND ADVANCES			NET INTEREST INCOME	8,383,310	7,724,316	8,379,064	7,720,489
a) Directors, shareholders and associates	32,384	19,914	OTHER OPERATING INCOME				
b) Employees	2,404,864	1,881,409	Fees and commissions on loans and advances	690,819	639,567	690,819	639,567
c) Total Insider Loans and Advances	2,437,248	1,901,323	Other fees and commissions	1,939,937	1,742,647	1,925,089	1,738,376
			Foreign exchange trading income	1,622,154	1,752,797	1,622,154	1,752,797
3) OFF-BALANCE SHEET ITEMS			Dividend income	-	230	-	230
a) Letters of credit/guarantees, acceptances	24,366,053	23,374,301	Other income	1,513,868	575,915	1,513,868	575,915
b) Other contingent items	29,008,290	24,440,044	Total other operating income	5,766,778	4,711,156	5,751,930	4,706,885
c) Total off balance sheet items	53,374,343	47,814,345	TOTAL OPERATING INCOME	14,150,088	12,435,472	14,130,994	12,427,374
4) CAPITAL STRENGTH			OPERATING EXPENSES				
a) Core Capital	11,393,981	10,656,461	Loan loss provision	446,680	548,303	446,680	548,303
b) Minimum Statutory Capital	500,000	350,000	Staff costs	3,314,797	2,740,485	3,310,733	2,735,529
c) Excess/ (Deficiency) (a-b)	10,893,981	10,306,461	Directors' emoluments	88,030	107,130	88,030	107,130
d) Supplementary Capital	335,246	258,230	Rental Charges	261,132	240,886	261,132	240,886
e) Total capital (a+d)	11,729,227	10,914,691	Depreciation charge on property and equipment	205,596	209,665	205,596	209,665
f) Total risk weighted assets	81,936,011	75,462,461	Amortisation charges	96,767	7,917	96,767	7,917
g) Core capital/total deposit liabilities	11%	12%	Other operating expenses	2,055,292	1,772,638	2,054,614	1,771,991
h) Minimum Statutory Ratio	8%	8%	Total Operating Expenses	6,468,204	5,707,025	6,463,462	5,701,422
i) Excess/ (Deficiency) (g-h)	3%	4%	PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	7,681,884	6,728,447	7,667,532	6,725,952
j) Core capital/total risk weighted assets	14%	14%	Exceptional items	-	-	-	-
k) Minimum Statutory Ratio	8%	8%	PROFIT AFTER EXCEPTIONAL ITEMS	7,681,884	6,728,447	7,667,532	6,725,952
l) Excess/ (Deficiency) (j-k)	6%	6%	Current tax	2,333,020	2,066,961	2,329,846	2,066,959
m) Total capital/total risk weighted assets	14%	14%	Deferred tax	(27,327)	(71,268)	(28,502)	(72,117)
n) Minimum Statutory Ratio	12%	12%	PROFIT AFTER TAX AND EXCEPTIONAL ITEMS	5,376,191	4,732,754	5,366,188	4,731,110
o) Excess/ (Deficiency) (m-n)	2%	2%	BASIC AND DILUTED EARNINGS PER SHARE (Restated - KShs)	18.58	16.45	18.55	16.44
5) LIQUIDITY			DIVIDENDS PER SHARE (KShs)	13.50	12.00	13.50	12.00
a) Liquidity Ratio	55%	45%					
b) Minimum Statutory Ratio	20%	20%					
c) Excess/ (Deficiency) (a-b)	35%	25%					
DIVIDENDS			BALANCE SHEET AS AT 31 DECEMBER 2010				
The Board has resolved to recommend to the shareholders at the forthcoming Annual General Meeting, the payment of a final dividend for the year of KShs 8.50 for every ordinary share of KShs 5.00. One interim dividend of KShs 5.00 each for every ordinary share of KShs 5.00 was paid in December 2010. The total dividend therefore, is KShs 13.50 (2009- KShs 12.00).							
The dividend will be payable to shareholders registered on the Company's Register at the close of business on 5 April 2011 and will be paid on or after 19 May 2011.							
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 30 June to 30 December 2010 at the rate of 6% per annum on the issue price of each share.							
The Register will remain closed on 6 April 2011 for the preparation of dividend warrants.							
NOTICE OF THE ANNUAL GENERAL MEETING			ASSETS				
Notice is hereby given that the twenty fifth Annual General Meeting of the Shareholders of the Company will be held at the Kenyatta International Conference Centre, on 19 May 2011 at 11.30 a.m.			Cash (both local and foreign)	2,663,148	2,909,461	2,663,148	2,909,461
			Balances due from Central Bank of Kenya	5,547,674	4,819,411	5,547,674	4,819,411
			Kenya Government securities	51,353,787	41,159,849	51,353,787	41,159,849
			Foreign currency treasury bills and bonds	-	-	-	-
			Deposits and balances due from local banking institutions	3,111,053	1,450,000	3,111,053	1,450,000
			Deposits and balances due from banking institutions abroad	132,815	42,177	132,815	42,177
			Kenya Government and other securities held for dealing purposes	4,079,800	4,640,330	4,079,800	4,640,330
			Tax recoverable	-	-	-	-
			Loans and advances to customers (net)	60,338,829	56,694,876	60,338,829	56,694,876
			Investment securities	-	-	-	-
			Balances due from group companies	5,208,201	7,384,694	5,208,201	7,384,694
			Investments in associates	-	-	-	-
			Investments in subsidiary companies	-	-	140,243	140,243
			Investment properties	-	-	-	-
			Property and equipment	3,676,107	2,343,765	3,676,107	2,343,765
			Prepaid lease rentals	110,513	204,449	110,513	204,449
			Intangible assets	4,739,681	3,302	4,739,681	3,302
			Deferred tax asset	-	80,516	-	74,333
			Retirement benefit asset	-	-	-	-
			Other assets	1,786,641	2,046,042	1,780,178	2,042,229
			TOTAL ASSETS	142,746,249	123,778,972	142,880,029	123,909,119
			LIABILITIES				
			Balances due to Central Bank of Kenya	-	5,512,752	-	5,512,752
			Customer deposits	100,504,065	86,773,652	100,504,065	86,773,652
			Deposits and balances due to local banking institutions	3,565,307	4,681,331	3,565,307	4,681,331
			Deposits and balances due to banking institutions abroad	647,373	338,214	647,373	338,214
			Other money market deposits	-	-	-	-
			Borrowed funds	-	-	-	-
			Balances due to group companies	10,397,957	7,846,663	10,660,000	8,094,648
			Tax payable	36,247	309,423	44,918	320,632
			Dividends payable	-	-	-	-
			Deferred tax liability	1,098,526	-	1,103,634	-
			Retirement benefit liability	165,076	121,413	165,076	121,413
			Other liabilities	6,000,576	4,203,369	5,979,169	4,184,954
			TOTAL LIABILITIES	122,415,127	109,786,817	122,669,542	110,027,596
			SHAREHOLDERS' FUNDS				
			Paid up/assigned capital	1,715,386	1,639,839	1,715,386	1,639,839
			Share premium/(discount)	4,836,258	2,520,000	4,836,258	2,520,000
			Revaluation reserves	1,232,254	982,937	1,232,254	982,937
			Retained earnings/(accumulated losses)	7,872,096	6,607,254	7,751,461	6,496,622
			Statutory reserve	259,155	179,070	259,155	179,070
			Proposed dividends	2,524,846	1,988,465	2,524,846	1,988,465
			Other reserves	1,891,127	74,590	1,891,127	74,590
			TOTAL SHAREHOLDERS' FUNDS	20,331,122	13,992,155	20,210,487	13,881,523
			TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	142,746,249	123,778,972	142,880,029	123,909,119

7 March 2011

The full Annual Report & Financial Statements will be available on www.standardchartered.com/ke/investor_relations/en/ after 15 April 2011W. Kiboro Chairman
R.M. Etemesi Managing Director and Chief Executive Officer

The financial statements were approved by the Board of Directors on 7 March 2011 and signed on its behalf by:

MESSAGE FROM THE DIRECTORS
The above Profit and Loss Account and Balance Sheet are extracts of financial statements audited by KPMG Kenya. To get a full picture of the Group's performance, the set of published financial statements will be available from the Company Secretary at our new offices, Standard Chartered @ Chiromo, Number 48 Westlands Road, after approval by members at the Annual General Meeting.NOTICE OF THE ANNUAL GENERAL MEETING
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