

The Board of Directors of Standard Chartered Bank Kenya Limited is pleased to announce the audited results of the Group and the Bank for the year ended 31 December 2006

	BANK			GROUP			BANK	
	2006	2005		2006	2005	2006	2005	
OTHER DISCLOSURES	KShs '000	KShs '000	PROFIT AND LOSS ACCOUNT	KShs '000	KShs '000	KShs '000	KShs '000	
AS AT 31 DECEMBER 2006			FOR THE YEAR ENDED 31 DECEMBER 2006					
1) NON-PERFORMING LOANS AND ADVANCES			INTEREST INCOME					
a) Gross non-performing loans and advances	2,645,967	2,370,640	Loans and advances	3,818,236	3,311,636	3,818,236	3,311,636	
Less			Government securities	2,388,456	1,916,779	2,388,456	1,916,779	
b) Interest in suspense	756,244	691,191	Deposits and placements with banking institutions	220,380	259,027	220,380	259,027	
c) Total Non-Performing Loans and Advances (a-b)	1,889,723	1,679,449	Other Interest Income	183,120	86,844	183,120	86,844	
Less			Total Interest Income/(loss)	6,610,192	5,574,286	6,610,192	5,574,286	
d) Loan loss Provisions	734,882	384,809	INTEREST EXPENSES					
e) Net Non-Performing Loans (c-d)	1,154,841	1,294,640	Customer deposits	1,375,475	935,598	1,380,416	940,754	
f) Realizable Value of Securities	1,154,841	1,294,640	Deposits and placements from banking institutions	105,379	61,175	105,379	61,175	
g) Net NPLs Exposure (e-f)	-	-	Other Interest Expenses	-	-	-	-	
2) INSIDER LOANS AND ADVANCES			Total Interest Expenses	1,480,854	996,773	1,485,795	1,001,929	
a) Directors, shareholders and associates	38,437	8,939	NET INTEREST INCOME	5,129,338	4,577,513	5,124,397	4,572,357	
b) Employees	993,101	913,894	OTHER OPERATING INCOME					
c) Total Insider Loans and Advances	1,031,538	922,833	Fees and commissions on loans and advances	393,636	365,227	393,636	365,227	
3) OFF-BALANCE SHEET ITEMS			Other fees and commissions	1,577,539	1,633,459	1,567,219	1,614,628	
a) Letters of credit, guarantees, acceptances	13,169,347	12,962,868	Foreign exchange trading income/(loss)	849,247	870,653	849,247	870,653	
b) Other contingent items	16,937,681	10,225,134	Dividend income	-	-	-	-	
c) Total off balance sheet items	30,107,028	23,188,002	Other income	88,464	70,725	88,464	70,725	
4) CAPITAL STRENGTH			Total other operating income	2,908,886	2,940,064	2,898,566	2,921,233	
a) Core Capital	8,367,299	8,388,022	TOTAL OPERATING INCOME	8,038,224	7,517,577	8,022,963	7,493,590	
b) Minimum Statutory Capital	250,000	250,000	OPERATING EXPENSES					
c) Excess/ (Deficiency) (a-b)	8,117,299	8,138,022	Loan loss provision	520,212	581,874	520,212	581,874	
d) Supplementary Capital	256,143	85,782	Staff costs	1,780,869	1,596,237	1,778,312	1,595,124	
e) Total capital (a+d)	8,623,442	8,473,804	Directors' emoluments	119,986	136,512	119,986	136,512	
f) Total risk weighted assets	45,667,099	58,015,366	Rental Charges	142,687	125,840	142,687	125,840	
g) Core capital/total deposit liabilities	13%	14%	Depreciation charge on property and equipment	144,770	213,357	144,770	213,357	
h) Minimum Statutory Ratio	8%	8%	Amortisation charges	15,959	66,760	15,959	66,760	
i) Excess/ (Deficiency) (g-h)	5%	6%	Other operating expenses	1,503,314	1,284,316	1,503,314	1,273,789	
j) Core capital/total risk weighted assets	18%	14%	Total Operating Expenses	4,227,797	4,004,896	4,225,089	3,993,256	
k) Minimum Statutory Ratio	8%	8%	PROFIT/(LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS	3,810,427	3,512,681	3,797,874	3,500,334	
l) Excess/ (Deficiency) (j-k)	10%	6%	Exceptional items	-	-	-	-	
m) Total capital/total risk weighted assets	19%	15%	PROFIT/(LOSS) BEFORE TAX	3,810,427	3,512,681	3,797,874	3,500,334	
n) Minimum Statutory Ratio	12%	12%	Current tax	(1,148,103)	(1,114,209)	(1,145,795)	(1,109,765)	
o) Excess/ (Deficiency) (m-n)	7%	3%	Deferred tax	(28,024)	53,702	(26,566)	52,963	
5) LIQUIDITY			PROFIT/(LOSS) AFTER TAX AND EXCEPTIONAL ITEMS	2,634,300	2,452,174	2,625,513	2,443,532	
a) Liquidity Ratio	57%	55%	BASIC AND DILUTED EARNINGS PER SHARE (KShs)	9.07	8.72	9.04	8.69	
b) Minimum Statutory Ratio	20%	20%	DIVIDENDS PER SHARE (KShs)	8.50	7.50	8.50	7.50	
c) Excess/ (Deficiency) (a-b)	37%	35%						
DIVIDENDS			BALANCE SHEET AS AT 31 DECEMBER 2006					
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 4.10 for every ordinary share of KShs 5.00. Two interim dividends of KShs 2.20 each for every ordinary share of KShs 5.00 were paid in September and December 2006. The total dividend therefore, is KShs 8.50 (2005- KShs 7.50).								
The dividend will be payable to shareholders registered on the Company's Register at the close of business on 4 April 2007 and will be paid on or after 31 May 2007.								
The Directors are also pleased to announce the payment of the final dividend of the non-cumulative, non-redeemable, non-participating, non-voting and non-convertible preference shares for the period 30 June to 30 December 2006 at the rate of 6% per annum on the issue price of each share.								
The Register will remain closed on 5 April 2007 for the preparation of dividend warrants.								
NOTICE OF THE ANNUAL GENERAL MEETING			ASSETS					
Notice is hereby given that the twenty first Annual General Meeting of the Shareholders of the Company will be held at the Kenyatta International Conference Centre, on 31 May 2007 at 11.30 a.m.			Cash (both local and foreign)	1,595,056	1,329,691	1,595,056	1,329,691	
MESSAGE FROM THE DIRECTORS			Balances due from Central Bank of Kenya	3,987,489	6,242,696	3,987,489	6,242,696	
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 offices at Stanbank House, Moi Avenue, after approval by members at the Annual General Meeting.			Kenya Government securities	27,651,320	21,933,778	27,651,320	21,933,778	
The financial statements were approved by the Board of Directors on 1 March 2007 and signed on its behalf by:			Foreign currency treasury bills and bonds	-	-	-	-	
D.G. Njoroge Chairman			Deposits and balances due from local banking institutions	568	24	568	24	
R.M. Etemesi Managing Director and Chief Executive Officer			Deposits and balances due from banking institutions abroad	164,794	150,499	164,794	150,499	
1 March 2007			Kenya Government and other securities held for dealing purposes	538,186	743,654	538,186	743,654	
			Tax recoverable	77,425	-	69,238	-	
			Loans and advances to customers (net)	35,762,284	34,042,029	35,762,284	34,042,029	
			Investment securities	-	-	-	-	
			Balances due from group companies	7,485,599	5,014,657	7,485,599	5,014,657	
			Investments in associates	-	-	-	-	
			Investments in subsidiary companies	-	-	140,243	140,243	
			Investment properties	-	-	-	-	
			Property and equipment	872,055	916,305	872,055	916,305	
			Prepaid lease rentals	218,311	225,489	218,311	225,489	
			Intangible assets	11,334	-	11,334	-	
			Deferred tax asset	64,347	131,207	54,814	120,216	
			Retirement benefit asset	147,000	80,000	147,000	80,000	
			Other assets	2,438,355	2,031,588	2,436,944	2,030,007	
			TOTAL ASSETS	81,014,123	72,841,617	81,135,235	72,969,288	
			LIABILITIES					
			Balances due to Central Bank of Kenya	-	-	-	-	
			Customer deposits	64,879,129	59,683,127	64,879,129	59,683,127	
			Deposits and balances due to local banking institutions	2,256,590	90,391	2,256,590	90,391	
			Deposits and balances due to banking institutions abroad	332,576	27,222	332,576	27,222	
			Other money market deposits	-	-	-	-	
			Borrowed funds	-	-	-	-	
			Balances due to group companies	282,162	1,273,754	510,713	1,497,634	
			Tax payable	-	145,008	-	148,189	
			Dividends payable	-	-	-	-	
			Deferred tax liability	-	-	-	-	
			Retirement benefit liability	-	-	-	-	
			Other liabilities	3,133,809	2,032,866	3,117,201	2,015,520	
			TOTAL LIABILITIES	70,884,266	63,252,368	71,096,209	63,462,083	
			SHAREHOLDERS' FUNDS					
			Paid up/assigned capital	1,639,839	1,639,839	1,639,839	1,639,839	
			Share premium/(discount)	2,520,000	2,520,000	2,520,000	2,520,000	
			Revaluation reserves	152,471	157,607	152,471	157,607	
			Retained earnings/(accumulated losses)	4,298,291	4,310,227	4,207,460	4,228,183	
			Statutory reserve	218,025	46,380	218,025	46,380	
			Fair value reserve	101,473	10,857	101,473	10,857	
			Proposed dividends	1,199,758	904,339	1,199,758	904,339	
			Capital grants	-	-	-	-	
			TOTAL SHAREHOLDERS' FUNDS	10,129,857	9,589,249	10,039,026	9,507,205	
			TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	81,014,123	72,841,617	81,135,235	72,969,288	