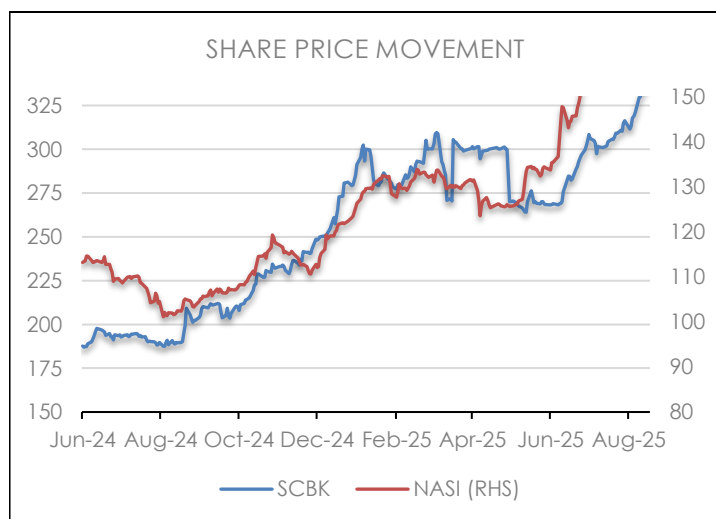


Bloomberg Ticker	SCBL:KN
Reuters Ticker	SCBK:NR
Latest closing price (KES)	341.50
Market Cap. (Mn)	129,036
Issued Shares (Mn)	378
12 months high (KES)	347.50
12 months low (KES)	134.00
Year end	Dec

Source: NSE, OMS Research

Summary	H1 23	H1 24	H1 25
EPS (KES)	18.06	26.99	21.18
Book Value Per Share	151.21	169.67	173.61
P/B ratio (x)	1.05	1.15	1.97
DPS (KES)	-	8.00	8.00
Loans to Deposits Ratio	51.3%	54.0%	52.4%
NFI/Total income	33.7%	36.6%	30.7%
Cost to Income less prov	44.1%	38.4%	45.3%
Return on Average Equity	3.6%	5.2%	4.2%
Return on Average Asset	23.6%	31.5%	22.3%

Source: Company filings, OMS Research calculations



Source: NSE, OMS Research

❖ *EPS declined 21.5% year on year to KES 21.18 from KES 26.99.*

Dear Investor,

Standard Chartered Bank of Kenya released their half year 2025 results registering a 21.3% year on year decline in profit after tax to KES 8.1Bn and currently trades at P/B value of 1.97x.

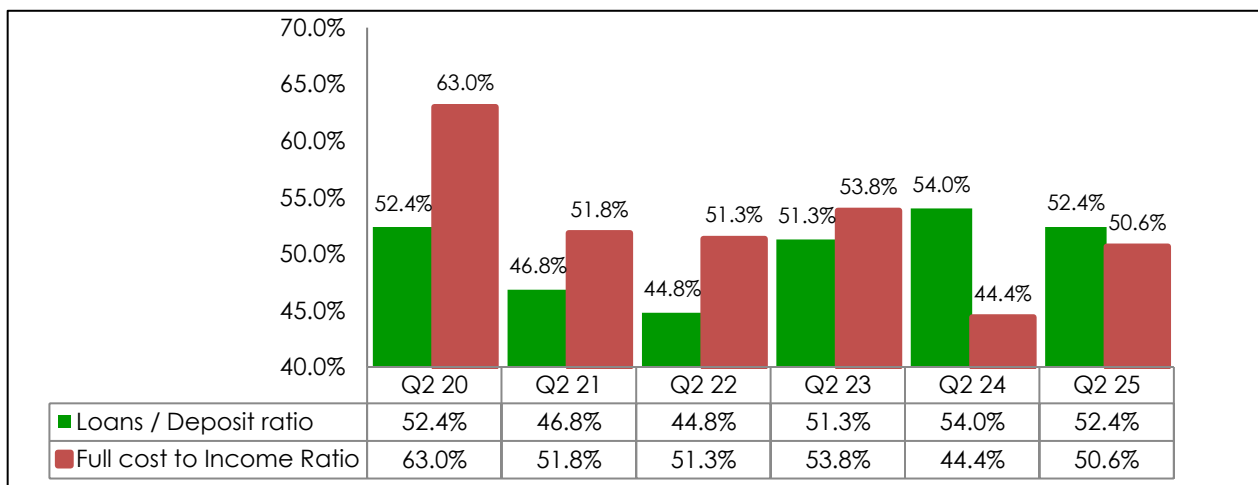
Pre – provision profit declined 24.8% year on year to KES 12.1Bn from KES 16.1Bn. Find a summary of the results stated below.

Key Highlights

- Net interest income declined 7.4% year on year to KES 15.3Bn from KES 16.5Bn, driven by a 10.5% decline in total interest income to KES 17.2Bn.
- Interest from government securities grew 42.0% year on year to KES 6.1Bn while interest from loans and placements declined 18.2% and 49.5% to KES 9.4Bn and KES 1.8Bn respectively.
- Total interest expense declined by 29.4% year on year to KES 1.9Bn. Customer deposits interest, placement and other interest expense decreased 19.4%, 37.5% and 88.8% year on year to KES 1.8Bn, 0.1Bn and 0.04Bn respectively.
- Non-funded income (NFI) declined 29.0% to KES 6.8Bn driven by reduced transactional volumes and margins which drove total fees and commissions income, decreasing 2.0% year on year to KES 3.3Bn.
- Additionally, forex trading income declined 59.5% to KES 2.0Bn. NFI to total income stood at 30.7% from 36.6% in H1 2024.
- Total revenue declined 15.3% year on year from KES 26.1Bn to KES 22.1Bn, driven by declined performance across its revenue line business.
- Total operating expenses declined 3.4% to close at KES 11.2Bn, driven by a decline in loan loss provision of 24.6% year on year to KES 1.2Bn.



- Excluding loan loss provisions, operating costs remained flat at KES 10.0Bn as staff costs declined 5.2% while other operating expenses grew 4.8% year on year. Cost to income ratio less provisions settled at 45.3% from 38.4% in H1 2024.
- The bank registered a 21.3% rise in after-tax profits to KES 8.1Bn. Profit before tax declined 24.8% to KES 10.9Bn from KES 14.5Bn reflecting negative jaws. Effective tax declined 33.2% year on year to KES 2.8Bn from KES 4.2Bn.
- The bank's balance sheet declined 1.4% to KES 372.1Bn from KES 377.3Bn in H1 2024. Net loans grew 1.9% to KES 152.2Bn while investment in government securities grew by 42.3% year on year to KES 108.8Bn from KES 76.5Bn.
- Customer deposits grew 5.1% year on year to KES 290.6Bn from KES 276.4Bn. Interest from customer deposits declined 19.4% year on year. In effect, our analysis indicates that the cost of funds settled at 1.3%.
- Gross non-performing loans declined 29.4% year on year to settle at KES 9.6Bn. Gross loans decreased 0.3% year on year to KES 159.5Bn. Gross NPL's to Gross loans came in at 6.0%.
- Despite the decline in performance, the directors have recommended the payment of an interim dividend of KES 8.00, the same as last year's dividend.



Source: Company Filings, OMS calculations



Summarized Financials

<u>Income and Statement (KES Mn)</u>	H1 24	H1 25	y/y %ch
Interest income	19,229	17,215	(10.5%)
Interest expense	(2,710)	(1,914)	(29.4%)
Net Interest Income	16,519	15,301	(7.4%)
Fees and commission	3,416	3,348	(2.0%)
Forex trading	4,917	1,992	(59.5%)
Other income	1,224	1,445	18.1%
Non-Interest Income	9,556	6,785	(29.0%)
Total Income	26,075	22,086	(15.3%)
Operating costs	(10,019)	(10,008)	(0.1%)
Pre-provision profit	16,056	12,078	(24.8%)
Loan loss provision/credit loss	(1,561)	(1,177)	(24.6%)
Exceptional items	-	-	
Share of associates profit	-	-	
Profit Before Tax	14,495	10,901	(24.8%)
Tax	(4,213)	(2,814)	(33.2%)
Profit After Tax	10,282	8,087	(21.3%)
Attributable income	10,198	8,003	(21.5%)
EPS (KES)	26.99	21.18	(21.5%)
DPS (KES)	8.00	8.00	
<u>Balance Sheet (KES Mn)</u>	H1 24	H1 25	y/y %ch
Assets			
Net Loans	149,309	152,205	1.9%
Deposits due from other banks	528	557	5.4%
Investment Securities	76,461	108,801	42.3%
Cash and balances from banks	13,364	15,317	14.6%
Fixed assets	3,463	3,439	(0.7%)
Intangible assets	5,339	5,740	7.5%
Other assets	137,621	95,209	(30.8%)
Total Assets	377,284	372,090	(1.4%)
Liabilities			
Deposits due to other banks	625	419	(32.9%)
Borrowed funds	-	-	
Customer Deposits	276,402	290,590	5.1%
Other liabilities	36,146	15,482	(57.2%)
Total Liabilities	313,172	306,490	(2.1%)
Total shareholders equity	64,111	65,599	2.3%
Total equity and liabilities	377,284	372,090	(1.4%)

Source: Company filings, OMS Research



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