



Dear Investor,

Standard Chartered Bank of Kenya released their quarter three 2025 results registering a 38.2% year on year decline in profit after tax to KES 9.8Bn. The bank currently trades at P/B value of 1.77x.

## Performance highlights

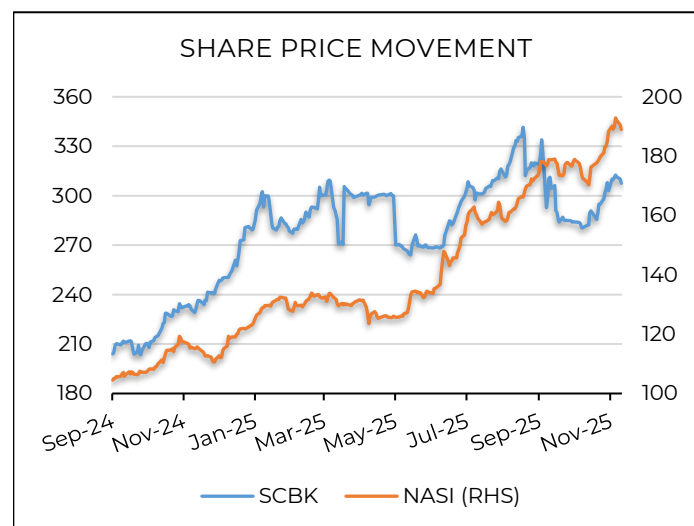
- Net interest income declined 10.3% year on year to KES 22.3Bn from KES 24.8Bn driven by depressed volume growth in lending and margin compression on the back of declining interest rates. However, the decline has partially been mitigated by lower cost of funds on customer deposits and growth in interest income from government securities. Interest from government securities grew 30.5% year on year to KES 8.7Bn while interest from loans decreased by 21.4% to KES 13.6Bn. Total interest income declined 13.5% year on year to KES 25.1Bn.
- Total interest expense declined 32.0% year on year to settle at KES 2.9Bn driven by interest on customer deposits, deposits from banking institutions and other interest expenses declining by 18.3%, 45.8% and 91.3% respectively.
- Non-funded income (NFI) declined 28.6% to KES 10.2Bn. Declining transactional volumes and margins and margins in transaction services and markets drove total fees and commissions income to decline by 6.9% year on year to KES 5.1Bn. Forex trading income declined 58.9% to KES 2.7Bn. Other income grew 11.8% settling at KES 2.3Bn. NFI to total income stood at 31.3% from 36.4% in Q3 2024.
- Total revenue declined 17.0% year on year from KES 39.1Bn to KES 32.4Bn.

Bloomberg Ticker	SCBL:KN
Reuters Ticker	SCBK:NR
Latest closing price (KES)	298.25
Market Cap. (Mn)	112,694
Issued Shares (Mn)	378
12 months high (KES)	347.50
12 months low (KES)	134.00
Year end	Dec

Source: NSE, OMS Research

Summary	Q3 23	Q3 24	Q3 25
EPS (KES)	25.44	41.60	25.57
Book Value Per Share	158.04	176.09	168.79
DPS (KES)	6.00	8.00	-
Loans to Deposits Ratio	48.0%	53.2%	51.7%
NFI/Total income	27.9%	36.4%	31.3%
Cost to Income less provisions	47.3%	37.5%	53.9%
ROaA (%)	3.5	5.4	2.6
ROaE (%)	22.2	32.3	14.4

Source: Company Filings, OMS Research

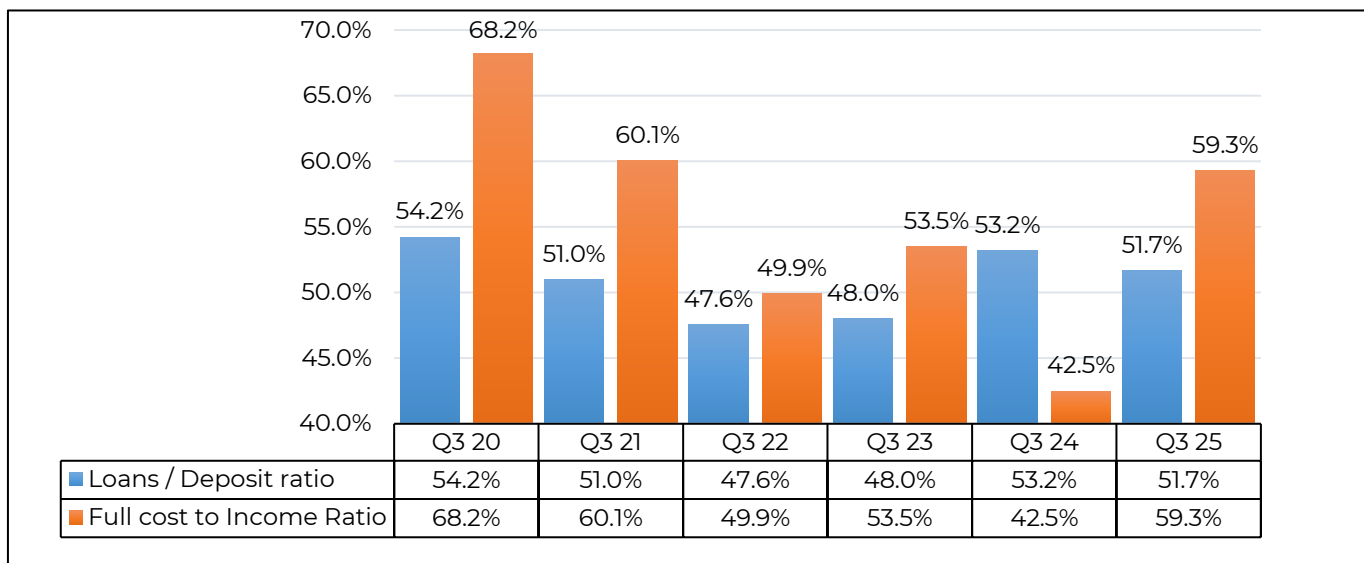


Source: NSE, OMS Research





- Total operating expenses surged 15.8% to close at KES 19.2Bn from KES 16.6Bn in Q3 2024. Loan loss provision reduced 10.9% year on year to KES 1.7Bn from KES 2.0Bn from recoveries, prudent oversight of the loan book and a continued focus on asset quality. Excluding loan loss provisions, operating costs edged up 19.4% year on year to KES 17.5Bn attributed to a one-off employee past service cost of KES 2.7Bn. Staff costs and other operating expenses grew 32.1% and 9.6% year on year respectively. Cost to income ratio less provisions settled at 53.9% from 37.5% in Q3 2024.
- The bank registered a 38.2% decline in after tax profits to KES 9.8Bn. Profit before tax declined 41.2% to KES 13.2Bn from KES 22.5Bn on account of revenue reduction and a one-off employee past service cost of KES 2.7Bn following the Supreme Court ruling on 5 September 2025 and the Retirement Benefits Appeal Tribunal (RBAT) Orders. Effective tax declined 48.4% year on year to KES 3.4Bn from KES 6.6Bn.
- The banks' balance sheet grew 3.6% to KES 384.4Bn from KES 370.9Bn in Q3 2024. Net loans declined 3.2% to KES 146.4Bn driven by a decline in transaction services, personal and mortgages loans. Investment in government securities grew 49.9% year on year to KES 109.4Bn.
- Customer deposits declined 0.3% year on year to KES 283.4Bn from KES 284.4Bn on account of reduction in customer balances as funding quality remains high in terms of current and savings accounts making up to 97% of total customer deposits.
- Gross Non-performing loans declined 24.8% year on year to settle at KES 9.1Bn. Gross loans decreased 3.7% year on year to KES 153.2Bn from KES 159.0Bn in Q3 2024. Gross NPL's to Gross loans came in at 6.0%.



Source: Company Filings





## Summarised Financials

<b>Income Statement</b>	<b>Q3 24</b>	<b>Q3 25</b>	<b>y/y %ch</b>
<b>Interest income</b>	29,050	25,135	(13.5%)
Interest expense	(4,211)	(2,863)	(32.0%)
<b>Net Interest Income</b>	<b>24,839</b>	<b>22,272</b>	(10.3%)
Total fees and commission	5,490	5,112	(6.9%)
Forex trading	6,682	2,744	(58.9%)
Other income	2,058	2,301	11.8%
<b>Non-Interest Income</b>	<b>14,231</b>	<b>10,157</b>	(28.6%)
<b>Total Income</b>	<b>39,069</b>	<b>32,430</b>	(17.0%)
Operating costs	(14,642)	(17,481)	19.4%
<b>Pre-provision profit</b>	<b>24,427</b>	<b>14,949</b>	(38.8%)
Loan loss provision/credit loss	(1,958)	(1,744)	(10.9%)
Exceptional items	-	-	
Share of associates profit	-	-	
<b>Profit Before Tax</b>	<b>22,470</b>	<b>13,204</b>	(41.2%)
Tax	(6,624)	(3,418)	(48.4%)
<b>Profit After Tax</b>	<b>15,846</b>	<b>9,787</b>	(38.2%)
Attributable income	15,678	9,703	(38.4%)
EPS (KES)	41.60	25.57	(38.5%)
DPS (KES)	8.00	-	
<b>Balance Sheet</b>	<b>Q3 24</b>	<b>Q3 25</b>	<b>y/y %ch</b>
<b>Assets</b>			
Net Loans	151,282	146,395	(3.2%)
Deposits due from other banks	6,576	7,301	11.0%
Investment Securities	72,993	109,381	49.9%
Cash and balances from banks	21,081	23,281	10.4%
Fixed assets	3,499	3,381	(3.4%)
Intangible assets	5,625	5,565	(1.1%)
Other assets	119,011	98,077	(17.6%)
<b>Total Assets</b>	<b>370,943</b>	<b>384,436</b>	3.6%
<b>Liabilities</b>			
Deposits due to other banks	360	6,180	1614.5%
Borrowed funds	-	-	
Customer Deposits	284,417	283,429	(0.3%)
Other liabilities	19,630	31,048	58.2%
<b>Total Liabilities</b>	<b>304,407</b>	<b>320,657</b>	5.3%
Total shareholders' equity	66,535	63,779	(4.1%)
<b>Total equity and liabilities</b>	<b>370,943</b>	<b>384,436</b>	3.6%

Source: Company Filings, OMS Research





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