CONTENTS

NKING CENTRE

STANDARD CHARTERE
'SUPERSAVER' HAS ITS
BIG ADVANTAGES.
14%

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Sixth Annual General Meeting of the Company will be held at the Hilton International Hotel, Moi Avenue, Nairobi on Thursday, 22nd April, 1993 at 3.00 p.m. for the following purposes:

i) To receive and consider the Audited Accounts for the year ended 31st December, 1992 and the Directors' and Auditors' reports thereon.

ii) To confirm the payment of the interim dividend of 18% and to approve the payment of a final dividend of 42% on the Ordinary Share Capital in respect of the year ended 31st December 1992 and on the Issued Share Capital on that date.

iii) a) To re-elect J.K. Gecau, a Director retiring by rotation, who being eligible, offers himself for reelection.

(b) To re-elect D.G. Grant, a Director retiring by rotation, who being eligible, offers himself for re-election.

(c) A. Cleary having been appointed to the Board, retires at this Annual General Meeting and being eligible, offers himself for re-election.

IV) To authorise the Board to fix the remuneration of the Directors.

V) To note that Peat Marwick will continue in office as Auditors by virtue of Section 159(2) of the Companies Act (Cap 486) and authorise the Directors to fix their remuneration.

By Order of the Board
A.M. Simwa
Company Secretary
P.O. Box 30003
Nairobi
1st April 1993

NOTE

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the company. To be valid, a form of proxy which is provided with this report, must be duly completed by the member and must be lodged at the registered office of the company, 2nd floor, Stanbank House, Moi Avenue, P.O. Box 30003, Nairobi or posted in time to reach the secretary not later than 3.00 p.m. on Tuesday 20th April, 1993.

DIRECTORS AND OFFICIALS

The directors of the Bank (from left to right)

D.A. OMARI – Chairman (inset), ALAN CLEARY – Managing Director & Chief Excecutive, I.O. AWUONDO, B. RogerS*, S.K. MUUMBI, W. Von ISENBURG*, M.E.G. MUHINDI, H.H.O. AWORI, A.M. SIMWA – Secretary and J.K. GECAU (seated)*

Addendum

J.R. Heaton*, D.G. Grant**

)3, NAIROBI

D, P.O. BOX 30003, NAIROBI

* British   ** American

CHAIRMAN'S STATEMENT
TAARIFA YA MWENYEKITI

The Kenyan economy slowed down considerably in 1992 due to the negative impact of suspension of foreign aid and postponement of investment decisions by a majority of potential investors while awaiting the outcome of the first multi party elections since independence. The inability of the major economies of the world to come out of one of the worst recessions in recent times did not help Kenya very much, impacting on tourism and inward investment flows.

The upturn in tea prices particularly was not enough to make up for the reduced volumes during 1992. Coffee prices did not also improve to the extent envisaged. These factors together with the depressed tourism industry and reduced flows from the international communities exerted considerable pressure on the foreign exchange reserves position.

Many manufacturers were faced with increasing input prices in the latter part of the year as they had to rely on the secondary market as a source of foreign exchange. This trend was particularly intensified during the second half of 1992 following further liberalisation of the foreign exchange market and introduction of Foreign Exchange retention accounts for exporters of non traditional commodities; later extended to cover 50% of the export proceeds by traditional commodities/goods exporters.

Inflation increased to unprecedented levels and was estimated at more than 35% for the year. There was a constant increase in the price of basic consumer goods during the year. Money supply also grew by about 20% in the first eight months of the year exacerbating the already high pressure on prices.

Despite the liberalisation of interest rates which took place in 1991 there was no change in the base rates established by Bank's shortly thereafter. Interest rates remained below the level of inflation therefore.

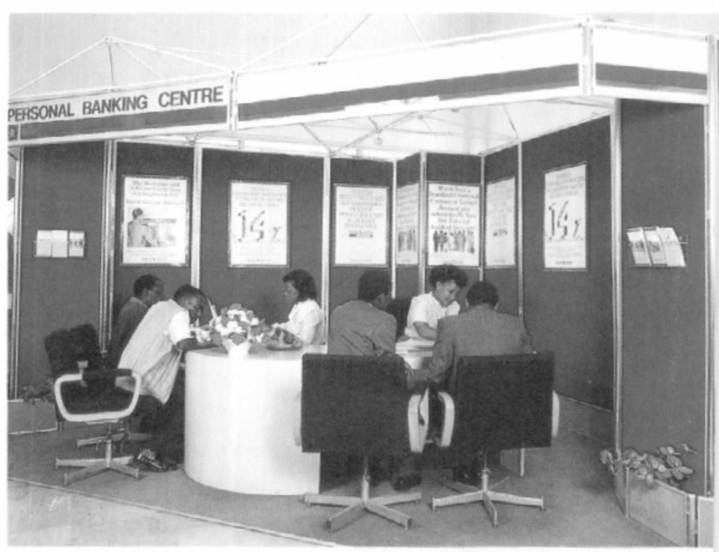
Despite these adverse economic conditions, I am happy to report that Group Pre-Tax Profit rose by 53.5% to a new record KShs 837.8 million. The full benefit of the Group restructuring which we undertook in early 1991 and which has resulted in better customer focus contributed significantly to this improved performance. There was considerable pressure on funding costs during the year. Through a combination of better management of our investment portfolio and taking advantage of the returns

Kusimamishwa kwa misaada ya kifedha na kupungua kwa uwekaji wa rasilimali kutokana na kusubiri matokeo ya uchaguzi wa vyama vingi kulifanya uchumi kuzorota mnamo mwaka 1992. Hali ngumu ya uchumi za mataifa yaliyoendelea ziliathiri sekta za kitalii nà uwekaji rasilimali humu nchini.

Ingawa bei ya majani ya chai ilikuwa nafuu, mapato kutokana na zao hilo kwa jumla, hayakutosheleza kufidia pungufu wa zao lenyewe mwaka 1992. Na wakati huo huo bei ya zao la kahawa haikufikia kiwango kilichotarajiwa. Hali hii ilitatiza zaidi mapato ya fedha za kigeni. Shughuli za sekta ya viwanda zilitatizwa na uhaba wa pesa za kigeni zilizohitajika kwa uagizaji wa vipuri na bidhaa za uzalishaji mali. Iliwabidi wenye viwanda kujipatia fedha za kigeni kutoka mashirika na watu binafsi kwa gharama kubwa zaidi. Hali hii ilizidi kuwa mbaya kufikia mwisho wa 1992 kutokana na kuruhusiwa kwa wauzaji bidhaa nchi za nje kuhifadhi wao wenyewe sehemu ya mapato yao ya fedha za kigeni katika akiba zao.

Gharama za maisha ziliongezeka kwa kiwango cha asilimia 35 mwaka jana, na bei za bidhaa za kawaida zilipanda mara kwa mara. Isitoshe, kiasi cha pesa nchini kiliongezeka kwa asilimia 20 katika miezi minane ya mwaka na kusababisha upandaji wa bei.

Kwa jumla viwango vya faida kwa wateja wenye akiba katika mabenki havikubadilika ingawa serikali ilifanya marekebisho katika shughuli za sekta ya kifedha mwaka 1991.



CUSTOMERS QUEUE AT YAYA CENTRE BRANCH

available from securities trading we were able to improve interest income streams. This also helped to offset the increase in operating costs resulting from higher inflation and the extension of VAT.

The difficult economic environment led to an increase in bad and doubtful debts resulting in the provision of KShs 43 million in 1992.

The Group deposit base which represents our raw material, increased by 17% to reach KShs 15.3 billion. Group assets rose by a similar percentage to KShs 18.6 billion.

Retail Banking Division made considerable progress during 1992, which saw a number of initiatives designed to improve service levels in our branches. These included:

- The introduction of "Express Counters", which offer fast and efficient no queue system to personal customers for cheque encashment.
- Our new "Moneylink" card which not only allows access to our Moneylink Cash Machines but also operates as a cheque guarantee card both with selected merchants and in our own branches
- The introduction of Floor Managers in our large branches who operate in the customer area and ensure that service quality is maintained at our counters.
- Further investment in Information and Technology has been made in order to further enhance our computer systems throughout the branch network. All branches are fully computerised, and we are currently piloting a

Mbali na matatizo haya yote, ni jambo la kutia moyo kwamba faida tuliyopata mwaka 1992 kabla ya ulipaji kodi iliongezeka kwa asilimia 53.5 na kufikia shilingi milioni 837.8. Faida hii ilitokana na urekebishaji wa muundo na utendaji shughuli zetu uliotekelezwa mapema mwaka 1991 na kutuwezesha kutoa huduma bora zaidi kwa wateja wetu. Usimamizi bora wa rasilimali zetu na biashara ya hisa uliimarisha mapato yetu na kutuwezesha kugharamia uendeshaji wa kazi zetu hata ingawa gharama za maisha zilipanda na tulilipa kodi ya V.A.T.

Hali ngumu ya kiuchumi ilisababisha wateja fulani kushindwa kulipa madeni yao Ikatubidi kutenga shilingi milioni 43 kufidia madeni haya mwaka 1992. Akiba ya wateja katika Benki na mashirika yake iliongezeka kwa asilimia 17 na kufikia shilingi bilioni 15.3 na rasilimali yetu kwa kiasi sawa na hicho hadi shilingi bilioni 18.6.

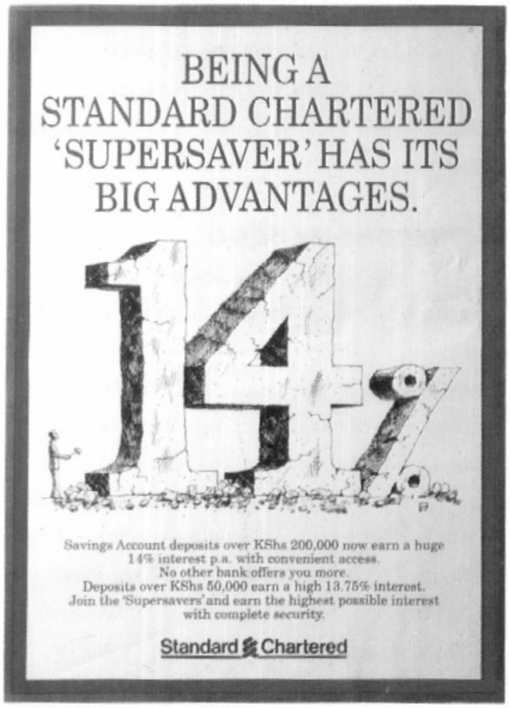
Idara inayosimamia shughuli za wateja binafsi (Retail Banking Division) ilipiga hatua kubwa kuimarisha huduma zake mwaka 1992. Baadhi ya mipango hii ilikuwa:

- *Kuanzishwa kwa vibanda maalumu "Express Counters" katika matawi yetu kuwahudumia kwa haraka zaidi wateja wenye hundi.*
- *Kuongezwa uwezo wa kadi ya Moneylink kuchukulia pesa na pia kudhamini hundi za wateja katika matawi yetu na mahali penginepo.*
- *Kuwekwa kwa wasimamizi (Floor Managers) katika matawi makubwa wanaohakikisha utoaji wa huduma bora kwa wateja.*
- *Kuimarishwa kwa ufundi wetu wa kompyuta utakaoendeleza huduma zetu katika matawi yetu kote nchini.*
- *Kuwa Benki ya kwanza nchini kuongeza masaa ya ufunguzi wa matawi yetu hadi saa tisa alasiri.*

Mwaka uliopita tulifanya utafiti uliotuwezesha kuanzisha huduma mpya na kuziendeleza tunazotoa sasa ili kutosheleza mahitaji ya wateja wetu. Baadhi ya huduma tulizoanzisha zilikuwa :

- *Akiba ya "Supersaver" inayotoa kiwango kikubwa cha faida, huduma iliyoigwa na mabenki mengine nchini.*
- *Mikopo maalumu yenye masharti nafuu kwa matumizi ya kibinafsi.*
- *Ongezeko la huduma zinazotolewa na Moneylink ATM mbali na utoaji wa pesa pekee, na kudhamini hundi.*

Pia Benki imetambua umuhimu wa wafanyi biashara wadogo katika kuiletea nchi yetu mafanikio ya kiuchumi na



new and innovative front office computer system.

- Extension of the opening hours at all our branches to 3.00 p.m., an initiative which we were first to introduce, and was quickly followed by a majority of our competitors.

A great deal of research and development has been undertaken during the year to help us define new products and refine existing ones to closely meet customer requirements. This has included formal market research and also customer surveys and questionnaires. Product initiatives undertaken during 1992 included:

- the introduction of our "Supersaver" campaign with enhanced interest rates for higher depositors, a move which was quickly replicated by our competitors.
- new overdraft and loan schemes specifically tailored to personal customers.
- the introduction of a wider range of services – such as balance enquiry, statement and cheque book ordering, mini statements etc – through our ATM network.

We established a new department with the specific objective of addressing the product and service needs of the small business market segment. This department will ensure that we are better placed to service our small business customers who are so critical to the economic development of this country.

Our branch network continues to expand in line with

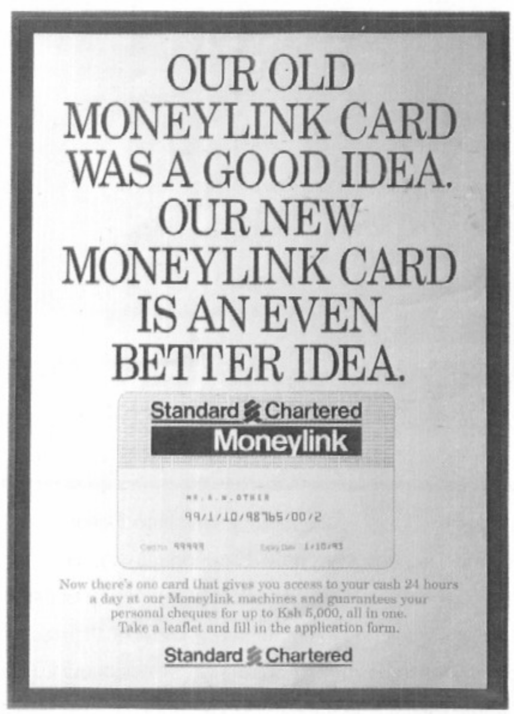
imeanzisha idara maalumu itakayowahudumia wateja hawa kikamilifu kwa kutosheleza mahitaji yao.

Tunaendelea kufungua matawi katika sehemu mbali mbali za nchi ambazo zimeonyesha matumaini bora ya kibiashara. Benki ilifungua rasmi tawi la Karen na mipango imekamilika ya kufungua matawi matano zaidi.

Mazao ya juhudi hizi ni kuongezeka kwa idadi ya wateja wetu. Wateja wapya thelathini elfu (30,000) walianzisha akiba (Accounts) na Benki mwaka 1992. Tunachukua fursa hii kuwakaribisha wateja wapya na wale waliowatangulia. Hakikisho tunalowapa ni kwamba tutaendelea kuwathamini wakati wo wote tunapowahudumia.

Idara inayoshughulikia mashirika makubwa (Corporate and Commercial Banking Division) ilifanikiwa katika juhudi zake za kupata ufafanuzi wa wazi zaidi kwa watu wanaohitaji huduma zake na namna ya kuwatimizia mahitaji yao. Tuliendelea kupata wateja wapya ingawa kulikuwa na uhaba mkubwa wa fedha za kigeni. Bado tunaendelea kuwafunza wafanyi kazi katika idara hii na tuna matumaini ya kufaidika kutokana na utendaji bora zaidi wa kazi zao.

Idara inayoshughulika na rasilimali za kifedha (Treasury Division) ilihudumu katika mazingira yaliyoendelea kubadilika kila wakati na kutoa mchango



our strategy of operating in areas of established or potential economic growth. During the year our Karen branch was opened and plans are well advanced to open a further 5 branches.

The result of this effort and better focus on customer needs by our Retail Banking Division was an increase in the customer base, by 30,000 new customers during the year. We welcome all the individuals to Standard Chartered Bank and will strive to put them and all our existing customers at the centre "of everything we do"

The Corporate and Commercial Banking Division made good progress in gaining better understanding of our customers and in meeting their needs. Many of our manufacturing and trading customers were affected by the shortage of foreign exchange. That notwithstanding, however, we were able to make progress in attracting new customers to our network. Our investment in the training of our account relationship managers is on-going and we expect to be able to derive positive benefits from this critical investment.

Our Treasury Division operated in a rapidly changing market. The Division contributed to the Bank's profitability and performance through pro-active asset and liability management. The recent liberalisation of the SUBSIDIARY foreign exchange market through the introduction of export retention schemes will provide opportunity for innovation in products development and offering. As a result of these changes we intend to completely revamp our Treasury operations to ensure that we are able to meet our customer needs using the best international standards.

DISCUSSION OF THE CROWN BERGER SHARE ISSUE IN PROGRESS

katika faida iliyopatikana. Marekebisho yaliyofanyiwa sekta ya mabenki kuhusu fedha za kigeni yaliidhinisha umilikaji wa mapato ya fedha za kigeni kwa watu binafsi.

Kitendo hiki kitatoa nafasi kwa idara hii kuanzisha huduma mpya bora zaidi zitakazowafaa wateja.

MAKAMPUNI MADOGO

Makampuni yetu yalichangia kiasi kikubwa cha faida tuliyopata mwaka 1992. Standard Chartered Estate Management (SCEM) inayosimamia na kutoa mikopo kwa shughuli za kilimo iliweka Benki msitari wa mbele katika kuendesha sekta hii muhimu kwa uchumi wa nchi yetu. Kampuni hii inasimamia jumla ya ekari 266,510 za mashamba ya kahawa, mkonge, majani chai, sukari na ufugaji wanyama. Ingawa kampuni imeendelea kujishughulisha na mimea mbali mbali hivyo, inatilia mkazo zaidi zao la kahawa. Wakulima wanatarajia kunufaika kutokana na uuzaji wa kahawa baada ya kufanyiwa marekebisho katika uendeshaji wa kilimo cha zao hili. Kwa sasa kampuni inasaidia kuanzisha huduma kama hizo huko Tanzania na Uganda.

Kampuni ya Standard Chartered Financial Services inayoshughulika na utoaji mikopo ya muda mrefu pamoja na huduma maalumu za kifedha iliendelea kuimarisha zaidi shughuli zake mwaka 1992. Ilifanya mabadiliko katika usimamizi na kuajiri wafanyi kazi wenye ujuzi mkubwa ili kuipa nguvu zaidi.

Kampuni hii ilitoa mikopo ya jumla ya shilingi milioni 460 kwa miradi mbali mbali mwaka 1992. Kampuni pia ilifaulu kuuza hisa za kampuni ya Crown-Berger Limited

CHARLES KIBE KARANJA (RIGHT) A KIAMBU FARMER WAS THE 1992 BENEFICIARY OF THE STANDARD CHARTERED AGRICULTURAL BURSARY SCHEME WHICH ENABLED HIM TO TOUR ZAMBIA.

COMPANIES

Our subsidiary companies made substantial contribution to Group performance in 1992.

Standard Chartered Estate Management (SCEM), our wholly owned subsidiary, specialising in the management and financing of farming ensured that the Bank played a leading role in the most important sector of the national economy. SCEM now manages and finances 266,510 acres encompassing coffee, sisal, tea, sugar, ranching and mixed farming. While diversification into other agricultural areas has gained momentum, coffee continued to play a pivotal role. SCEM's long term commitment to the coffee industry has paid dividends and farmers are expected to take advantage of the changes now taking place. SCEM is presently helping our operations in Uganda and Tanzania set up similar estate management and financing activities in those countries.

1992 was very much a year of consolidation for our merchant banking, leasing and specialist financial services subsidiary company. The operations of Standard Chartered Financial Services (SCFS), were restructured to provide better business focus. We invested in specialist staff to boost our capability in key business areas, particularly Merchant banking.

The company handled several mandates involving the raising of bridging and term finance for capital projects.

zipatazo milioni 8.6 kwa jumla ya shilingi milioni 138.

Tunafurahia mafanikio haya na ni thibitisho la nia yetu kujishughulisha zaidi na biashara ya uuzaji hisa siku za usoni.

Kampuni imechunguza kwa makini kiwango cha mikopo iliyotoa na mbinu za kuhakikisha ulipaji wa mikopo hiyo kwa wakati unaotakikana zimeanzishwa. Mwaka 1992 kampuni iliendelea kukopesha mashirika makubwa fedha za kuagiza vifaa vya utendaji kazi kutoka nchi za nje.

Kampuni yetu ya Standard Chartered Investment Services Limited inayojihusisha na uwekaji rasilmali za akiba za uzeeni na hisa ilijipatia kumiliki mpango ya akiba tisa (9) mwaka 1992 na kuna wateja kadha wapya wa mipango hii wanaotarajiwa kuleta akiba zao kwa kampuni hii mwaka 1993. Kampuni ilianzisha huduma maalumu ya kuhifadhi na usimamizi wa pesa kiasi cha shilingi bilioni 1.2 kufikia mwisho wa mwaka 1992. Wateja wapya walipatikana kutoka Uingereza na Marekani walioanzisha akiba na kampuni hii. Juhudi zinafanywa kuweka mitambo ya kompyuta ili kuendesha shughuli za kampuni kwa ubora zaidi. Mitambo hii vile vile itarahisisha na kuharakisha utoaji wa habari muhimu kwa wasimamizi na wenye akiba na kuanzishwa kwa huduma na akiba mpya siku zijazo.

WAKURUGENZI

John Docherty aliyekuwa mkurugenzi mkuu kwa miaka mitatu iliyopita alipata uhamisho hadi India kuchukua wadhifa kama huo. Ningependa kutoa shukrani zetu kwa kazi yake nzuri alipokuwa hapa na kumuombea mafanikio mema katika kazi ngumu aliyopewa huko India.

Bw. Alan Cleary alijiunga nasi mwezi Septemba mwaka jana kutoka Zimbabwe alikokuwa mkurugenzi

The volume of such business handled during 1992 was KShs 460 million. SCFS successfully managed the public floatation of Crown-Berger Kenya Limited which saw the 8.6 million shares on offer fully subscribed with KShs 138 million raised. This is a positive step towards our greater involvement in the critical primary issues market and we are now poised to play a crucial role in this area.

The company's loan portfolio has been thoroughly reviewed and recovery measures put in place whenever appropriate. During the year SCFS successfully extended its involvement in the hire purchase arena through the financing of capital equipment acquisition by corporate customers.

Our specialist asset management subsidiary company Standard Chartered Investment Services (SCIS) made substantial inroads into the market, gaining 9 new retirement funds with several more lined up for take on in early 1993. SCIS pioneered the establishment of a discretionary Money Fund which grew to KShs 1.2 billion at the end of the year. The company made slow but very encouraging progress in Custodial services signing on new clients from the UK and USA. The operations of this company are in the process of being computerised using specialised fund management software. In addition to improving the quality of information available to the Fund managers and Trustees this system will provide capacity for taking on new funds and the opportunity for introduction of innovative products.

BOARD

During the year, Mr John Docherty, the Managing Director and Chief Executive for the last 3 years left the country to take on new responsibilities as the Chief Executive in India. I wish to acknowledge his contribution to the operations in Kenya and also take this opportunity to wish him the best in his new and challenging assignment in India.

Mr Alan Cleary joined us in September from Zimbabwe where he had been the Chief Executive for the last five years. Mr Cleary brings with him considerable experience of running one of the most successful operations of Standard Chartered in Africa and we look forward to his great contribution towards furthering the development of Standard Chartered Bank.

STAFF

Standard Chartered Bank Kenya Limited is a major employer and together with its subsidiary companies, employed 2,629

mkuu kwa miaka mitano iliyopita. Tunatumai kufaidika kutokana na ujuzi mkubwa aliopata Bwana Cleary kutokana na kusimamia shughuli za Standard Chartered Bank penginepo humu barani Afrika.

WAFANYI KAZI

Benki pamoja na makampuni yake yaliajiri wafanyi kazi wapatao 2,629 kufikia mwisho wa mwaka 1992, hili likiwa ongezeko la watu 132. Utoaji mafunzo bado unatiliwa mkazo mkubwa katika shughuli zetu. Wafanyi kazi 1,770 walihudhuria mafunzo 171 katika Taasisi yetu iliyoko Ruaraka na wengine wachache walifunzwa humu nchini na ng'ambo pia.

Wafanyi kazi wapatao 48 wa vyeo vya usimamizi kutoka Kenya walihudhuria Focus 2000 warsha (workshop) maalumu iliyowakutanisha wafanyi kazi kutoka nchi mbali mbali duniani huko London, Harare, Singapore na Kuala Lumpur. Warsha hii ilifuatia ile ya Focus 300 ambayo ilihudhuriwa na wasimamizi mia tatu wa vyeo vya juu iliyofanywa miaka ya 1990 na 1991.

Ujenzi wa bweni letu lililoko Ruaraka umekamilika na litaanza kutumika mwezi February, 1993. Ujenzi huu ni thibitisho la nia na juhudi zetu za kuendelea kuimarisha mazingira bora ya kuwafunzia wafanyi kazi wetu.

HALI YA UCHUMI

Uchaguzi wa kwanza wa vyama vingi ulifanywa mwezi

GETRUDE'S GARDEN DEVELOPMENT, 40 HIGH CLASS APARTMENTS ON MUTHAIGA ROAD, DEVELOPED BY A PARTNERSHIP OF GETRUDES GARDEN HOSPITAL TRUSTEES AND THE BANK'S PENSION FUND. THE DEVELOPMENT INCLUDES RESTORATION OF THE ORIGINAL WOODEN GROGAN HOUSE (FOREFRONT) people at the end of 1992, an increase of 132.

Training continues to be given top priority. Our Training Centre ran 171 in-house courses which were attended by 1,770 members of staff. Several members of our staff attended other external courses, locally and overseas.

During the year 48 of the Group's middle to senior managers attended Focus 2000, an initiative aimed at all middle to senior managers within Standard Chartered, worldwide. These courses were held in several locations, including London, Harare, Singapore and Kuala Lumpur. Focus 2000 is a follow up to the Focus 300 programme which was run in 1990-1991 for the 300 senior managers in the Group.

The residential hostel at Ruaraka has now been completed and will become fully operational from February 1993. This investment is an indication of our commitment to providing the right environment for the training of our staff.

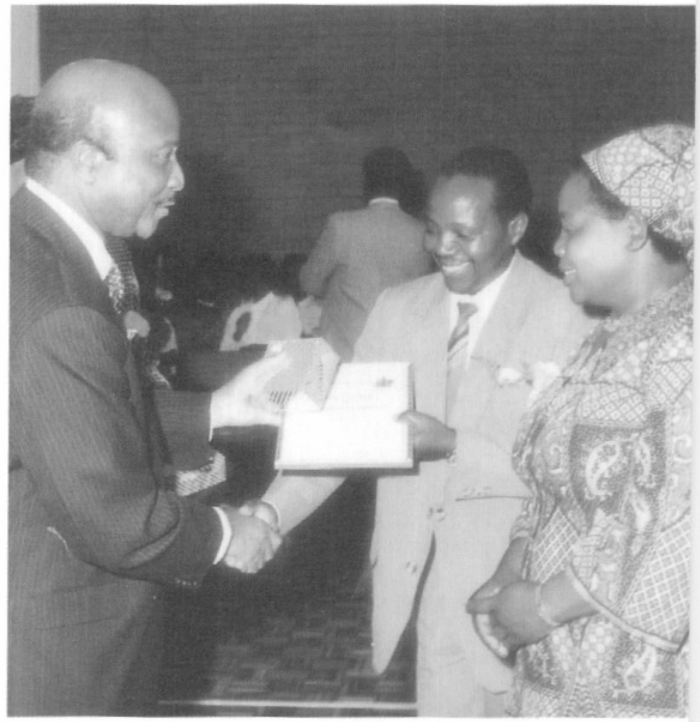
OUTLOOK

The much awaited multi-party elections were concluded in December and resulted in considerable change in the political structure of this country. Economic performance will be impacted on negatively by the sluggish economies of the major OECD countries which have been on a downward cycle. The continued delay in provision of financial support by donor countries and international development agencies will further exacerbate the position. Economic recovery for Kenya will depend on the revival of private investment, and foreign capital inflows particularly. 1993 is therefore expected to be a difficult year for business in Kenya, as any positive trends in the economy are yet to be seen.

The number of competitors in the financial services industry continues to increase. Competition will most likely intensify during the year and it will be important that we focus very clearly on our chosen strategy. Our core strategy will undergo a review this year to ensure that we are heading in the right direction as a major player in the financial services industry in Kenya. At all times we will strive to put our customers at the centre of everything we do.

I would wish to conclude by thanking on behalf of the Board and shareholders, all employees of the Bank and its subsidiaries for their contribution towards the good performance achieved in 1992.

D.A. OMARI, M.B.E.
CHAIRMAN



LONG SERVICE AWARDS

Desemba mwaka 1992 na ulileta mabadiliko makubwa ya kisiasa humu nchini. Hali mbaya za uchumi za nchi zilizoendelea na kusimamishwa kwa utoaji wa mikopo na nchi hizo pamoja na mashirika ya misaada kutaendelea kudhuru uchumi wetu. Matumaini ya kujitoa katika janga hili yatategemea uwekaji rasilimali ya mashirika na watu binafsi na utoaji mikopo kuanza tena. Bila ya hayo kufanyika, mwaka 1993 utaendelea kuwa mgumu.

Mazingira ya shughuli za mabenki yanaendelea kuwa magumu kutokana na ongezeko la makampuni haya humu nchini. Njia itakayotuwezesha kufanikiwa ni kuendelea kuimarisha zaidi zile sekta za shughuli zetu tunazozijua. Tutazidi kuchunguza sekta hizi kuhakikisha tunafuata na kutimiza malengo yetu kuiweka Benki yetu katika msitari wa mbele katika kutoa huduma za Benki humu nchini.

Nikimalizia, ningependa kuwashukuru kwa niaba ya wakurugenzi wenzangu, wanahisa na wafanya kazi wote wa Benki pamoja na makampuni yake kwa juhudi zenu ambazo zimetuletea mafanikio ya kutia moyo mwaka 1992.

D.A. OMARI, M.B.E.
MWENYEKITI

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their report and the audited accounts for the year ended 31st December 1992.

Activities

The company is engaged in the business of banking and the provision of related services

Results

The results for the year are set out on page 12.

Dividend

The Directors recommend the payment of a final dividend of 42% on the Issued Share Capital at 31st December, 1992, which, together with the interim dividend of 18% paid on 28th September 1992, makes a total of 60% in respect of the year ended 31st December 1992.

Directors

The present members of the Board of Directors are shown on page 2.

Auditors

The auditors, Peat Marwick continue in office in accordance with Section 159(2) of the Companies Act.

Approval of Accounts

The accounts were approved at a meeting of Directors held on 28th January 1993.

By Order of the Board,

A.M. Simwa
Company Secretary
Date: 28th January, 1993

AUDITORS' REPORT TO THE MEMBERS OF STANDARD CHARTERED BANK KENYA LIMITED

We have audited the accounts as set out on pages 12 to 22 and have obtained all the information and explanations which we considered necessary. Proper books have been kept and the balance sheet is in agreement therewith.

In our opinion the accounts, which have been prepared on the basis of the accounting policies set out on page 16, give a true and fair view of the state of affairs of the Group and of the Bank at 31st December, 1992 and of the profit and source and application of funds of the Group for the year to that date and comply with the requirements of the Companies Act.

PEAT MARWICK

CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 40612
NAIROBI
Date: 28th January, 1993

BALANCE SHEET

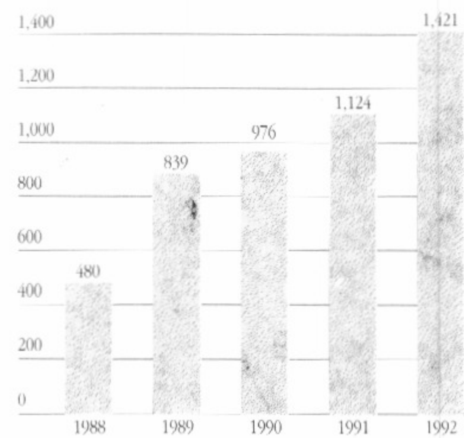
At 31st December, 1992

	Note	1992 Kshs '000	1991 Kshs '000
FIXED ASSETS	5(b)	578,564	553,988
INVESTMENTS IN SUBSIDIARIES	13	144,743	144,743
		723,307	698,731
CURRENT ASSETS			
Cash and short term funds	7	1,553,317	1,387,214
Treasury bills	1(d)	–	300,000
Advances net of provisions		7,735,456	7,572,100
Debtors, prepayment and other accounts		1,714,973	1,320,709
Investments	1(d) & 9	3,073,600	1,215,600
Advances to subsidiaries		1,698,405	1,544,199
Due from group companies		24,707	16,480
		15,800,458	13,356,302
CURRENT LIABILITIES			
Customers' deposits		13,426,023	11,404,581
Other liabilities		1,339,384	1,231,615
Taxation		206,891	159,896
Due to group companies		1,656	1,147
Dividends payable		173,070	159,245
		15,147,024	12,956,484
NET CURRENT ASSETS		653,434	399,818
TOTAL NET ASSETS		1,376,741	1,098,549
Financed By:			
SHARE CAPITAL	10	412,073	412,073
RESERVES	11	964,668	686,476
		1,376,741	1,098,549

D.A. Omari
A. Cleary — Directors
I.O. Awuondo

A.M. Simwa — Secretary

The notes on pages 16 to 22 form part of these accounts.

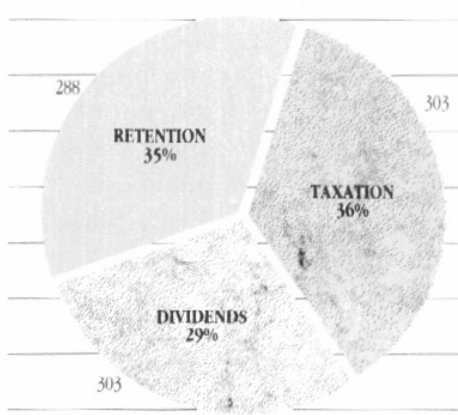


SHAREHOLDERS' FUNDS
In millions of Kenya shillings

STATEMENT OF SOURCE & APPLICATION OF FUNDS

For the year ended 31st December, 1992

	1992	1991
Source of Funds	Kshs '000	Kshs '000
Profit before taxation	837,816	545,821
Adjustments for items not involving the movement of funds:		
Depreciation of fixed assets	92,011	76,138
Loss/(Profit) on sale of fixed assets	124	(3,418)
	929,951	618,541
Funds from other sources:		
Proceeds on sale of fixed assets	22,889	24,426
	952,840	642,967
Application of Funds		
Fixed assets purchased	139,161	230,909
Taxation paid	251,829	190,342
Dividend paid	233,418	164,829
	624,408	586,080
	328,432	56,887
Increase/(Decrease) in working capital		
Cash and short term funds	(13,924)	(174,618)
Investments	1,787,686	1,402,484
Advances to customers and other accounts	915,547	2,690,672
Amounts due from group companies (net)	7,718	(5,500)
Deposits and customers' current accounts	(2,249,108)	(3,634,594)
Other liabilities	(119,487)	(221,557)
	328,432	56,887



DISTRIBUTION OF PROFITS
In millions of Kenya shillings

NOTES TO THE ACCCOUNTS

For the year ended 31 ST December, 1992

1 ACCOUNTING POLICIES

The following paragraphs describe the main accounting policies of the Group:

a) Accounting Convention

The accounts set out on pages 12 to 22 have been prepared under the historical cost basis of accounting modified by the inclusion of certain fixed assets on a revalued basis.

b) Basis of Consolidation

The consolidated accounts comprise the accounts of the company and its subsidiaries for the year ended 31 st December, 1992, in accordance with the provisions of Section 150(1) of the Companies Act (Cap.486). The subsidiaries of the company are as shown in Note 12.

c) Depreciation

Land and buildings are not depreciated on the basis that adequate repairs and maintenance are carried out to ensure such properties maintain their value. Depreciation is provided on other fixed assets at amounts reflecting the diminution in value of such assets through usage in each year.

d) Investments and Treasury Bills

Quoted Government securities with quoted redemption dates are shown at cost. Unquoted investments are shown at the lower of cost or directors' valuation. Treasury Bills and Bonds are stated at nominal value, discount not yet earned being included in other liabilities. Discounts are amortised and taken to income in instalments that have regard to the maturity dates of the items concerned.

e) Bad and Doubtful Debts

Specific provisions are made in respect of accounts considered to be doubtful.

f) Foreign Currencies

Assets and liabilities in foreign currencies are translated to Kenya Shillings at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies during the year are accounted for at the rates ruling at the date of transaction. The resulting profits or losses are dealt with in the profit and loss account.

g) Equipment Leased to Customers and Instalment Credit

Assets leased to customers by subsidiary companies under agreements which transfer substantially all the risks and rewards associated with ownership, other than legal title are classified as finance leases. The balance sheet amount represents total minimum lease payments less deferred income and provision for bad and doubtful debts. Income from finance leases is credited to profit and loss in proportion to the funds invested. Lease agreements which do not represent finance leases are classified as operating leases. Operating leases are recorded as fixed assets and depreciated over the estimated useful lives of the assets. Instalment credit balances represent assets hired out to customers with contracts which contain a provision giving the hirers an option to acquire legal title to the assets upon fulfilment of certain conditions in the contract. The balances outstanding are included within finance lease balances.

h) Deferred Taxation

Deferred taxation is provided on timing differences between the accounting and taxation treatment of income and expenditure where, in the opinion of the Directors, a significant liability to taxation will crystallise in the forseeable future.

2. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging:

	1992 Kshs '000	1991 Kshs '000
Directors' emoluments		
Fees	525	387
Other emoluments	12,014	11,533
Depreciation	92,011	76,138
Auditors' remuneration	2,006	1,720
Contribution to Deposit Protection Fund	13,661	11,985
and after crediting:		
Income from investments	455,719	211,599
(Loss)/Profit on disposal of fixed assets	(137)	5,243

3. TAXATION

	1992	1991
(a) Based on profit for the year at the corporate tax rate of 37.5% (1991-40%)	311,177	223,048
Previous year(over)/under provision	(8,661)	48
	302,516	223,096

(b) Deferred Taxation

No provision has been made for deferred taxation in these accounts.

If a disposal of the company's fixed assets was made and this realised net book value the taxation liability at 31st December, 1992 would be Kshs 16,974,801 (1991 – Kshs 20,341,881).

4. EARNINGS PER SHARE

Earnings per share are calculated on the profit after taxation of Kshs 535,300,000 (1991 –Kshs 322,725,000) and on the number of shares on issue at the balance sheet date.

6. FIXED ASSETS – LEASED TO CUSTOMERS

	Motor vehicles & aircraft Kshs '000	Plant machinery & equipment Kshs '000	Total Kshs '000
Cost:			
1st January, 1992	174,313	168,733	343,046
Additions	62,394	–	62,394
Disposals	(31,520)	–	(31,520)
31st December, 1992	205,187	168,733	373,920
Depreciation:			
1st January, 1992	59,518	78,928	138,446
Charge for the year	30,661	16,303	46,964
Disposals	(14,007)	–	(14,007)
31st December, 1992	76,172	95,231	171,403
Net book value:			
31st December, 1992	129,015	73,502	202,517
Net book value:			
31st December, 1991	114,795	89,805	204,600

7. CASH AND SHORT TERM FUNDS

	Group		Bank	
	1992 Kshs '000	1991 Kshs '000	1992 Kshs '000	1991 Kshs '000
Cash in Hand	553,011	446,034	553,001	445,998
Balances with Central Bank of Kenya	935,552	912,800	935,552	912,800
Balances with other Banks	64,764	48,418	64,764	28,416
Deposits with Financial Institutions	140,001	–	–	–
	1,693,328	1,407,252	1,553,317	1,387,214

8. FINANCE LEASES AND INSTALMENT CREDIT

	1992 Kshs '000	1991 Kshs '000
Finance Leases		
Total outstanding	3,557	5,856
Less: Deferred income	(707)	(1,147)
	2,850	4,709
Instalment Credit	64,017	38,436
	66,867	43,145

9. INVESTMENTS

	1992 Kshs '000	1991 Kshs '000
Group:		
Other Quoted Securities	22,918	899
Quoted Government Securities	10,000	10,000
Unquoted Treasury, Bearer Bonds & Securities	3,686,927	1,921,260
	3,719,845	1,932,159
Company:		
Quoted Government Securities	10,000	10,000
Unquoted Treasury, Bearer Bonds & Securities	3,063,600	1,205,600
	3,073,600	1,215,600
Market value:		
Quoted Securities – Market	42,419	11,824
Unquoted Securities – Directors' Valuation	3,686,927	1,921,260
	3,729,346	1,933,084

10. SHARE CAPITAL

Ordinary shares of Kshs 5.00 each:

	1992 Number	1992 Kshs '000	1991 Number	1991 Kshs '000
Authorised	100,000,000	500,000	100,000,000	500,000
Issued and fully paid:	82,414,550	412,073	82,414,550	412,073

11. RESERVES

	Capital reserve Kshs '000	Share premium Kshs '000	General reserve Kshs '000	Revenue reserve Kshs '000	Total Kshs '000
Group:					
1st January, 1992	230,870	196,606	29,105	255,021	711,602
Retained profit	–	–	–	288,057	288,057
Transfer to Revenue Reserves	–	–	(29,105)	29,105	–
Reversal of Share issue costs	–	9,135	–	–	9,135
31st December, 1992	230,870	205,741	–	572,183	1,008,794

11. RESERVES (Continued)

Company:					
1st January, 1992	226,262	196,606	29,105	234,503	686,476
Retained profit	–	–	–	269,057	269,057
Transfer to Revenue Reserves	–	–	(29,105)	29,105	–
Reduction of Share issue costs	–	9,135	–	–	9,135
31st December, 1992	226,262	205,741	–	532,665	964,668

12. INVESTMENTS IN SUBSIDIARIES

	1992 KShs '000	1991 KShs '000
Shares at cost:		
Standard Chartered Estate Management Limited	4,500	4,500
Standard Chartered Financial Services Limited	120,241	120,241
Standard Chartered Kenya Nominees Limited	2	2
Standard Chartered Investment Services Limited	20,000	20,000
	144,743	144,743

13. CONTINGENCIES

	Group		Bank	
	1992 Kshs '000	1991 Kshs '000	1992 Kshs '000	1991 Kshs '000
Acceptances, guarantees, indemnities and other obligations on behalf of customers in the normal course of business matched and with recourse	2,976,964	3,283,043	2,957,716	3,228,372

14. CAPITAL COMMITMENTS

	1992 Kshs '000	1991 Kshs '000
Authorised but not contracted for	232,388	248,200
Authorised and contracted for	3,000	–
	235,388	248,200

15. ULTIMATE HOLDING COMPANY

The Bank's ultimate holding company is Standard Chartered PLC, a company incorporated in Great Britain.

FORM OF PROXY

THE SECRETARY
Standard Chartered Bank Kenya Ltd
Stanbank House, Moi Avenue
P.O. Box 30003
Nairobi

I/We ____

____

being a member/members of Standard Chartered Bank Kenya Limited, hereby appoint ____________________

____

of (address) ____

or failing him ____

of (address) ____

and failing him the Chairman of the Meeting to be my/our proxy, to vote for me/ us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, 22nd April 1993 at 3.00 p.m. or at any adjournment thereof.

As witness my/our hand/hands this ____

day of ____ 1993.

Signed ____

NOTE:

1. This proxy is to be delivered to the Company's registered office not later than 3.00 p.m. on Tuesday 20st April, 1993 failing which it will be invalid.
2. In case of a Corporation the proxy must be under its common seal.

FOMU YA UWAKILISHI

KATIBU
Standard Chartered Bank Kenya Ltd
Stanbank House, Moi Avenue
P.O. Box 30003
Nairobi

Mimi/Sisi ____

____

kama mwanachama/wanachama wa Standard Chartered Bank Kenya Limited nateua/tunateua ____________

____

wa ____

na akikosa yeye ____

wa ____

na akikosa yeye, Mwenyekiti wa mkutano kama mwakilishi wangu/wetu wa kunipigia/kutupigia kura na kwa niaba yangu/yetu kwenye mkutano wa kila mwaka wa Kampuni utakaofanywa Alhamisi Aprili 22, 1993 saa tisa alasiri na wakati wa ahirisho lolote litakalotokea baadaye.

Kama shahidi siku hii ____

____ 1993.

Sahihi ____

MUHIMU:

1. Hii fomu ya uwakilishi lazima irudishwe kwa afisi ilikoandikishwa kabla ya saa tisa alasiri juma-nne Aprili 20,1993.

2. Ikiwa mteuzi ni Shirika Fomu hii ya uwakilishi lazima ifungwe kwa lakiri