

# CfC Stanbic Holdings Limited

The Board of Directors of CfC Stanbic Holdings Limited are pleased to announce the audited results of the Group for the year ended 31 December 2010

## Consolidated statement of financial position

	31 December 2010 Shs'000	31 December 2009 Shs'000
<b>Assets</b>		
Cash, Banks and Central Bank of Kenya balances	5,444,892	4,606,140
Pledged assets	2,940,007	3,351,812
Derivative assets	29,508	-
Financial investments	19,058,210	26,375,412
Loans and advances	75,224,630	70,922,412
Other assets	1,446,115	5,961,542
Investment in subsidiaries and associates	100,111	337,675
Property and equipment	1,911,102	2,962,665
Investment properties	-	412,000
Prepaid operating lease	71,622	73,654
Intangible assets - Goodwill	10,434,405	10,434,405
Other intangible assets	1,726,053	2,074,927
Current tax recoverable	158,846	166,882
Deferred income tax asset	-	11,424
Assets classified as held for distribution	21,534,701	-
<b>Total assets</b>	<b>140,080,202</b>	<b>127,690,950</b>
<b>Equity and liabilities</b>		
Derivative liabilities	-	16,228
Trading liabilities	729,153	-
Deposits and current accounts	85,694,598	82,534,005
Borrowings	7,066,362	5,256,618
Other liabilities	3,118,581	19,493,754
Current income tax payable	246,827	-
Deferred income tax liability	200,443	48,743
Liabilities directly associated with assets classified as held for distribution	18,255,623	-
<b>Total liabilities</b>	<b>115,311,587</b>	<b>107,349,348</b>
Ordinary share capital	1,368,421	1,368,421
Ordinary share premium	13,586,847	13,586,847
Revenue and other reserves	6,878,493	4,496,519
<b>Equity attributable to company's equity holders</b>	<b>21,833,761</b>	<b>19,451,787</b>
Non controlling interest	2,934,854	889,815
<b>Total equity and liabilities</b>	<b>140,080,202</b>	<b>127,690,950</b>

## Consolidated statement of comprehensive income

	31 December 2010 Shs'000	31 December 2009 Shs'000
Net interest income	4,807,948	4,652,515
Non-interest revenue	5,967,766	3,046,903
Income from associates	99,808	82,238
Insurance underwriting income	1,117,649	1,106,128
<b>Total income</b>	<b>11,993,171</b>	<b>8,887,784</b>
Credit impairment charges	(521,441)	(599,149)
Impairment loss on available-for-sale securities	(32,153)	(699,449)
<b>Income after impairment charges</b>	<b>11,439,577</b>	<b>7,589,186</b>
Staff costs	(3,498,920)	(2,306,249)
Other operating expenses	(5,309,832)	(4,573,636)
<b>Profit before taxation</b>	<b>2,630,825</b>	<b>709,301</b>
Income tax expense	(843,457)	(673,373)
<b>Profit for the Year</b>	<b>1,787,368</b>	<b>35,928</b>
<b>Other comprehensive income</b>		
Exchange differences on translation of foreign operations	(3,437)	6,049
Gain on fair valuation of available for sale financial assets	2,050,231	429,800
Deferred tax charge on revaluation of AFS financial assets	(178,219)	(103,830)
Impairment loss on AFS equity securities charged through P&L	32,153	699,449
Gains/(Losses) on property revaluations	18,058	(1,937)
Other comprehensive income	(14,088)	(10,962)
Other comprehensive income net of tax	<b>1,904,698</b>	<b>1,018,569</b>
<b>Total comprehensive income</b>	<b>3,692,066</b>	<b>1,054,497</b>
<b>Profit attributable to:</b>		
Owners of the parent	1,604,773	(59,871)
Non controlling interest	182,595	95,799
<b>Total profit for the year</b>	<b>1,787,368</b>	<b>35,928</b>
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	2,687,764	907,153
Non controlling interest	1,004,302	147,344
<b>Total comprehensive income</b>	<b>3,692,066</b>	<b>1,054,497</b>
<b>Earnings per share(in Kshs):</b>		
Basic and diluted	5.86	(0.22)

## Consolidated statement of cash flows

	31 December 2010 Shs '000	31 December 2009 Shs '000
<b>Cash flow from operating activities</b>	<b>3,051,164</b>	<b>1,263,928</b>
Income tax paid	(575,383)	(560,551)
<b>Net cash generated from operating activities</b>	<b>2,475,781</b>	<b>703,377</b>
Changes in operating assets and liabilities	(6,471,899)	(7,126,554)
<b>Cash flow used in operating activities</b>	<b>(3,996,118)</b>	<b>(6,423,177)</b>
Cash flows generated/(used) in investing activities	333,120	(1,750,935)
Cash flows generated/(used) in financing activities	2,166,064	3,150,813
Currency translation differences	12,806	(16,048)
Net increase in cash and cash equivalents	(1,484,129)	-
Cash and cash equivalents at 1 January 2010	10,088,244	15,127,591
<b>Cash and cash equivalents at 31 December</b>	<b>8,604,115</b>	<b>10,088,244</b>

## Consolidated statement of changes in equity

	Share capital Shs '000	Share premium Shs '000	Revenue and other reserves Shs '000	Non-Controlling Interest Shs '000	TOTAL Shs '000
At 1 January 2010	1,368,421	13,586,847	4,496,519	889,815	2,034,1602
Net profit for the period	-	-	1,604,773	182,595	1,787,368
Dividend proposed/ paid	-	-	-	(143,680)	(143,680)
Other comprehensive Income	-	-	1,082,991	821,707	1,904,698
Share based payment reserve	-	-	18,906	-	18,906
Other transactions with equity holders	-	-	(324,696)	1,184,417	859,721
At 31 December 2010	<b>1,368,421</b>	<b>13,586,847</b>	<b>6,878,493</b>	<b>2,934,854</b>	<b>24,768,615</b>

## Salient highlights from the Chairman's statement

### Performance highlights:-

#### Income statement

- Total operating income increased by 35% to Shs 12 billion.
- Non-interest revenue increased by 96% or Shs 2.9 billion mainly driven by enhanced trading volumes and higher investment income.
- Staff costs increased by 51% or Shs 1 billion due to additional head count for expansion and new products support.
- Impairment of available for sale securities reduced by 95% to Shs 32m in line with the recovery in the activity of the Nairobi Stock Exchange.

#### Statement of financial position

- Total assets increased by 10% to Shs 140 billion.
- Financial investments reflected growth of 19% to Shs 35 billion, on account of trading opportunities identified during the year.
- The increase in borrowings is the second tranche of the CfC Stanbic Bond issued in December 2010.
- This was partly offset by settlement of Kes 200m loan.

#### Message From The Directors

CfC Stanbic Holdings Limited is the holding company of the following operating entities: CfC Stanbic Bank Limited, CfC Life Assurance Limited, The Heritage Insurance Company Limited and CfC Stanbic Financial Services Limited.

#### The Demerger

Pursuant to the resolution of the Members at the Extra-Ordinary General Meeting held on 9 August 2010, a special cash dividend of Kes 205,947,369, being Kes 0.7525 per share and a dividend in specie by way of distribution of 273,684,211 ordinary shares in CfC Insurance Holding Limited, will be paid to the Shareholders of CfC Stanbic Holdings Limited in the Register of Members as at close of business on 8 April 2011.

#### Dividend

The Directors have resolved to recommend a final dividend of Kes 0.804 per share (Kes 220,220,375) at the Annual General Meeting, to be held on 25 May 2011. The dividend which is subject to withholding tax will be paid on or after 25 May 2011 to the shareholders on the Register of Members as at the close of business on 19 May 2011, the Books Closure Date.

The consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity are extracts from the financial statements of CfC Stanbic Holdings Limited.

The above financials were approved by the Board of Directors on 18 March 2011 and signed on its behalf by:-

Fred N Ojiambo, SC  
Chairman

Kitili Mbathi  
Director

#### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the fifty-sixth Annual General Meeting of the Members of CfC Stanbic Holdings Limited will be held on 25th May 2011 at CfC Stanbic Centre, Chiromo Road, Nairobi, at 2.00 pm  
BY ORDER OF THE BOARD

Mugambi Nandi  
Company Secretary



**CfC Stanbic**

A member of Standard Bank Group