

**STANDARD CHARTERED BANK KENYA LIMITED  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FULL YEAR FINANCIAL STATEMENTS AND OTHER DISCLOSURES**

	<b>31.12.10</b>	<b>Restated 31.12.09</b>
	<b>Shs. '000'</b>	<b>Shs. '000'</b>
	<b>Audited</b>	<b>Audited</b>
Profit before taxation	7,681,884	6,728,447
Depreciation	205,506	289,666
Amortisation of Intangibles	93,851	3,302
(Profit)/ loss on sale of property and equipment	(2,508)	107
Loss on sale of prepaid operating lease rentals	-	15
Amortisation of prepaid operating lease rentals	2,916	4,615
Retirement benefit obligations	70,063	12,806
Profit on disposal of equity shares	-	(68,197)
<b>(Increase)/decrease in operating assets</b>		
Balances with Central Bank of Kenya - Cash Reserve Ratio	(1,082,298)	(36,347)
Government and other securities held for trading	1,675,288	(711,139)
Derivative financial instruments	(212,996)	1,943,877
Loans and advances to banks	(300,000)	(1,450,000)
Loans and advances to customers	(3,641,953)	(13,396,057)
Investment securities	(6,087,111)	(18,327,707)
Amounts due from group companies	548,528	(579,787)
Other assets	472,397	1,353,412
<b>Increase/(decrease) in operating liabilities</b>		
Deposits from banks	152,936	-
Deposits from customers	13,730,413	9,875,196
Derivative financial instruments	42,561	(3,453,186)
Amounts due to group companies	4,202,876	1,770,466
Defined benefit obligations	(26,400)	(26,400)
Other liabilities	1,754,646	179,761
<b>Cash flows from operating activities</b>	<b>19,280,599</b>	<b>(15,887,150)</b>
Income taxes paid	(2,606,196)	(1,715,787)
<b>Net cash flows from/ (used) in operating activities</b>	<b>16,674,403</b>	<b>(17,602,937)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(1,447,245)	(1,120,922)
Proceeds from sale of property and equipment	2,925	-
Purchase of intangible assets	(11,081)	-
Purchase of custody business	(1,883,365)	-
Proceeds from sale of equity shares	-	183,081
<b>Net cash used in investing activities</b>	<b>(3,338,766)</b>	<b>(937,841)</b>
<b>Cash flows from financing activities</b>		
Ordinary shares issued, net of issue costs	2,391,805	-
Share based payments		
2009/2008 settled	(74,590)	(65,910)
2010/2009 allocated during the year	67,454	74,590
Dividends paid on ordinary shares:		
Final 2009/ 2008	(1,903,775)	(1,359,839)
Interim 2010/ 2009	(1,435,386)	(1,359,839)
Dividends paid on preference shares:		
Final 2009/ 2008	(84,690)	(84,230)
Interim 2010/ 2009	(83,310)	(83,310)
<b>Net cash used in financing activities</b>	<b>(1,122,492)</b>	<b>(2,878,538)</b>
<b>Increase/ (decrease) in cash and cash equivalents</b>	<b>12,213,145</b>	<b>(21,419,316)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>(8,117,509)</b>	<b>13,301,807</b>
<b>Cash and cash equivalents at 31 December</b>	<b>4,095,636</b>	<b>(8,117,509)</b>
<b>Analysis of the balance of cash and cash equivalents</b>		
Cash on hand	2,663,148	2,909,461
Unrestricted cash balances with Central Bank of Kenya	458,961	812,996
Treasury bills	7,508,604	2,642,972
Loans and advances to banks	1,493,868	42,177
Deposits from banks	(4,059,744)	(10,532,297)
Amounts due from group companies	455,414	2,083,379
Amounts due to group companies	(4,424,615)	(6,076,197)
	<b>4,095,636</b>	<b>(8,117,509)</b>