



Annual Report 2025

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Learn more about our client segments

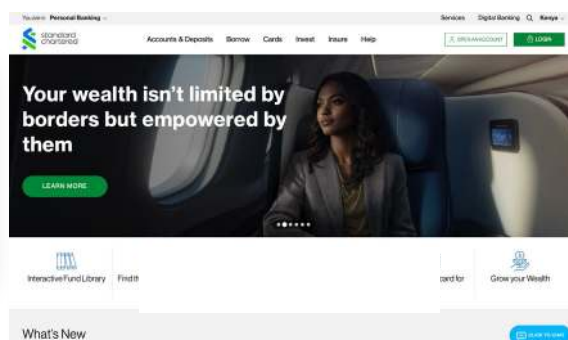
 Read more in our Client segments review on pages 10 to 14



Discover more in our suite of reports

This Annual Report is part of a wider suite of corporate reports and disclosures.

 For our full suite of 2025 disclosures visit sc.com/financial-results and sc.com



Who we are and what we do

Standard Chartered Bank Kenya Limited ('the Company', 'the Bank' or 'Standard Chartered') is a leading international cross-border bank and is Kenya's largest international bank.

We are a global bank connecting corporate, institutional and affluent clients to a network that offers unique access to sustainable growth opportunities across Asia, Africa and the Middle East.

Our strategy is designed to deliver our purpose: to drive commerce and prosperity through our unique diversity. This is underpinned by our brand promise, here for good.

Financial and Capital KPIs

We measure our progress against Group's key performance indicators (KPIs), a selection of which are below. Our Group KPIs include non-financial measures reflecting our commitment to sustainable social and economic development across our business, operations and communities.

Operating income

KShs 41,887m

↓ 17%

(2024: KShs 50,267m)

Profit before tax

KShs 16,837m

↓ 40%

(2024: KShs 28,208m)

Basic earnings per share

KShs 32.47

↓ 38%

(2024: KShs 52.65)

Total capital ratio

20.41%

86bps

(2024: 19.44%)

Tier 1 capital ratio

20.36%

88bps

(2024: 19.48%)

Non-Financial Measures

Diversity and inclusion: Women in senior roles

50%

(2024: 46%)

Non Branch transactions

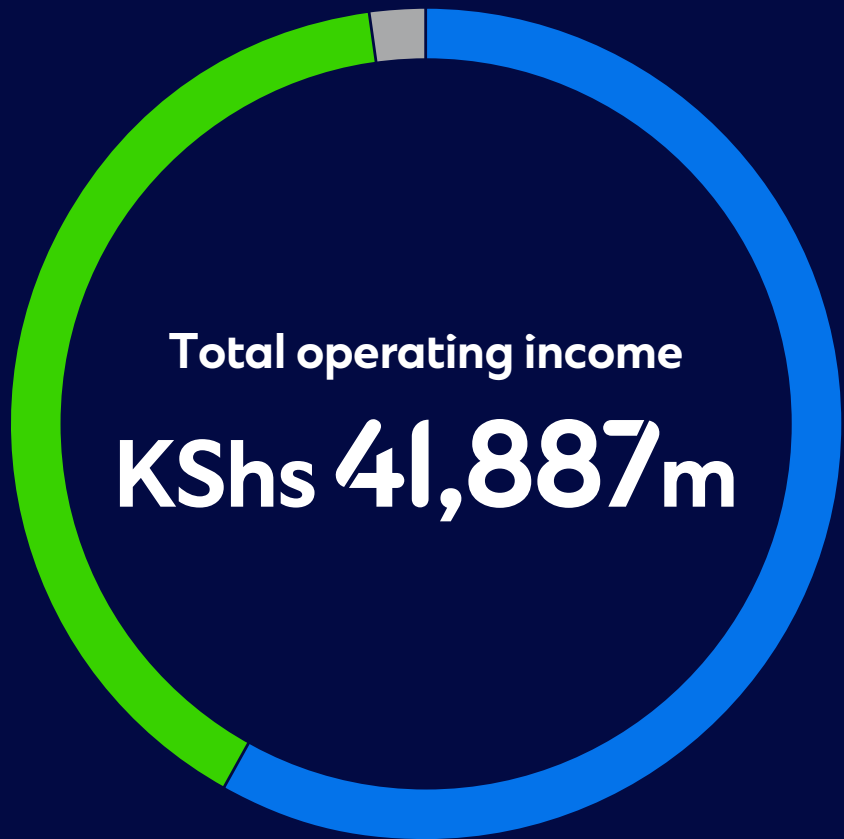
96%

(2024: 96%)

Tier 1 capital and total capital are computed as a percentage of the Company's risk weighted assets.

Who we are and what we do

At Standard Chartered, our purpose is to drive commerce and prosperity through our unique diversity. We serve two client segments supported by eight functions.



We serve three client segments

Corporate & Investment Banking

Helping corporates and institutions grow their business across borders in the world's most dynamic markets

Operating income

KShs 17,654m

Wealth & Retail Banking

Serving individuals and businesses to manage and grow their wealth through our global network

Operating income

KShs 24,311m

Central & other items (segment)

Operating income

KShs (78)m

Total operating income

Operating income

KShs 41,887m

Functions

Our client-facing businesses are supported by our functions, which work together to ensure the Group's operations run smoothly and consistently. The functions are:

Human Resources

Maximises the value of our investment in people through recruitment, development and employee engagement.

Legal

Provides legal advice and support to the Group to manage legal risks and issues.

Transformation, Technology & Operations

Responsible for leading bank-wide transformation and for reshaping the Group's systems and technology platforms to ensure we provide robust, responsive and innovative technology and digital solutions. Also manages all client operations, seeking to provide an optimal client service and experience across the board.

Risk

Responsible for the overall second-line-of-defence responsibilities related to risk management, which involves oversight and challenge of risk management actions of the first line.

Chief Financial Officer

Incorporates the following support functions: Finance, Corporate Treasury, Strategy and Investor Relations.

Corporate Affairs, Brand and Marketing

Manages the Group's marketing and communications and engagement with stakeholders to promote and protect the Group's reputation, brand and services.

Internal Audit

An independent function whose primary role is to help the Board and Executive Management to protect the assets, reputation and sustainability of the Group.

Conduct, Financial Crime and Compliance

Partners internally and externally to achieve the highest standards of compliance, conduct and the fight against financial crime to enable a sustainable and responsible business



Our people and culture

Our distinctive culture has been developed in pursuit of our purpose – to drive commerce and prosperity through our unique diversity. We deliver innovative solutions that create long-term value for our clients and our communities.

"Our people agenda is designed to ensure that colleagues have the resources, environment and leadership needed to deliver consistently for our clients and communities in an evolving operating landscape."

Evans Munyori
Head of Human Resources



We're committed to promoting equality and inclusion, as it's our diversity – of people, cultures and networks – that sets us apart and helps us drive business growth. We are guided by our valued behaviours, our Stands and our brand promise, here for good.

Our valued behaviours

Our valued behaviours are key to delivering on our strategy. As the guiding principles for the way we do business every day, they help us learn from our successes and take on new challenges. When we live our valued behaviours, we question, innovate and make bold decisions, allowing us to take opportunities to go above and beyond for our clients.

Our valued behaviours in action



Do the right thing

We're ambitious in our constant pursuit of excellence and market leading innovation.



Never settle

We build relationships with our clients and each other so we can share our unique capabilities.



Better together

Doing the right thing means acting in the best interests of our clients, colleagues and stakeholders.

Our Stands

We set long-term ambitions to address some of the most pressing societal challenges of our time. Climate change, deepening inequality and the inequities of globalisation remain as urgent today as ever before.



Accelerating Zero

The world must reach net zero carbon emissions by 2050 to limit the worst effects of climate change. This will require efforts across stakeholder groups to accelerate the transition to a low-carbon, climate-resilient economy. Policymakers, corporates and financial institutions must play a substantial part in this to ensure that finance is an enabler of change. The need for a just transition that addresses environmental challenges, while ensuring inclusive economic and social development is a priority for us.



Lifting Participation

Inequality, along with gaps in economic inclusion, mean that many young people, women and small businesses struggle to gain access to the financial system to save for their futures and to grow their businesses. We want to increase access to financial services and make them available at low cost. We strive to expand the reach and scale of accessible banking and to connect clients and our wider communities to the skills and educational opportunities that promote and sustain access to finance and economic opportunity.



Resetting Globalisation

Globalisation has lifted millions out of poverty but left many behind. We advocate for a new model of globalisation based on transparency to build trust, renew confidence and promote dialogue and innovation. We connect the capital, expertise and ideas needed to drive new standards and create innovative solutions for sustainable growth. We work to shape a new understanding of growth, one that is based on inclusivity, sustainability and our ambition to support people and communities for the long term.

Five year summary

Statement of results

Consolidated Income statement	2025 KShs '000	2024 KShs '000	2023 KShs '000	2022 KShs '000	2021 KShs '000
Underlying performance					
Operating income	41,886,782	50,267,178	40,860,006	33,092,934	28,302,502
Operating expenses	(23,270,203)	(19,994,088)	(17,897,409)	(15,074,919)	(14,192,783)
Impairment losses on financial instruments	(1,741,525)	(1,763,610)	(3,217,995)	(784,623)	(1,492,838)
Impairment losses on intangible assets	(38,360)	(301,244)	(76,120)	(130,193)	(18,828)
Profit before tax	16,836,694	28,208,236	19,668,482	17,103,199	12,598,053
Income tax expense	(4,400,123)	(8,147,649)	(5,833,015)	(5,045,264)	(3,554,214)
Profit after tax	12,436,571	20,060,587	13,835,467	12,057,935	9,043,839
Information per ordinary share					
Basic earnings per share (KShs)	32.47	52.65	36.17	31.47	23.49
Dividend per share on each ordinary share (KShs)	31.00	45.00	29.00	22.00	19.00
Consolidated Statement of financial position					
Gross Loans and advances to customers (amortised)	154,427,352	158,641,350	172,936,616	148,690,254	136,181,940
Impairment losses on loans and advances to customers (amortised)	(5,819,990)	(6,993,971)	(9,774,839)	(9,277,694)	(10,207,350)
Gross Loans and advances to customers (FVTPL)	5,754,001	-	-	-	-
Fair value changes on loans and advances to customers (FVTPL)	(54,324)	-	-	-	-
Government securities (FVOCI)	96,901,825	98,002,713	63,834,200	104,731,162	91,014,905
Government securities (FVTPL)	10,426,958	774,509	5,740,496	965,720	4,581,280
Other assets	101,855,734	134,149,488	196,225,702	136,150,573	113,301,163
Total assets	363,491,556	384,574,089	428,962,175	381,260,015	334,871,938
Deposits from customers	283,451,830	295,690,089	342,853,241	278,879,309	265,469,114
Other liabilities	13,719,545	17,107,880	24,576,667	46,243,976	16,188,718
Total liabilities	297,171,375	312,797,969	367,429,908	325,123,285	281,657,832
Net assets	66,320,181	71,776,120	61,532,267	56,136,730	53,214,106
Shareholders' funds	66,320,181	71,776,120	61,532,267	56,136,730	53,214,106

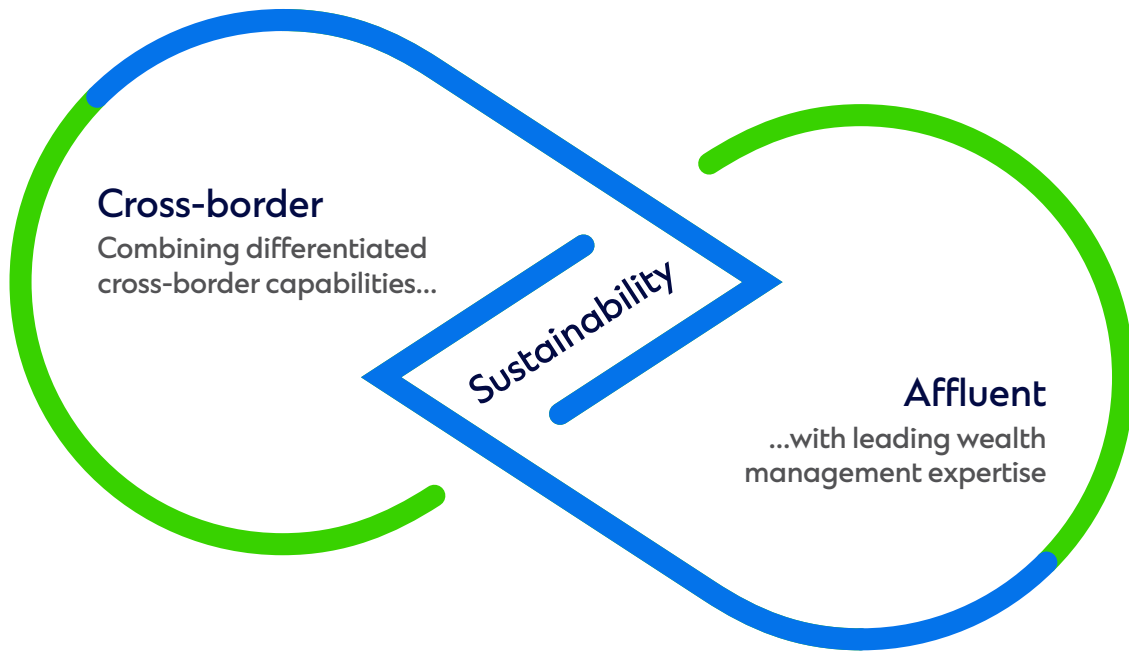
Ratios

Cost income ratio	56%	40%	44%	46%	50%
Return on capital employed	29%	49%	32%	21%	19%
Impairment charge/gross loans and advances	1%	1%	2%	1%	1%
Gross loans and advances to deposits ratio	57%	54%	50%	53%	51%
Gross non-performing loans and advances/total gross loans and advances	3%	5%	7%	9%	10%
Core capital/total deposit liabilities	19%	18%	15%	15%	15%
Core capital/ total risk weighted assets	20%	19%	18%	15%	16%
Total capital/total risk weighted assets	20%	20%	18%	17%	18%

Our strategy

Our strategy is designed to deliver our purpose: to drive commerce and prosperity through our unique diversity. This is underpinned by our brand promise, here for good.

We are an international Bank connecting corporate, institutional and affluent clients to a network that offers unique access to sustainable growth opportunities across Asia, Africa and the Middle East.



Strategic priorities

Cross-border

- Continue to sharpen our focus on serving the cross-border needs of our corporate and financial institution clients.
- Concentrate our efforts on enhancing our cross-border product and advisory suite to meet our clients' complex needs.
- Continue to scale sustainable finance and support to our clients' transition journeys.

Affluent

- Solidify our position as a leading wealth manager with a differentiated, fast-growing and high-returning international affluent business.
- Reshape our mass retail business to focus on developing a strong pipeline of future affluent and international banking clients.
- Integrate sustainable investments into our Wealth Solutions propositions and leverage bank-wide sustainability capabilities as a key differentiator to our affluent clients.

Our business model

Our business model reflects our strategy of combining cross-border capabilities with leading wealth management expertise.

Our resources

Our resources provide the strong foundation that helps us deliver our strategy.

Human capital

Diversity differentiates us; it is in our purpose statement. Delivering our strategy rests on how we continue to invest in our people, the employee experience and culture.

International network

Our network is our unique competitive advantage and connects corporates, financial institutions, individuals and small and medium enterprises across some of the world's fastest-growing and most dynamic markets.

Expertise

We have a deep knowledge of our market and a privileged understanding of the drivers of the real economy, offering us insights that can help our clients achieve their ambitions.

Strong brand

We are part of a leading international banking group with over 110 years of history in Kenya making us a household name.

Technology

Our foundations in technology and data act as key enablers in providing world class client services.

Financial strength

With our solid balance sheet and prudent financial management, we are a strong and trusted partner for our clients.

Our businesses


Our Client segments

Wealth & Retail Banking (WRB):

We serve the local and international banking needs of affluent clients across the full wealth continuum through Affluent, Emerging Affluent and Small & Medium Enterprises.

Corporate & Investment Banking (CIB):

We support large corporations, development organisations, governments, banks and investors to access cross-border trade and investment opportunities across our global network.

 [Read more on our client segments on pages 10 to 14](#)

Sustainability

Our leading Sustainability capability is an integral part of our client offering across our two client segments.

Responsible business practices

We strive to be a responsible business by operationalising our net zero targets, managing environmental and social risks and acting transparently.

Our key products and services

Global Markets

- Macro, Credit & Commodities Trading
- Lending & Financial Solutions
- Capital Markets & Advisory

Transaction Services

- Payments and Liquidity
- Trade & Working Capital
- Securities & Prime Services

Wealth Solutions

- Investments
- Bancassurance
- Wealth advice
- Portfolio management

Retail Products

- Deposits
- Mortgages
- Credit cards
- Personal loans

Our value creation

We aim to create long-term value for a broad range of stakeholders, in a sustainable way.

Clients

We deliver banking solutions for our clients both digitally and in person. We help individuals grow their wealth while connecting corporates and financial institutions to opportunities across our network.

Regulators and Governments

We play our part in supporting the effective functioning of the financial system and the broader economy by proactively engaging with public authorities and by paying our taxes.

Investors

We aim to deliver robust returns and long-term sustainable value for our investors.

Employees

We believe great employee experience drives great client experience. We want all our people to pursue their ambitions, deliver with purpose and have a rewarding career enabled by great people leaders.

Society

We strive to operate as a sustainable and responsible company, working with local partners to promote social and economic development.

Suppliers

We engage diverse suppliers, locally and globally, to provide efficient and sustainable goods and services for our business.

Bespoke sustainable finance solutions

We offer sustainable finance solutions designed to help our clients address environmental and social challenges and achieve sustainable growth.

Innovation in service of our markets

We advocate in service of our markets to unlock the areas where capital is not flowing at scale or not at all and to help drive economic inclusion.

Client segment reviews

Corporate and Investment Banking

Profit before taxation

KShs 8,253m

CIB contributes 42 per cent of the Group's operating income.

Segment overview

Corporate and Investment Banking (CIB) supports corporates, development organisations, governments, banks and investors across our network. We support our clients to unlock emerging trade, capital and investment opportunities that enable sustainable growth and prosperity connecting capital to opportunities across our network.

Our clients represent an important part of the Kenyan economic and social landscape and our strong and deep local presence allows us to work with clients to create bespoke financing solutions.

To meet clients' complex financing needs and create true value chains, we connect buyers, suppliers, customers and service providers across the ecosystem.

Our long presence in the markets and deep understanding of complex and diverse regions in 54 markets across Europe, Americas, Asia, Africa and the Middle East, combined with innovative transaction banking, markets and financing solutions, make us an ideal partner of choice for our clients.

CIB contributes 42 per cent of the Group's operating income

Cross-border banking remains at the heart of our strategy, supported by innovation and digitisation. Our clients on Straight2Bank (either directly or via API's) actively use the platform to access channels for collections, payments, tax, payroll, mobile wallet, trade finance, custody and foreign exchange (FX) services with convenience and safety. During the year, both penetration and utilisation of our Straight2Bank digital platform remained steady at 89 per cent.

Markets is an essential part of the CIB business. The business combines an in-depth knowledge of local markets with global products expertise to offer financial solutions and efficient risk management strategies. The team offers capabilities across origination, sales, structuring, trading and research.

From a sustainable finance (SF) perspective, CIB continues to sharpen its sustainability strategy and building momentum on client discussions to better understand their transition plans, explore areas of collaboration and building Environmental Social and Governance (ESG) frameworks for their business. We leverage on our centres of excellence across the network to deliver our sustainable finance expertise to our clients and upskill our teams. We served as joint lead arranger and placing agent to establish the largest corporate Medium-Term Note (MTN) Programme ever approved by the regulators in Kenya for Safaricom. We also worked as sole sustainability structuring advisor to establish Safaricom's new Sustainable Finance Framework. This facilitated Safaricom to launch the first tranche of a KShs 40 billion domestic MTN programme issuing a KShs 15 billion tax-exempt green bond with a green shoe option to raise up to KShs 20 billion. The bond carrying a fixed 10.4% interest rate and a five-year tenor was heavily oversubscribed reflecting strong investor demand. Safaricom will allocate 100 per cent of net proceeds of this tranche of notes to finance and/or refinance the portfolio of eligible green projects under the company's new Sustainable Finance Framework.

In addition, we hosted the Carbon Market Regulations Round Table, bringing together clients and industry thought leaders to discuss the scaling of Carbon Market projects in Kenya. The event aimed to increase understanding of carbon markets, regulations and explore opportunities for corporates to participate in carbon credit generation and offsetting initiatives. Clients played a key role, actively engaging in discussions and highlighting strong interest in scaling carbon markets.

Strategic priorities

- Cross-border/ Network: deliver sustainable growth for our clients by leveraging key global subsidiaries corridors (United States, Europe, Middle East, India and China) and enhance our cross-border product and advisory suite to meet our clients' complex needs.
- Diversify Financial Institutions (Banks, investors) income streams: E-Government, flow trade, Debt Capital Markets (DCM)/Export Credit Agencies (ECA) solutions.
- Repos investment solutions and onboard new banks, Fund Managers and Fintechs.
- Accelerate our Sustainable Finance offering to our clients through product innovation and enabling transition to a low carbon future.



Client segment reviews

Wealth and Retail Banking

Profit before taxation

KShs 11,328m

Segment overview

Wealth & Retail Banking (WRB) serves individuals and small businesses, contributing 58 per cent of the Bank's operating income.

Our deliberate focus on Affluent, SME and Emerging Affluent client strategy is becoming sharper and stronger, with Affluent positioned as the core engine of growth, built on trust, expert wealth advisory and international connectivity. SME is reinforced as a growth pillar alongside Affluent, serving international entrepreneurs and business owners whose personal and business finances are deeply interconnected, anchored in cash, trade and cross-border services to deepen relationships and enhance resilience across both franchises. Emerging Affluent is being elevated as a core focus segment, with tailored solutions that meet the distinct needs and behaviours of younger clients at the start of their wealth journey.

Leading international wealth manager

As a leading international wealth manager, WRB offers clients an extensive product suite supported by global investment expertise and a strong advisory framework. Fully certified relationship managers combine local market insight with access to international solutions to deliver tailored strategies aligned to each client's goals and risk profile, reflecting our emphasis on expert advice, trust and seamless international connectivity as the engine of growth for Affluent. Clients access flexible entry points through solutions such as SC Shilingi funds, enabling them to start investing with modest amounts while enjoying professional fund management, building disciplined investment habits and creating a bridge from savings into more sophisticated wealth solutions as their financial capacity grows.

Global diversification and international banking clients seeking broader diversification benefit from seamless access to global assets, including offshore mutual funds and fixed income instruments such as global bonds, allowing portfolios to be spread across geographies, sectors and currencies to manage concentration risk and enhance long term risk adjusted returns. The business is further differentiated by a comprehensive international banking proposition that connects clients to up to five global hubs, enabling them to open and manage accounts, invest and move funds across key markets so they can support children studying abroad, manage overseas property or businesses and consolidate global wealth strategies under a single integrated relationship.

Digital first model

We continue to invest in digital capabilities that make everyday banking simple, secure and always on for clients. Through our award winning mobile and online platforms, clients can open accounts, move money locally and internationally, invest in wealth solutions and several other service requests online, supported by embedded security and real time alerts. These platforms are complemented by data driven prompts, enabling relationship managers to deliver personalised advice and offers at scale while maintaining a consistent experience across digital and physical touchpoints.

Strategic priorities

- Leading Affluent and International Banking business known for outstanding personalised wealth advice and exceptional client experience.
- A single wealth continuum platform with distinctive value propositions to maximise client relationships.
- Leverage our network to support Small and Medium Enterprises business with trade and wealth solutions
- Digital-led, bespoke and contextual client engagement augmented by seamless omnichannel experience.
- Providing unique sustainable solutions to our individual and SME clients.



Client Segment Reviews continued

Wealth solutions

Product overview

Wealth and Retail Banking provides a broad, integrated suite of solutions that enables clients to grow, manage and safeguard their wealth across our Affluent, SME and Emerging Affluent segments.

In today's complex and evolving investment landscape, our clients need insights that will help them respond quickly to market events and make informed investment decisions. We match their needs and risk tolerance with Wealth Management solutions from leading industry providers, guided by our in-house investment insights and wealth product specialists.

We combine a deep understanding of our market with global reach, to provide our clients with access to the world's leading financial markets and investing opportunities like their counterparts in more advanced countries.

We recommend solutions that are most suited and relevant to each client after a thorough investment profiling. Our advisory team benefits from our open-source approach to product and fundamental research backed by a very competent and experienced investment committee that looks at a broad range of industry-leading sources and debates them thoroughly. The result is great insights that help our clients make better investment decisions.

Our world-class Wealth Management offering is classified into the following key propositions:

Investments

We combine our market-leading advice and funds selection to create personalised portfolios using various asset categories such as equities, bonds, commodities etc. This will help clients diversify and reduce overall volatility. We offer money market fund solutions onshore through our fully end-to-end digital platform, SC Shilingi available on our SC mobile platform in addition to offshore funds from leading global fund managers.

We unlock financial markets across fixed income and foreign exchange for our clients. Clients benefit from our trading expertise to buy and sell all major currencies at branches and seamlessly through our digital platforms. We offer our clients bonds issued by international corporations or governments, including Kenya, to benefit from regular coupon income as well as potential capital appreciation based on market conditions.

Bancassurance

Our partnerships with reputable insurance providers provide the right protection for our clients' savings, education and retirement needs through education and endowment policies, their property through home, motor and travel insurance and their families through farewell insurance.

Wealth lending

We have enhanced our overall wealth proposition by introducing lending solutions in Kenya Shillings as well as other major currencies like US Dollar (USD), Euro (EUR) and Pound Sterling (GBP). Our clients, using their investment as a collateral, have an opportunity to access quick liquidity. This capability ensures that clients retain a long-term investment view while managing short-term liquidity needs. Further, clients are able to borrow and re-invest and maximise the value of their portfolio.

By continuously enhancing our offering for affluent and emerging affluent clients, we aspire to be increasingly relevant for our clients. To that end, we are investing in digitally delivered wealth propositions that excite our clients. Our digital Wealth Management product suite now includes motor, home, travel and farewell insurance, mutual funds, offshore fixed income and foreign exchange, all of which are available on the SC mobile app.

"We combine a deep understanding of our market with global reach, to provide our clients with access to the world's leading financial markets and investing opportunities."

James Mucheke, Chief Risk Officer

Product Groups

Transaction Banking

Product Overview

Transaction Banking offers our Corporate and Financial Institution (FI) clients a complete suite of Cash Management, Trade Finance and Working Capital Solutions to power the real economy in the markets where we operate. Our vision is to “become the leading Transaction Bank in our footprint, with innovation at our core”. This requires us to simplify, be more relevant and most importantly, innovate and digitalise. We pride ourselves in being able to provide secure digitally enabled solutions complemented by rich data insights that spur sustainable growth and profitability for our clients’ businesses. At the heart of everything we do, we are committed to service excellence and building deep client relationships that are anchored on value creation.

In 2025, our Transaction Banking division demonstrated strong performance and strategic agility, delivering resilient earnings amidst a dynamic macroeconomic environment. We successfully navigated ongoing geopolitical factors, inflation and pricing volatility by focusing on core strengths and accelerating our digital transformation and client solution delivery.

Cash Management and Digital Banking

We recognise the distinct banking needs of clients and are dedicated to delivering competitive cash management solutions tailored to both local and global context.

As a trusted partner to Corporate & Investment Banking (CIB) clients, our continued focus is rooted in the development of unique value propositions through investments in product innovation and digitisation, whilst carefully managing risk as market dynamics and regulations evolve.

With the rapidly changing information and cyber security landscape, we continuously enhance our solutions by building them on platforms with best-in-class cyber resilience and security tools. These measures provide our clients with the highest levels of security, transparency and real-time visibility in their daily treasury and cash management activities on Straight2Bank, our online banking platform.

Our cash management and digital banking capabilities include:

- Account services (including escrow services).
- Payments services.
- Collections or Receivables services.
- Mobile Wallet payments and collections.
- Liquidity management solutions.
- Straight2Bank, our online banking platform.
- Straight2Bank Pay, our digital collections e-commerce gateway.
- Application Programming Integrations (APIs) and Host-to-Host integrations.
- Trade and working capital.

Trade is in our DNA. Our Trade business continues to evolve to meet the unique and sophisticated business requirements of our clients within the global environment. We offer our

clients a full suite of trade finance propositions to meet their underlying business needs through documentary and flow trade to open account trade solutions including structured trade solutions. Financing our clients’ end-to-end ecosystem value chain is Standard Chartered’s strategic response to supporting Small and Medium Enterprises in Kenya. We provide integrated solutions that help grow our client’s business by meeting the financing, transactional and information needs of their company and its suppliers, sales channels and customers. We also provide foreign currency clearing and trade finance to Tier 1 and 2 banks in Kenya allowing them to continue to service their clients and more specifically provide liquidity to SMEs.

In line with the evolving global focus on sustainability, the Bank continues to support the Sustainable Trade and Working Capital approach which is embedded in our Trade and Working Capital business. This approach accelerates our clients’ adoption of sustainable trade finance as a business enabler and plays an important role in helping our clients in key transitioning industries to build more sustainable business models. We are also committed to making trade financing simpler and faster via our digital capabilities, on Straight2Bank, our online banking platform.

Our Trade and Working Capital offering and capabilities include:

- Documentary and Flow Trade – Letters of Credit, Documentary Collections and Bonds and Guarantees.
- Trade Loans – Receivables and Payables Financing.
- Working Capital Financing – Overdrafts and Short-Term Loans.
- Supply Chain Financing Solutions – Distributor and Supplier Financing.
- Receivables Purchase.
- Structured Trade Solutions to support bespoke and complex transactions.
- Straight2Bank – our online banking platform.

Thought leadership

Leading market engagements through thought leadership initiatives is critical for our relevance as we accelerate our mission to deliver richer solutions to our clients. In 2025, these are some of the key engagements we participated in:

- Global Trade Review (GTR) 2025 East Africa Conference: We participated in the conference as a gold sponsor. Our focus was on Sustainable Trade and Working Capital, Supply Chain Finance and Trade Digitisation. Our Head of Trade and Working Capital was a panellist in a session titled “Fuelling economic diversification: The trade financing needed to add more value in Africa” where he articulated our focus on offering end to end support for businesses. In addition, we had a fireside chat with one of our clients where the audience received insights on the benefits domestic and regional supplier finance programmes can offer to suppliers’ financial resilience.
- Transaction Banking Roundtable: We hosted a Transaction Banking roundtable event for CIB clients themed ‘Boosting Liquidity Management through

Product Groups continued

accelerated collections. The session showcased key solutions tailored for our clients including automated reconciliation tools, virtual accounts, S2B Pay for Commerce and SC Prism FX.

The event forms part of our ongoing thought leadership and client engagement series, designed to highlight our cross-border capabilities and deepen client relationships.

Innovation and new capabilities

eCitizen integration:

- Standard Chartered integrated with eCitizen to facilitate collections for government services payments. eCitizen is the Government of Kenya's single payments gateway that enables our clients to execute over 16,000 time-sensitive Government payments seamlessly. This integration positions us as the only international bank that is fully integrated to facilitate these payments for our clients on a 24/7 basis with an upfront pre-validation service.

Kenya Power utility payments:

- We also integrated our Straight2Bank platform with national electricity utility company KPLC, enabling our clients initiate single or bulk utility payments around the clock. The service provides upfront validation of the utility account number(s) and instant notifications of successful payments to KPLC systems, reducing errors on their reconciliation efforts.

ISO 20022 migration for cross-border and instant payments:

- Standard Chartered Kenya successfully migrated Cross-border telegraphic transfer payments and Pesalink instant payments to the global ISO 20022 payment messaging standard. With this migration, the payment information for telegraphic transfer and Pesalink Payment transactions initiated by our clients will be transmitted with the richer and better structured payment data enhancing the payment experience for our clients through enhanced visibility, improved reconciliation reducing manual work payments and enhanced payment security aligning with global standards for faster, more transparent payments.

Awards

Standard Chartered was recognised amongst the world's best Treasury and Cash Management Banks 2025 by the Global Finance Magazine. The Bank also won an award for Africa's Best Transaction Banking for Financial Institutions, by Euromoney Transaction Banking Awards 2025.

Markets

The Markets team has expertise combined with deep market knowledge to deliver a variety of risk management, financing and investment solutions to our clients. This team offers capabilities across origination, structuring, sales, trading and research, offering a full suite of fixed income, currencies, commodities, equities and capital markets solutions. Markets has firmly established itself as a trusted partner with extensive on-the-ground knowledge and deep relationships. We also provide securities services such as custody and clearing, where we help clients efficiently administer their investments in multiple markets. In addition,

our Global Research team provide widely read client views on global and local economic and market trends. Our enhanced digital connectivity and integration with global platforms improves transparency and speed of execution, enabling clients to manage cash flows, navigate currency exposures and optimise treasury operations.

At Standard Chartered, we share a universal goal of maximising shareholder returns within a risk-controlled perimeter.

For Markets to play our part, we must continuously increase our intensity in all our client and risk businesses, whilst sustainably delivering value add to clients and shareholders in an effective and efficient manner.

Markets strategic priorities

Our strategy is framed under 5Cs:

Clients

Clients are at the centre of everything we do. Markets is a franchise-led business where we provide foreign currency (FX) transaction flow and tailored solutions to our clients. We want to improve the connectivity and product set that we provide to our clients. In addition to our existing offering, we are launching new products in a bid to address specific client needs, increasing reach, relevance and wallet share across our network.

Credit trading

Credit trading comprises the credit flow, credit solutions, repos and collateral businesses, with teams in Kenya and across our global footprint. Credit flow acts as a market maker in secondary emerging markets hard currency credit markets. Credit solutions provide financing and investment solutions across fixed income, loans, equities and funds. Repos and collateral provide liquidity management, collateral optimisation, yield enhancement and financing trades. Credit trading is an area we want to enhance in terms of our coverage in Kenya and the spectrum and distribution of credit risk.

Currency

Our FX business is core to the client offering. We continue to build on our offering by investing in people and technology. Straight2Bank (S2B), our corporate online banking platform, provides our clients with access to our FX offering through the Stand-Alone Request for Quote (SARFQ). Standard Chartered Aggregation and Liquidity Engine (SCALE) offers clients a customised product capable of managing high volumes, whilst Straight2Bank will provide clients with a low latency, sophisticated FX management system (S2BX). Each of our core platforms is continuously improved to enhance the service we offer clients.

Cross-sell

In continuously putting our clients first, we shall deepen the uptake of our product offering. We are leveraging on our rich product offering, superior and reliable systems and deep local knowledge to provide localised consistent service.

Conduct

Conduct is of critical importance in the way we do business. It is by operating with integrity and doing the right thing for our clients, all the time that we will succeed in achieving our business ambition.



"A healthy risk culture is one in which everyone takes personal responsibility to identify and assess, openly discuss and take prompt action to address existing and emerging risks."

James Mucheke
Chief Risk Officer

Chief Risk Officer's Review

Global and domestic macroeconomic overview

The global macroeconomic environment in 2025 was characterised by moderate growth, differentiated monetary policy cycles across major economies and persistent geopolitical uncertainties. Global Investment and export growth has been adversely impacted by geopolitical headwinds, trade barriers and general supply chain fragmentation. According to IMF and World Bank, global output expanded at a subdued pace, with the IMF estimating a global GDP growth of 3 – 3.3%.

Central banks in the major economies applied differentiated monetary policy cycles, generally remaining cautious in lowering interest rates, depending on their inflation and growth outlooks. Global headline inflation has increased modestly during the period, driven by higher food prices and effects of higher tariffs. Given stable and low oil prices in 2025, there was an expectation that global inflation would decline in 2026. This outlook has been impacted by the US/ Israel- Iran war that began at the end of February 2026. Subsequently, oil prices have risen above USD 100 per barrel and remain volatile. Higher oil, gas and fertilizer prices are expected to result into increased global inflation. A prolonged conflict could also result into reduced capital and diaspora

flows. This new conflict in the Middle East, the existing conflict between Russia and Ukraine and trade wars will adversely impact global economic growth.

Kenya's GDP grew by 4.9% in the first half of 2025, with 2025 full year GDP growth estimated at 5.2% - driven by Agriculture and a resilient services industry. The overall inflation as at December 2025 was 4.5%, which is well within the Monetary Policy Committee's (MPC's) target band of 5% ± 2.5%. Consequently and in order to stimulate lending to the private sector, the Central Bank has eased its monetary policy after a period of aggressive tightening. The Central Bank Rate (CBR) has declined from a high of 13% in late 2024 to 8.75% as at 10 February 2026.

The Exchange rate has remained relatively stable within the KShs 128 – 130 range per USD. There has also been a steady accretion in FX reserves, which stood at USD 12.39 billion (5.3 months of import cover) as at 31 December 2025.

Private sector credit growth also steadily increased in 2025 – from a decline of 2.9% in January 2025 to a growth of 6.3% as at November 2025. This is expected to accelerate with the adoption of Risk Based Credit Pricing Model (RBCPM) by the banking industry. The RBCPM is expected to transmit monetary policy more effectively and with the current monetary easing stance it is expected that private sector

Chief Risk Officer's Review continued

interest rates will gradually reduce. The Industry Non-Performing Loans have been elevated but have been declining in recent months - from 17.6% in August 2025 to 15.5% as at December 2025.

Some of the key domestic risks that we are tracking include potential inflation shocks arising from food or energy price volatility, fiscal pressure due to elevated debt levels and debt service against weak revenue collection.

Portfolio quality

Loans and advances to customers at amortised cost:

	2025			2024		
	CIB KShs '000	WRB KShs '000	Total	CIB KShs '000	WRB KShs '000	Total
Stage 1	80,355,576	61,787,620	142,143,196	84,651,493	60,557,883	145,209,376
Stage 2	5,118,529	1,782,676	6,901,205	1,993,654	3,876,780	5,870,434
Stage 3, credit-impaired financial assets	1,703,466	3,679,485	5,382,951	2,571,455	4,990,085	7,561,540
Gross balance	87,177,571	67,249,781	154,427,352	89,216,602	69,424,748	158,641,350
Total credit impairment	(2,003,687)	(3,816,303)	(5,819,990)	(2,792,297)	(4,201,674)	(6,993,971)
Net carrying value	85,173,884	63,433,478	148,607,362	86,424,305	65,223,074	151,647,379
Stage 3, coverage ratio (%)	96.2	69.9	78.2	87.6	61.1	70.1

Loans and advances to customers at FVTPL:

	2025			2024		
	CIB KShs '000	WRB KShs '000	Total	CIB KShs '000	WRB KShs '000	Total
Stage 1	5,754,001	-	5,754,001	-	-	-
Fair value changes	(54,324)	-	(54,324)	-	-	-
Net carrying value	5,699,677	-	5,699,677	-	-	-

Enterprise Risk Management Framework (ERMF)

Risk management is at the heart of banking, it is what we do. Managing risk effectively is how we drive commerce and prosperity for our clients and our communities and it is how we grow sustainably and profitably as an organisation.

Effective risk management is essential in delivering consistent and sustainable performance for all our stakeholders and is a central part of the financial and operational management of the Bank. The Bank adds value to clients and the communities in which we operate by taking and managing

appropriate levels of risk, which in turn generates returns for shareholders.

ERMF enables the Bank to manage enterprise-wide risks, with the objective of maximising risk-adjusted returns while remaining within our Risk Appetite (RA). The ERMF has been designed with the explicit goal of improving the Bank's risk management and it is embedded across the Bank. The ERMF is reviewed at least annually.

Chief Risk Officer's Review continued

Risk culture

Risk culture encompasses our general awareness, attitudes and behaviours toward risk, as well as how risk is managed enterprise wide.

A healthy risk culture is one in which everyone takes personal responsibility to identify and assess, openly discuss and take prompt action to address existing and emerging risks.

The Risk function

The Risk function is responsible for the sustainability of our business through good management of risk across the Bank by providing oversight and challenge, thereby ensuring that business is conducted in line with regulatory expectations. The Risk function is separate and independent from the origination, trading and sales functions of the businesses. The Risk function is responsible for:

- Determining the RA for approval by Bank's Executive Risk Committee and the Board.
- Maintaining the ERMF, ensuring that it remains relevant and appropriate to the Bank's business activities and is effectively communicated and implemented across the Bank.
- Upholding the overall integrity of the Bank's risk and return decisions ensuring that the risks are properly assessed, decisions are made transparently and that risks are controlled in accordance with the Bank's standards and RA.
- Overseeing and challenging the management of principal risk types (PRTs) under the ERMF.
- Ensuring that the necessary balance in making risk and return decisions is not compromised by short-term pressures to generate revenues through the independence of the Risk function.

Three lines of defence model

The Bank applies a three Line of Defence model to the day-to-day activities for effective risk management, governance and control environment. Typically:

- The businesses and functions engaged in or supporting revenue generating activities that own and manage the risks constitute the 1st Line of Defence.
- The control functions independent of the 1st Line of Defence that provide oversight and challenge of risk management activities act as 2nd Line of Defence.
- Internal Audit acts as the 3rd Line of Defence providing independent assurance on the effectiveness of controls supporting the activities of the 1st and 2nd lines of defence functions.

Risk Appetite (RA)

The Bank recognises the following constraints which determine the risks that we are willing to take in pursuit of our strategy and the development of a sustainable business:

- Risk capacity is the maximum level of risk the Bank can assume, given its current capabilities and resources, before breaching constraints determined by capital and liquidity requirements, internal operational environment, or

otherwise failing to meet the expectations of regulator and law enforcement agencies.

- RA is defined by the Bank and approved by the Board. It is the approved boundary for the risk that the Bank is willing to undertake to achieve its strategic objectives and Corporate Plan.
- The Board is responsible for approving the RA Statements. These directly constrain the aggregate risk exposures that can be taken across the Bank.

The Bank's RA is reviewed at least annually to ensure that it is fit for purpose and aligned with strategy and focus is given to emerging or new risks.

Risk Appetite Statement

The Bank's general risk appetite statement is set as: "The Bank will not compromise compliance with its RA in order to pursue revenue growth or higher returns."

Risk identification and assessment

Identification and assessment of potentially adverse risk events is an essential first step in managing the risks of any business or activity. To ensure consistency in communication, we use Principal Risk Types to classify our risk exposures.

Nevertheless, we also recognise the need to maintain a holistic perspective since:

- a single transaction or activity may give rise to multiple types of risk exposure;
- risk concentrations may arise from multiple exposures that are closely correlated; and
- a given risk exposure may change its form from one risk type to another.

There are also sources of risk that arise beyond our own operations, such as the Bank's dependency on suppliers for the provision of services and technology.

As the Bank remains accountable for risks arising from the actions of such third-parties, failure to adequately monitor and manage these relationships could materially impact the Bank's ability to operate and could have an impact on our ability to continue to provide services that are material to the Bank.

Principal Risk Types

Principal Risk Types (PRT) are those risks that are inherent in our strategy and business model and have been formally defined in the Bank's ERMF. The PRT and associated RA Statements are reviewed annually and discussed below.

Principal Risks and associated RA Statements

Credit Risk

The Bank defines credit risk as potential for loss due to failure of a counterparty to meet its agreed obligations to pay the Bank.

Risk Appetite Statement

The Bank manages its credit exposures following the principle of diversification across products, client segments and industry sectors.

The Credit risk type framework (RTF) for the Bank is set and owned by the Board.

The Credit Risk control function is the second line of defence responsible for independent challenge, monitoring and oversight of the Credit Risk management practices of the first line of defence. In addition, the function ensures that credit risks are properly assessed and transparent; and that credit decisions are controlled in accordance with the Bank's RA, credit policies and standards.

Segment-specific policies for Corporate and Investment Banking (CIB) and Wealth and Retail Banking (WRB) are in place for the management of Credit Risk. The Credit Policy for CIB sets the principles that must be followed for the end-to-end credit process, including credit initiation, credit grading, credit assessment, product structuring, credit risk mitigation, monitoring and control and documentation.

The WRB Credit Risk Management Policy sets the principles for the management of WRB segments, for end-to-end credit process including credit initiation, credit assessment, documentation and monitoring for lending to these segments.

The Bank also sets out standards for the eligibility, enforceability and effectiveness of Credit Risk mitigation arrangements. Potential credit losses from a given account, client or portfolio are mitigated using a range of tools, such as collateral, credit insurance and guarantees.

Risk mitigants are also carefully assessed for their market value, legal enforceability, correlation and counterparty risk of the protection provider.

Collateral is valued prior to drawdown and regularly thereafter as required, to reflect current market conditions, the probability of recovery and the period to realise the collateral in the event of liquidation. The Bank also seeks to diversify its collateral holdings across asset classes.

Where guarantees, credit insurance, standby letters of credit are used as Credit Risk mitigation, the creditworthiness of the protection provider is assessed and monitored using the same credit approval process applied to the obligor.

At Board level, the Board Credit Committee (BCC) oversees the effective management of Credit Risk. At the executive level, the Executive Risk Committee and the Credit Issues Committee oversee management of credit risk in CIB and WRB. The Credit Approvals Committee (CAC) has delegated authority from BCC to approve credits that exceed authority of individual credit approvers. Decisions made by CAC are ratified by BCC on a quarterly basis.

Credit Risk authorities are reviewed by the Board at least annually to ensure that they remain appropriate. In CIB, the individuals delegating the Credit Risk authorities perform oversight by reviewing a sample of the limit applications approved by the delegated credit officers periodically. In WRB, where credit decision systems and tools (e.g., application scorecards) are used for credit decisioning, such risk models are subject to performance monitoring and periodic validation. Where manual or discretionary credit decisions are applied, the individuals delegating the Credit Risk authorities perform periodic quality control assessments and assurance checks.

Expected Credit Losses (ECL) is determined for all financial assets that are classified as amortised cost or fair value through other comprehensive income. ECL is computed as an unbiased, probability-weighted provision determined by evaluating a range of plausible outcomes, the time value of money and forward-looking information such as critical global or country-specific macroeconomic variables.

At the time of origination or purchase of a non-credit impaired financial asset (Stage 1), ECL represents cash shortfalls arising from possible default events up to 12 months into the future from the balance sheet date. ECL continues to be determined on this basis until there is a significant increase in the Credit Risk of the asset (Stage 2), in which case ECL is recognised for default events that may occur over the lifetime of the asset. If there is observed objective evidence of credit impairment or default (Stage 3), ECL continues to be measured on a lifetime basis.

For CIB, Stage 3 ECL is considered when an obligor is more than 90 days past due on any amount payable to the Group, or the obligor(s) has symptoms of unlikelihood to pay its credit obligations in full as they fall due. These credit-impaired accounts are managed by the Stressed Assets Group (SAG) team.

In WRB, loans to individuals and small businesses are considered credit impaired as soon as any payment of interest or principal is 90 days overdue or they meet other objective evidence of impairment, such as bankruptcy, debt restructuring, fraud, or death. Financial assets are written off, in the amount that is determined to be irrecoverable, when they meet conditions set such that empirical evidence suggests the client is unlikely to meet their contractual obligations, or a loss of principal is reasonably expected.

Estimating the amount and timing of future recoveries involves significant judgment and considers the assessment of matters such as future economic conditions and the value of collateral, for which there may not be a readily accessible market.

Chief Risk Officer's Review continued

Traded Risk

The Bank defines Traded Risk as the potential for loss resulting from activities undertaken by the Bank in financial markets.

Risk Appetite Statement

The Bank should control its financial markets activities to ensure that market and counterparty credit risk losses do not cause material damage to the Bank's franchise.

The Traded RTF requires that Traded Risk limits be defined at a level appropriate to ensure that the Bank remains within RA. All businesses incurring Traded Risk must comply with the Traded RTF. The Traded Risk Policy sets the principles that must be followed for the end-to-end traded risk management process, including limit setting, risk capture and measurement, limit monitoring and escalation, risk mitigation and stress testing. Policies and standards ensure that these Traded Risk limits are implemented. Policies are reviewed and approved by the Board periodically to ensure their ongoing effectiveness.

Traded Risk Mitigation, Market Risk Measurement and an Analysis of VaR Results in 2025 is available in the 'Risk profile section on page 182.

The Bank uses a Value at Risk (VaR) model to measure the risk of losses arising from future potential adverse movements in market rates, prices and volatilities. VaR is a quantitative measure of Market Risk that applies recent historical market conditions to estimate the potential future loss in market value that will not be exceeded in a set time period at a set statistical confidence level. VaR provides a consistent measure that can be applied across trading businesses and products over time and can be set against actual daily trading profit and loss outcomes.

Treasury Risk

The Bank defines Treasury Risk as the potential for insufficient capital, liquidity, or funding to support our operations, the risk of reductions in earnings or value from movements in interest rates impacting banking book items and the potential for losses from a shortfall in the Bank's pension plan.

Risk Appetite Statement

The Bank should maintain sufficient capital, liquidity and funding to support its operations and an interest rate profile ensuring that the reductions in earnings or value from movements in interest rates impacting banking book items does not cause material damage to the Bank's franchise. In addition, the Bank should ensure its pension plan is adequately funded. .

In order to manage Capital Risk, strategic business and capital plans (Corporate Plan) are drawn up covering a five-year horizon which are approved by the Board annually. The plan ensures that adequate levels of capital, including loss absorbing capacity and an efficient mix of the different components of capital are maintained to support our strategy and business plans.

Finance is responsible for the ongoing assessment of the demand for capital and the updating of the Bank's capital plan. The Bank implements various business-as-usual and stress risk metrics to monitor and manage liquidity and funding risk. This ensures that the Bank maintains an adequate and well-diversified liquidity buffer, as well as a stable funding base and that it meets its liquidity and funding regulatory requirements.

"The Bank should maintain sufficient capital, liquidity and funding to support its operations and an interest rate profile ensuring that the reductions in earnings or value from movements in interest rates impacting banking book items does not cause material damage to the Bank's franchise."

James Muccheke, Chief Risk Officer

Chief Risk Officer's Review continued

Operational and Technology Risk

The Bank defines Operational and Technology risk as the potential for loss resulting from inadequate or failed internal processes, technology events, human error, or from the impact of external events (including legal risks).

Risk Appetite Statement

The Bank aims to control operational and technology risks to ensure that operational losses (financial or reputational), including those related to the conduct of business matters, do not cause material damage to the Bank's franchise.

Financial Crime Risk

The Bank defines Financial Crime Risk as the potential for legal or regulatory penalties, material financial loss or reputational damage resulting from the failure to comply with applicable laws and regulations relating to international sanctions, anti-money laundering and anti-bribery and corruption and fraud.

Risk Appetite Statement

The Bank has no appetite for breaches of laws and regulations related to Financial Crime, recognising that whilst incidents are unwanted, they cannot be entirely avoided.

The Operational and Technology RTF sets the roles and responsibilities in respect of Operational and Technology risk for the Bank. The Operational and Technology RTF defines the Bank's Operational and Technology risk taxonomy and sets standards for the identification, control, monitoring and treatment of risks. These standards are applicable across all PRTs and risk taxonomy in the Operational and Technology RTF. The risk taxonomy includes Transaction processing failure, product mismanagement, client service disruption, Technology Risk, Change management, people risk, physical safety and security, Third party Risk Management, Corporate Governance Standards, Board Governance, Listing Requirements, Shareholder relations, Financial Books and Records, Financial Regulatory Reporting, Tax Risk and Legal enforceability.

The Operational and Technology RTF reinforces clear accountability for managing risk throughout the Bank and delegates second line of defence responsibilities to identified Subject Matter Experts (SMEs). For each risk taxonomy, the subject matter expert sets policies and standards for the Bank to comply with and provides guidance, oversight and challenge over the activities of the Bank. They ensure that key risk decisions are only taken by individuals with the requisite skills, judgment and perspective to ensure that the Bank's risk-return objectives are met.

The Operational and Technology RTF sets out the Bank's overall approach to the management of Operational and Technology risk in line with the Bank's Operational and Technology RA. This is supported by the Risk and Control Self-Assessment (RCSA) which defines roles and responsibilities for the identification, control and monitoring of risks applicable to all PRTs.

There are four policies in support of the Financial Crime RTF:

- Anti-Bribery and Corruption Policy.
- Anti-Money Laundering and Counter Terrorist Financing Policy.
- Sanctions Policy.
- Fraud Risk Management Policy.

The Country Financial Crime Risk Committee (CFCRC) is responsible for ensuring effective oversight for operational risk relating to Financial Crime Risk. Board Level oversight of Financial Crime risk is performed by the Board Audit Committee (BAC) and the BRC.

With increased digitisation in payments, we continue to monitor evolution of Financial Crime Risk closely. Fraud (particularly phishing) remains an area of concern. The Bank has deployed several automated solutions to detect incidences of fraud resulting into a significant drop in the number of fraud incidences. This area will continue to evolve and the Bank will continue to adapt its controls in response to the changing environment.

"The Bank will not compromise compliance with its risk appetite in order to pursue revenue growth or higher returns."

James Mucheke, Chief Risk Officer

Chief Risk Officer's Review continued

Compliance Risk

The Bank defines Compliance Risk as the potential for penalties or loss to the Bank or for an adverse impact to our clients, stakeholders or to the integrity of the markets we operate in through a failure on our part to comply with laws, or regulations.

Risk Appetite Statement

The Bank has no appetite for breaches of laws and regulations related to regulatory non-compliance; recognising that whilst incidents are unwanted, they cannot be entirely avoided.

All activities that the Bank engages in must be designed to comply with the applicable laws and regulations. The Conduct, Compliance, Financial Crime and Risk (CFCR) function provides second line of defence oversight and challenge of the first line of defence risk management activities that relate to Compliance Risk. Where Compliance Risk arises, or could arise, from failure to manage another PRT or sub-type, the Compliance RTF outlines that the responsibility rests with the respective RFO or control function to ensure that effective oversight and challenge of the first line of defence can be provided by the appropriate second line of defence function.

Each of the assigned second line of defence functions have responsibilities, including monitoring relevant regulatory developments from non-financial Services regulators, policy development, implementation and validation as well as oversight and challenge of first line of defence processes and controls.

Information and Cyber Security (ICS) Risk

The Bank defines ICS Risk as the risk to the Bank's assets, operations and individuals due to the potential for unauthorised access, use, disclosure, disruption, modification, or destruction of information assets and/or information systems.

Risk Appetite Statement

The Bank aims to mitigate and control ICS risks to ensure that incidents do not cause the Bank material harm, business disruption, financial loss or reputational damage – recognising that whilst incidents are unwanted, they cannot be entirely avoided.

ICS Risk is managed through the ICS RTF, comprising a risk assessment methodology and supporting policy, standards and methodologies. These are aligned to industry recommended practice. Through the Bank's parent we undertake ICS Effectiveness Reviews to evaluate ICS Risk management practices in alignment with the ERMF.

Environmental, Social and Governance and Reputational (ESGR) Risk

The Bank defines ESGR Risk as the potential or actual adverse impact on the environment and/or society, the Bank's financial performance, operations, or the Bank's name, brand or standing, arising from environmental, social or governance factors, or as a result of the Bank's actual or perceived actions or inactions.

Risk Appetite Statement

The Bank aims to measure and manage financial and non-financial risks arising from climate change, reduce emissions in line with our Net Zero strategy and protect the Bank from material reputational damage by upholding responsible conduct and striving to do no significant environmental and social harm.

The Bank's ESGR risk management provides for upholding the principles of Responsible Business Conduct and continue to do the right thing for the stakeholders, the environment and affected communities. It also covers adherence to sustainability aspirations and public commitments, while managing 'Greenwashing' risks arising from the Bank's sustainability-related statement, declaration, actions, or communications.

Appropriate risk assessments are taken to identify and assess ESGR risks for clients, transactions, product, projects, third party arrangements and partnerships and strategic decisions. All identified ESGR risks are monitored on an ongoing basis and managed within Risk Appetite.

Of Environmental, Social and Governance categories, the banking industry has been historically focused on Governance risk and therefore this category has more mature risk management practices. Governance practices are therefore also covered under the Bank's ERMF and Compliance and Financial Crime PRTs.

For clients and third parties, Governance risk examples might include bribery, corruption, money laundering, tax evasion or corporate governance structure. While for the Bank, Governance risks include corporate governance and roles and responsibilities across the first, second and third lines of defence.

Chief Risk Officer's Review continued

Social risk arising from the Bank's operations, such as diversity and inclusion, employee related benefits and grievances and adherences with various rules and regulations, are managed under the Operational and Technology PRT.

Reputational Risk can arise from 'Stakeholder Perception' and 'Greenwashing' risks.

Stakeholder Perception risk arises where stakeholders of the Bank have a belief, attitude or opinion towards the Bank which is negative and/or different from the Bank's intent. It may occur due to ineffective or inappropriate stakeholder communication, brand management, reputational issue management or ineffective or inappropriate management of clients, transactions, products, or strategic coverage decisions of the Bank.

Greenwashing risk arises where sustainability-related statements, declarations, actions or communications of the Group do not clearly and fairly reflect and/or are inconsistent with, the underlying sustainability profile of the Bank or the sustainability characteristics of the Banks's financial products and services.

The Bank's Reputational Risk policy sets out the principal sources of Reputational Risk driven by negative shifts in stakeholder perceptions as well as responsibilities, control and oversight standards for identifying, assessing, escalating and effectively managing Reputational Risk. The assessment of risks associated with how individual client, transaction, product and strategic coverage decisions may affect perceptions of the organisation and its activities is based on explicit principles including, but not limited to, human rights and climate change. The assessment of stakeholder perception risk considers a variety of factors. Whenever potential for stakeholder concerns is identified, issues are subject to review and decision by both first and second lines of defence.

The Bank's Environmental, Social and Governance (ESG) Risk policy sets out the requirements and responsibilities for identification, assessment, escalation and management of ESG Risks for the Bank's operations, clients, transactions and third parties. Its purpose is to articulate the Bank's commitment to integrating ESG considerations into our business and operations by embedding ESG principles into our decision-making processes. The Policy defines ESG risk as potential or actual adverse impact on the environment and/or society, as well as adverse financial or non-financial consequences to the Bank, arising from environmental (including climate risk and nature risk considerations), social or governance factors, or as a result of the Bank's actions or inactions.

Model Risk

The Bank defines Model Risk as potential loss that may occur because of decisions or the risk of mis-estimation that could be principally based on the output of models due to errors in the development, implementation, or use of such models.

Risk Appetite Statement

The Bank has no appetite for breaches in laws and regulations related to regulatory non-compliance; recognising that whilst incidents are unwanted, they cannot be entirely avoided.

The models in use by the Bank are centrally managed by the parent company. The respective 1st and 2nd line users of models in the country monitor their effectiveness on a continuous basis, flag any issues to the relevant risk committees and work with the relevant subject matter experts within the group to resolve identified issues.

Other areas of risk

The approach and coverage of other areas of risk governed by policies directly linked to the ERMF are included in the RTFs, policies and /or standards. Examples of other areas of risk include Digital Assets, Climate and Third Party.

Digital Asset Risk is the potential for regulatory penalties, financial loss and or reputational damage to the Bank resulting from digital asset exposure or digital asset related activities arising from the Bank's clients, products and projects. A Digital Assets Risk Management Policy sets out the minimum requirements for the identification, assessment, management and monitoring of risks arising from activities, services and exposures associated with Digital Assets from the Bank's businesses and across our clients, products and projects.

Climate Risk is the potential for financial loss and non-financial detriments arising from climate change and society's response to it. This manifests in Credit Risk through the financial impact of physical risk and transition risk to our clients.

Chief Risk Officer’s Review continued

Transition risk refers to sustained decrease in revenue due to reduced market demand for higher carbon products/ commodities; increase in costs resulting from premature write-downs or stranded assets; increase in capital expenditure related to climate risk adaptation or rise in expenses due to rising carbon tax;

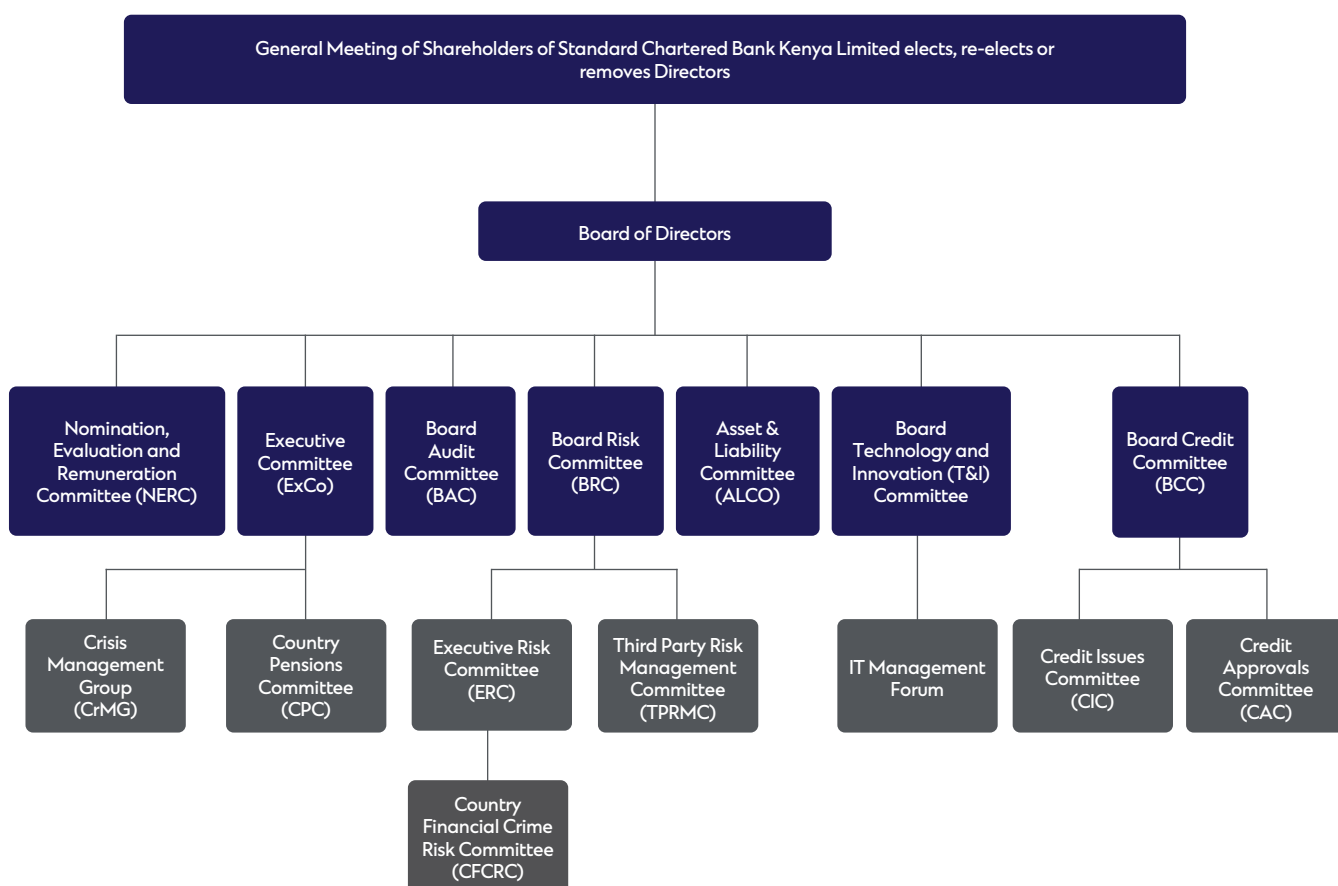
Physical risk is the potential for increased capital and operating expenditure driven by impact of acute weather risk, such as asset damage, repair costs and business interruption; or stress on natural resources for example water stress. There is a ESGR policy that sets out the requirements and

responsibilities for identification, assessment and management of ESG Risks including Climate risk.

Third Party Risk is the potential for loss or adverse impact due to the failure to manage the onboarding, lifecycle and exit strategy of a third party. There is a Third Party Risk Management Policy which sets out the minimum principles for the management of Third Parties through sourcing, on-boarding, ongoing monitoring and exit.

Executive and Board risk governance structure

The Board has ultimate responsibility for risk management and is supported by the Board committees and Management committees. The Board approves the ERMF based on the recommendation from the Board Risk Committee, which also recommends the Risk Appetite Statement. The Committee governance structure below presents the view as of 2025.



Chief Risk Officer's Review continued

The BRC has oversight of the Bank's overall risks. The Committee determines the ERMF for the Bank, including the delegation of any part of its authorities to appropriate individuals or properly constituted sub-committees. The Committee receives regular reports on risk management, including the Bank's portfolio trends, policies and standards, stress testing, liquidity and capital adequacy and is authorised to investigate or seek any information relating to an activity within its terms of reference.

The BRC has oversight of the Bank's credit policy and all lending undertaken by the Bank in line with the approved risk appetite.

The BAC has oversight and reviews the Bank's financial audit and internal compliance issues.

The Asset and Liability Committee (ALCO) is responsible for determining the Bank's approach to balance sheet management and ensuring that, in executing the Bank's strategy, the Bank operates within internally approved Risk Appetite and external requirements relating to capital and liquidity risk. It is also responsible for policies relating to balance sheet management, including management of our liquidity and capital adequacy, interest rate and tax exposures.

The ERC is responsible for monitoring management information to evidence that the Bank's risk profile is within the approved Risk Appetite. It is responsible for providing assurance to the Board that the overall framework is complying with the approved Risk Appetite statements. The Committee also ensures effective management of inherent non-financial principal risks.

The non-financial principal risk types in scope are operational and technology risk, compliance risk, information and cyber security risk and, environmental, social and governance and

reputational risk that is consequential in nature arising from the failure of all other principal risks. The Committee also reviews and challenges the adequacy of the internal control systems across all principal risk types.

The CIC ensures credit issues and adverse trends in the lending undertaken are identified and addressed through appropriate actions.

The FCRC, provides oversight of the effectiveness of the Bank's policies, procedures, systems, controls and assurance arrangements designed to identify, assess, manage, monitor, prevent and/or detect money laundering, non-compliance with sanctions, bribery, corruption, tax crime by third parties and frauds.

TPRMC has oversight of outsourcing and third-party risk management, including review of risks emanating from third parties supporting the Bank's incidental businesses.



James Mucheke
Chief Risk Officer

18 March 2026

Engaging stakeholders

We aim to create long-term, sustainable value for a broad range of stakeholders. We understand that by engaging our stakeholders frequently and transparently, we can build more trust and form a deeper understanding of various perspectives which can deepen our ability to effectively serve the market.


Clients


Employees


Investors


Society


Suppliers


Governments and regulators

By enhancing our relationships with the stakeholders that shape our operating environment, we have been able to fulfil our purpose to drive commerce and prosperity through our unique diversity. Our heritage and values are expressed in our brand promise, here for good.

We strive to maintain open and constructive relationships with a wide range of stakeholders, including the media, regulators, lawmakers, clients, investors, civil society and community groups.

We believe that by partnering and working with a wide stakeholder group, we can form more representative engagements across our ecosystem. We undertake this

through one-on-one meetings, conferences, consultative forums, collaborations, industry working groups, partnerships and capacity building that aligns with our ambition to build and maintain genuine relationships with stakeholders.

We use a variety of channels to communicate to our stakeholders, including our website, established social media platforms and this report.

Transparent, multi-lateral and frequent stakeholder engagement is crucial in ensuring we are able to build a sustainable business informed by the context and frameworks that shape our operating environment.



Stakeholders and Responsibilities continued



Clients

How we create value

We want to deliver easy, everyday banking solutions to our clients in a simple and cost-effective way, with great client experience. We enable individuals to grow and protect their wealth; we help businesses trade, transact, invest and expand. We provide banking support for a variety of public sector and development organisations, as well as financial institutions including banks.

How we serve and engage

- Differentiated product and service offering.
- Digital products and strong user experience.
- Sustainable finance.
- Access to international markets.

How the Group engages

Our ambition is to deliver a consistently excellent client experience, supported by innovative products, digital straight-through services and proactive relationship management. We help individuals grow, protect and transfer their wealth, support businesses to trade, invest and expand and serve a broad range of financial institutions with their banking needs.

As client expectations continue to shift, we use data-led insights and regular engagement to refine our value proposition and ensure our solutions remain relevant across all segments. To act in the best interests of our clients, we combine robust policies, procedures and the Group's risk appetite framework with what clients tell us through surveys, complaints, reviews and day-to-day interactions. This informs how we design, price and distribute products and helps us manage evolving risks such as fraud, cyber threats and financial vulnerability. We assess our product suite regularly, using both quantitative and qualitative metrics, to determine whether to enhance, maintain or retire offerings so they remain suitable and aligned to regulation.

In Wealth and Retail Banking, we apply a rigorous suitability and advice framework to ensure that investment decisions are appropriate for each client's circumstances. We begin by assessing clients' risk profiles, time horizons and objectives through structured risk-rating and know-your-client processes and we refresh these assessments regularly as their needs evolve. All investment advisers are certified, receive ongoing training on product features, risks and conduct requirements and operate under clear guidelines and oversight to safeguard client interests. We then match solutions to the client's stage in their financial journey – from first-time savers to sophisticated investors – ensuring portfolios are diversified, transparent and aligned to their agreed risk appetite. Through this disciplined approach, we aim to deliver suitable outcomes, protect clients from undue risk and build confidence in long-term wealth creation. Sustainability remains integral to how we engage with clients, with ESG considerations embedded across our wealth and retail offerings. We have developed an ESG-backed product shelf of bonds and funds designed to support investors looking to make a positive impact while securing sustainable returns. We currently offer over 80 foreign currency ESG bonds and 24 sustainability linked funds.

Our mutual funds are managed by globally reputed fund managers and are available on our SC mobile app 24x7 so our clients can buy, sell or track their mutual fund portfolio anytime, anywhere. Additionally in the local environment, we believe that financial inclusion is crucial for sustainable development. With our fully digital money market fund SC Shilingi, clients can easily access and invest from as low as KShs 500 directly through our SC mobile app for free, eliminating barriers to entry and ensuring that financial services are within reach for all Kenyans.

Recognising the critical role women play in building sustainable economies, SC WIN (Standard Chartered Women's International Network) programme, launched in 2023, has made significant strides in empowering women entrepreneurs in Kenya by providing a comprehensive financial and business support ecosystem. The programme is built on three pillars—Scale, Connect and Belong - offering women-led businesses access to capital, protection, investment solutions and a global network for growth opportunities. Additionally, collaboration with Mastercard, KEPSA and Jubilee Health Insurance enhance the programme reach and service offering, creating a robust ecosystem for women-led enterprises.

For more information about our clients, read the client segments review on pages 10 to 14.



Governments and regulators

How we create value

Standard Chartered regularly engages public authorities to play our part in supporting the effective functioning of the financial system and the broader economy.

How we serve and engage

In 2025, we engaged with regulators, government officials and trade associations on a broad range of topics which included; Corporate Governance, financial crime, revised risk-based credit pricing model, international trade, climate risk, green financing and sustainable finance, data protection and cybersecurity, digital adoption and innovation and implementation of the Central Bank Granular Data Integration aimed to enhance regulatory reporting. Our compliance with legal and regulatory frameworks ensures that the Bank meets its obligations as a good corporate citizen. In turn, this supports the resilience and effective functioning of the Standard Chartered Bank Group and the broader financial system.

In 2026, we will continue to prioritise compliance with regulatory or other legal requirements by making additional investments or through re-allocation of existing resources. Other engagements in 2026 will include the use of emerging technologies and innovations in the Bank in support of our strategy across the Standard Chartered network, corporate governance, implementation of the revised risk-based credit pricing model, enhanced regulatory reporting, compliance with data protection requirements and combating Financial Crime.

We remain focused on updating our systems to ensure that they satisfy the dynamic needs of our clients. The Bank will continue to support regulatory efforts to maintain a robust and resilient financial market and lead in proactive cyber risk management aimed at protecting client personal information and funds.

Stakeholders and Responsibilities continued



Our Investors

How we create value

We aim to deliver robust returns and long-term sustainable value for our investors.

How we serve and engage

Our operating footprint, along with a commitment to sustainable and responsible banking, uniquely connects investors with opportunities in emerging markets. In this context, we believe that an integrated approach to Environmental Social and Governance (ESG) issues and a strong risk and compliance culture provide a competitive advantage.

Using the capital that we receive from investors; we execute our business model with a focus on delivering sustainable value for all shareholders. Whether they have a short or long-term investment horizon, we provide all investors with information about all aspects of our financial and sustainable performance.

By maintaining a robust and resilient financial position, we ensure the long-term stability and growth of the Company, thereby safeguarding the interests of our investors. Our strategic focus on prudent risk management, customer-centric solutions and technological innovation has allowed us to consistently generate strong financial performance and returns for our investors, even in challenging economic environments. We continuously strive to uphold the highest standards of corporate governance and ethical conduct, underpinning the trust and confidence our shareholders place in us.



Suppliers

Why we engage

We are committed to fostering an inclusive and sustainable supply chain that reflects the diversity of the communities we serve. By engaging with diverse suppliers, we help create equitable economic opportunities and drive innovation across our value chain.

Our partnerships enable diverse suppliers to access new markets, build capacity and strengthen their business resilience, while providing us with fresh perspectives, agile solutions and stronger community connections. Through these relationships, we continue to advance shared growth, inclusion and long-term value creation for all stakeholders.

We aim to identify and work with a diverse range of suppliers. We focus on growing these relationships and increasing spend with existing and new suppliers, committing to supporting these partnerships through coaching, mentoring and outreach programmes.

We continue our focus on decarbonising our supply chain. We work with our suppliers to calculate emissions and set reduction targets where appropriate.

As part of our commitment to enhancing operational efficiency and collaboration with suppliers, our vision is to simplify processes for suppliers with end-to-end traceability, automate manual work and digitise purchase order payments.

In 2025, Standard Chartered Kenya successfully launched SAP Ariba Procure to Pay (P2P), marking an important milestone in modernising our procurement processes. This transforms the way we buy and pay, delivering tangible benefits for our partners:

- Streamlined ordering, invoicing and payment processes through a single digital platform.
- Improved transaction accuracy and timeliness of payments.
- Enhanced collaboration and transparency through real-time tracking.
- Access to a global network of buyers and new business opportunities.

Supplier interests

- Open and transparent tendering process.
- Simple and consistent onboarding requirements.
- Accurate and on-time payments.
- Willingness to adopt supplier-driven innovation.
- Guidance on implementation of sustainability matters.



Employees

How we create value

In 2025, we remained firmly committed to building a workplace where colleagues feel supported, empowered and positioned for long-term success. We continued to invest in employee wellbeing, skills building and engagement and these are core in enhancing our employee experience and strengthens the organisational culture. Our people agenda is designed to ensure that colleagues have the resources, environment and leadership needed to deliver consistently for our clients and communities in an evolving operating landscape.

Wellbeing

We continued to expand our holistic approach to employee wellbeing, recognising its critical contribution to sustainable performance and organisational resilience. In March 2025, we formally launched our Caregivers Forum in Kenya, a groundbreaking initiative to recognise, support and elevate the voices of those who provide care, both formally and informally, within our workforce. Research shows that on average, family care givers spend roughly 25 hours per week on care giving, with 1 in every 4 providing over 40 hours weekly and juggling this with work can be a daunting task.

This launch brought to life our commitment to gender equity, human-centred leadership, workplace well-being and organisational resilience. It also marks a pivotal step in addressing the systemic invisibility of caregiving in professional spaces. Through shared experiences, expert insights and practical guidance, the forum has begun to play a significant role in helping employees balance personal and professional commitments more effectively.

Mental-health support was further strengthened with the introduction of Unmind 2.0, as our refreshed Employee Assistance Programme, offering colleagues confidential access to qualified therapists and professional coaches, all in one digital experience. It provides free, personalised and confidential support for colleagues on a range of topics, ensuring that the right specialists are aligned to an individual's circumstances.

Stakeholders and Responsibilities continued

This upgrade reflects our commitment to providing proactive mental-health resources, allowing individuals to build their confidence and resilience.

Physical wellbeing remained a core focus in 2025. We enhanced our on-site support through a fully equipped First Aid Room, enabling swift response to health conditions and emergencies. In addition, we facilitated physiotherapy sessions for employees who maintain an active lifestyle or require assistance related to physical strain, promoting a preventive and supportive approach to physical health.

Engagement

Our engagement initiatives aimed to strengthen transparency, employee empowerment, shared learning and organisational alignment. Our Engage to Elevate Series continued running with a total of 42 sessions ranging from health, personal growth and mastery, resilience, mindfulness and practical wellness strategies, ensuring employees have ongoing access to tools that support sustained wellbeing. We conducted comprehensive education of our Employee Value Proposition and how these benefits support their overall health.

Complementing this, our Personal Growth sessions equipped colleagues with skills and frameworks to assess career aspirations, articulate development goals and navigate internal opportunities with clarity. These initiatives reinforced our commitment to fostering an environment where employees feel informed, valued and positioned to shape their career trajectory within the Bank.

The results of the 2025 My Voice employee engagement survey were positive and marked improvement in various scores, with 93 per cent of our colleagues recommending the Bank as a great place to work and being aligned with the Bank's strategy and sustainability proposition.

Skills Development

The Bank continues to unlock opportunities and shift to a skills-first approach. Building skills across our business lines remained a priority, ensuring our teams continue to meet evolving client expectations and regulatory requirements. We delivered targeted development programmes for Corporate and Investment Banking (CIB) and Wealth and Retail Banking (WRB) colleagues, focused on strengthening technical excellence, enhancing relationship-management competencies and improving frontline delivery. These programmes were designed to support high performance across key business areas by equipping employees with the skills required to operate in a complex and rapidly changing financial services environment. They also reinforce our long-term commitment to cultivating a future-ready workforce.

We continued to invest in developing leadership depth, a trait needed as the Bank continues to sharpen its strategic priorities. Our People Leaders were also trained on Leading with Empathy and Enhancing Psychological safety at the Workplace. This ensures that our leaders understand diverse needs and respond with sensitivity, therefore creating a more engaged, resilient and adaptable workforce that is better positioned to deliver sustainable performance.

Diversity & Inclusion

We advanced our inclusion agenda through initiatives that broaden access and enhance representation with 62 per cent of our colleagues participating in volunteering activities aimed at

enabling young people and underserved communities to learn, earn and grow. This strengthened our connection to the communities we serve while reinforcing our purpose-led approach.

A major milestone in 2025 was the onboarding of our first Intern with Disability, marking a significant step in expanding access for underrepresented talent and demonstrating our commitment to inclusive hiring.

We also invested in improving the accessibility of our physical workplace. Enhancements included the installation of audio cues in lifts and the upgrade of accessible washrooms, ensuring that colleagues and visitors of all abilities can navigate the workplace with dignity and independence.

Our Gender Colleague Communities SKIRTS and BOOTS continued to drive member education through the year, delivering targeted sessions on topics aimed at fostering awareness, dialogue and support on gender-related health and wellbeing matters.

Culture

Our culture continued to act as a core differentiator, shaping how we collaborate, lead and deliver for stakeholders. Throughout the year, we embedded our Valued Behaviours deeper into daily ways of working, reflecting them in performance discussions, leadership expectations, team interactions and decision-making processes. We celebrated colleagues who exemplified these behaviours during our CEO town halls every quarter, recognising individuals who consistently demonstrate integrity, client focus and collaboration while delivering exceptional impact. This recognition reinforces the behaviours and contributions that strengthen our franchise.

In addition, we convened a dedicated Conduct town hall under the theme "Our Culture, Our Actions, Our Tomorrow," reinforcing the importance of ethical conduct, personal accountability and collective ownership in building a high-trust organisation. The session emphasised our ongoing commitment to maintaining the highest standards of behaviour and ensuring that our culture remains aligned with our values and long-term purpose.



Society

How we serve and engage

We believe that we can fulfil our Purpose – to drive commerce and prosperity through our unique diversity – without people being left behind, without the planet being negatively impacted and without creating divisions that diminish our sense of community.

We have taken a bold stand towards Accelerating Zero with two aspirations – mobilise sustainable finance; and operationalise our interim 2030 financed emission targets to meet our 2050 Group net zero ambition.

We are committed to sustainable social and economic development through our business, operations and communities by delivering against our three sustainability pillars – Sustainable Finance, Responsible Company and Inclusive Communities. This is underpinned by our three bold stands.

Stakeholders and Responsibilities continued

Our Stands

The impact of climate change, stark inequality and the unfair aspects of globalisation impacts us all. We are taking a Stand by setting long-term ambitions on these issues where they matter most. This works in unison with our strategy, stretching our thinking, our action and our leadership to accelerate our growth.

- **Accelerating Net Zero** - The world must reach net zero carbon emissions by 2050 to limit the worst effects of climate change. This will require efforts across stakeholder groups to accelerate the transition to a low-carbon, climate-resilient economy. The need for a just transition that addresses environmental challenges, while ensuring inclusive economic and social development in Kenya is a priority for us.
- **Lifting Participation** - Inequality, along with gaps in economic inclusion, mean that many young people, women and small businesses struggle to gain access to the financial system to save for their futures and to grow their businesses. We want to increase access to financial services and make them available at low cost. We strive to expand the reach and scale of accessible banking and to connect clients and our wider communities to the skills and educational opportunities that promote and sustain access to finance and economic opportunity.
- **Resetting Globalisation** - Globalisation has lifted millions out of poverty but left many behind. We advocate for a new model of globalisation based on transparency, to build trust, renew confidence and promote dialogue and innovation. We connect the capital, expertise and ideas needed to drive new standards and create innovative solutions for sustainable growth. We work to shape a new understanding of growth, one that is based on inclusivity, sustainability and our ambition to support people and communities for the long term.

Our Sustainable Finance capabilities are not only making a difference where it matters most; but are also representing a growing source of income. We have developed our approach to sustainability within the two client segments - Corporate and Investment Banking (CIB) and Wealth and Retail Banking (WRB).

People

We continue to build our teams' capabilities through training and exposure to the green and transition frameworks that we have developed globally. These frameworks allow the coverage team to identify more Sustainable Finance opportunities during client engagements. Our internal learning platform, DiSCover continues to offer trainings for our colleagues in current and emerging areas such as sustainable finance, digital assets and artificial intelligence.

Responsible Company

Financial Crime Risk Management

The Bank remains committed to fighting financial crime and has a deep belief that fighting financial and cybercrimes is necessary for the sustainability of our business and the economies we operate in. The Bank's ambition is to tackle the most damaging financial and cybercrimes by making the financial system a hostile environment for the criminals. During the year we have taken steps to ensure that our financial crime awareness and controls remain robust and evolve to meet emerging threats.

The Bank acknowledges that for this to happen, it is critical to adopt a concerted effort and partnerships amongst regulators, industry players, law enforcement, non-governmental bodies and others. The Bank has embraced collaboration and participated in various strategic partnerships to demonstrate the critical importance of partnerships and intelligence sharing in disrupting financial crime. This validates the adage "it takes a network to bring down a network."

Our Financial Crime Compliance team continues to proactively identify, prevent potential fraud, terror financing and money laundering activities using next-generation surveillance, financial crime monitoring infrastructure, artificial intelligence and machine learning. This is in addition to having the right governance and policy framework; robust training and awareness, independent monitoring, detection, reporting and assurance framework. Money laundering crimes and cyber enabled frauds remained our greatest threats in the year.

The enablers for this dynamic risk assessment of Financial Crime Risk are threat analysis, network analysis, leveraging on data, advanced analytics augmented by Money Laundering and Artificial intelligence tools, as well as higher skilled teams with deep subject matter expertise and a strong risk management culture. This ensures we are more responsive to risks and better able to support our businesses to grow by putting clients at the heart of how we manage risk.

Following Kenya's grey listing on 23 February 2024, there has been an increased focus on financial crime compliance, including different industry wide engagements championed by the Financial Reporting Centre, the Central Bank of Kenya and the Kenya Bankers Association. These engagements are aimed at creating awareness across the industry and instituting measures and controls meant to address the deficiencies that led to the grey listing and Standard Chartered Kenya has not only actively participated in these industry engagements but also provided feedback as part of the consultative process. Standard Chartered continues to be a source of expert knowledge in financial crime through active participation and engagement in industry compliance and regulatory initiatives.

Management of financial crime within the Bank is the responsibility of all colleagues, who are divided into three lines of defence. We remain focussed on strengthening our three lines of defence and in 2025 we continued to make our first line teams more capable of risk identification and mitigation. The Bank takes a zero-tolerance approach to breaches in laws and regulations related to Financial Crime and the relationships that are deemed to pose higher risks are either de-risked or terminated.

Together we continue to make the financial system a hostile environment for financial criminals and terrorists.

Fraud Risk Management

The internal and external fraud threat landscape is continually evolving, requiring the strengthening of fraud control standards. This is at the back of the growing trend of digitisation of products and channels that has created fast settlement cycles. Transactions such as wire transfers and mobile money transactions are mainly executed through digital platforms. This has provided fraudsters with easy access to banking services and fast movement of proceeds of fraud. In response to this dynamic, complex and rapidly evolving landscape, the Bank

Stakeholders and Responsibilities continued

ensures that the controls remain robust and evolve to meet emerging threats and protect the market and client interests.

Relatedly there is an increasing regulatory expectation to have robust KYC and Identity verification requirements, including biometrics, stronger customer authentication standards for payments made via online and digital channels, minimum standards for fraud surveillance, including pro-active client notifications, as well as improved customer education and awareness and adherence to data security and privacy protocols.

The main typology of fraud is social engineering schemes through phishing, smishing and vishing. Through fictitious emails and Short Messages (SMSs) sent to clients with an embedded phishing link, the fraudsters purport to advise clients on various services or issues. To effectively address the increasing fraud trends, the Bank has commissioned various working groups to conduct reviews and identify potential gaps in the Bank's fraud risk management framework with appropriate treatment plans. The Bank has also put in place fairer liability frameworks to protect vulnerable clients.

The Bank has ensured that strategic fraud awareness messages are shared with clients in all banking channels – online and mobile banking. We also frequently send messages to clients cautioning them against sharing their One Time Pin (OTP); clicking on phishing links or providing their personal details and online banking access credentials on calls to persons purporting to be Bank employees.

The Bank has invested in fraud risk management systems such as ThreatMetrix (TMX), a digital fraud detection and prevention

tool which is integrated with login and channel registration functionality in I-banking and SC mobile. Additionally, PIN Registration and Reset has been disabled for all front-line colleagues and replaced by client self service capabilities.

On employee conduct, the Bank has a strong tone from the top on acceptable behaviour and speak up channels for reporting any cases on fraud. The Bank remains committed to dealing with colleagues who breach the shared code of conduct through the disciplinary process which includes termination and reporting to law enforcement agencies.

Training and awareness creation across the Bank is critical to equip all our colleagues to effectively play their line of defence role. Various thematic, risk based and targeted financial crime virtual trainings are conducted. In 2025, more than 99 per cent of our colleagues completed the mandatory e-learning programmes for internal and external financial crime risks. Further, the Bank has ensured it has equipped its 2nd line technical colleagues with the relevant skills to respond to financial crime escalations.

Through its partnership with the Association of Certified Anti-Money Laundering Specialists (ACAMS), over 80 per cent of the Financial Crime Compliance Team (FCC) are ACAMS certified and 100 per cent certified through the Bank's Financial Crime Academy which offers specialist modules and certification. Lastly through our outreach initiatives and in the spirit of collaborating with external stakeholders, in 2025 we facilitated awareness sessions for our customers through virtual webinars where fraud subject matter experts are invited to share knowledge and experiences on fraud and cybercrime.

Accelerating zero in our operations

We are committed to achieving net zero emissions from our operations through the adoption of renewable energy sources, enhanced waste management solutions and water usage.

Our strategic focus areas:

Carbon Emissions: Our carbon emissions as at 31 December 2025 was 59.1 tonnes; a 3% per cent reduction from 2024 baseline of 61 tonnes.

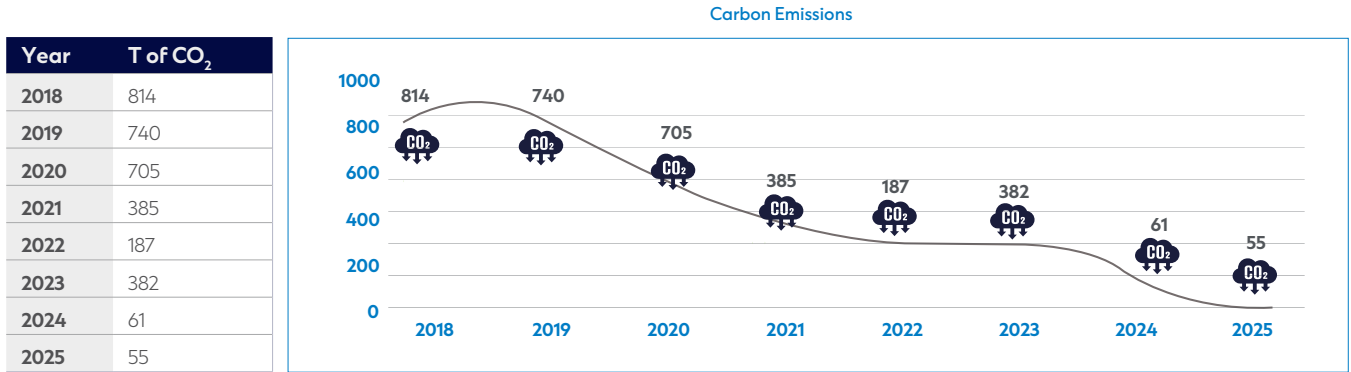
Carbon Emission Reduction

Carbon Emissions

The carbon figure for 2025 has been estimated at 59.1 tonnes the Initiative to further reduce the scope 1 direct emissions figures is at an advanced stage with vendor engagement and implementation of generator diesel monitoring solution expected by Q1 2026. With the monitoring in place, actual figures will be used and carbon emission figures are expected drop.

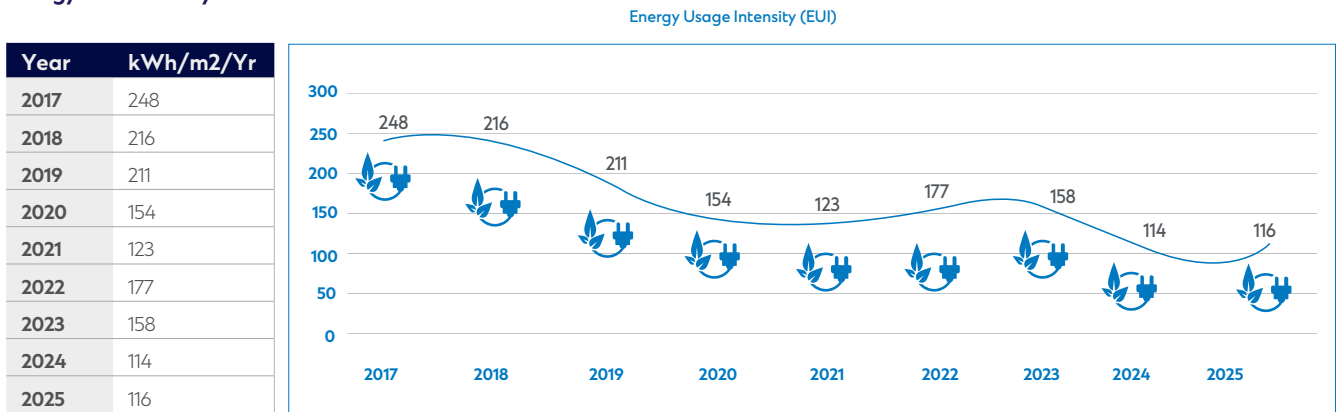
Stakeholders and Responsibilities continued

Carbon Emissions: After Emissions 3% reduction from 2024



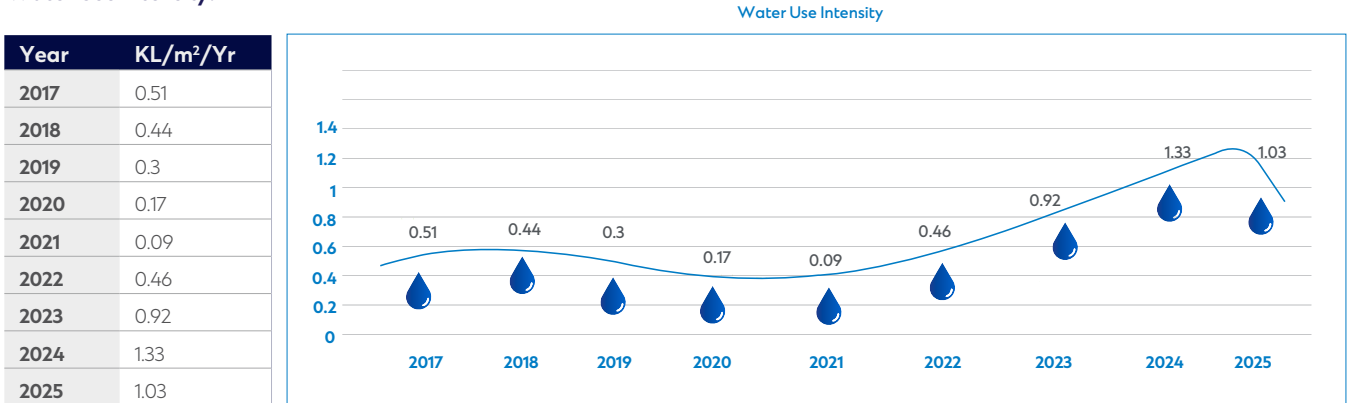
Energy Use: Kenya achieved a 54 per cent reduction in energy usage (electricity, diesel, solar) from 2017 - 2024, demonstrating our commitment to sustainability in our operations.

Energy Use Intensity:



There has been a marginal increase of approximately 2 per cent on the energy use intensity. This has been through the increased building occupancy by tenants in the building driving up the consumption. Reduction on the figure is expected after implementation of various initiatives like the replacement of old water pumps that were serving the building which were replaced with advanced Wilo smart pumps that have modern VFD* control technology and intelligent pressure management systems that are more energy efficient. Additionally, the lifts have been upgraded with a new porting system that has smart assignment technology aggregating calls to ensure efficient use, thereby driving some savings.

Water Use Intensity:



Our water intensity has dropped from 1.33 units in 2024 to 1.03 units in 2025. This is due to the adoption of use of storm water harvested for irrigating grounds around the building. Additionally, installation of water saving urinal sensors have made some contribution in the water saving front. Continued awareness on water conservation and maintenance practices are also expected to continue driving water utilisation down. The wastewater treatment plant for Chiromo is under refurbishment and is expected to drive additional savings once operational.

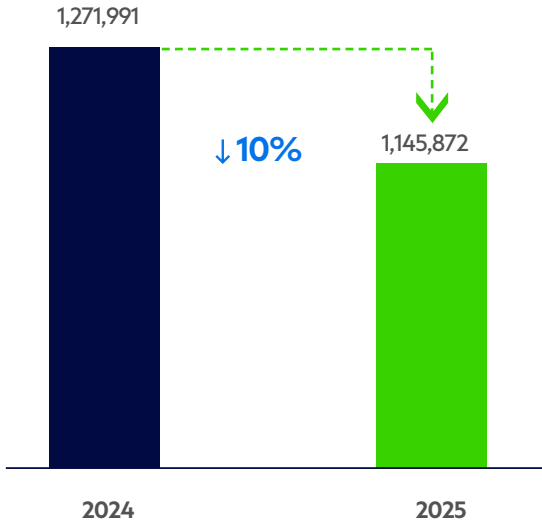
*A Variable Frequency Drive (VFD) is an electronic device used to control the speed and torque of an AC electric motor by varying the frequency and voltage of the electrical power supplied to the motor.

Stakeholders and Responsibilities continued

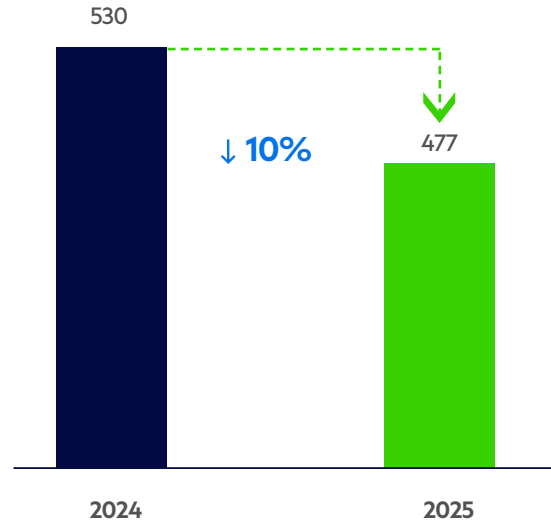
Printing paper utilisation

Compared with our monthly set target of 500 Kgs or less for 2025, the rolling average printing paper utilisation for the year to date was 477 Kgs as at 31 December 2025. This represents a reduction of 5 per cent on the set target for paper usage in the portfolio.

Paper utilisation (sheets)



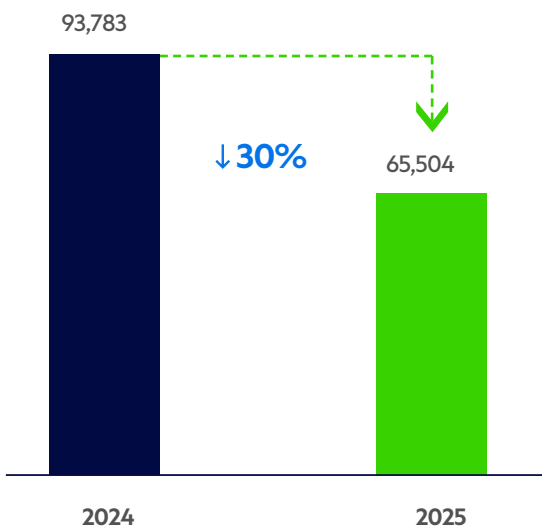
Paper utilisation monthly average (Kgs)



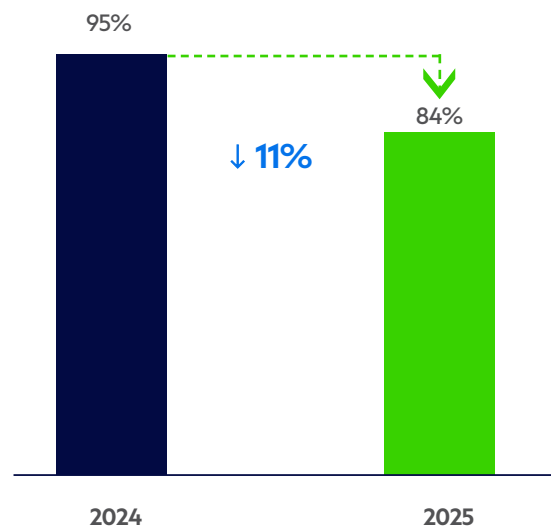
Effective waste management

In 2025 across the portfolio, we collectively recycled 67,824 kgs of waste. Notably, Kenya has achieved an 84 per cent diversion from landfill rate. Reporting has been expanded to capture data from the Head Office and to include the branches. Awareness of proper segregation across the branches is on-going to drive up the recycling numbers.

Waste recycled (Kgs)



Waste diversion (%)



- All sites 2024
- Global Estate Management (Kenyatta, Chiromo & Treasury Square) 2025



Stakeholders and Responsibilities continued

Inclusive Communities

Access to jobs and reducing inequality are critical to boosting prosperity. Globally, 282 million young people are not in education, training or employment. Inequality and a lack of jobs are key barriers to reducing poverty and boosting prosperity. We understand that increasing economic participation creates thriving communities. Our philanthropic approach aims to help bridge the often-significant gap that prevents young people from accessing commercial products and services.

Giving back to our communities is anchored to our purpose of driving commerce and prosperity through our unique diversity. For more than 110 years, the Bank has helped people build their financial futures and companies to do business across the world. We invest that same experience to help tackle inequality and turn opportunity into lasting prosperity. Through community partnerships client partnerships and employee volunteering, we aim to contribute towards more inclusive economies and increased equitable prosperity.

We do this through the Standard Chartered Foundation (formerly Futuremakers) and through employee volunteering and other community initiatives. With the Foundation, we help empower young people, working with them to secure decent work and create jobs. We prioritise the under-served, especially young women and persons with disabilities, who are too often left behind.

We do more than fund programmes, we donate our expertise through skills-based volunteering, ranging from providing financial education to local schools, to mentoring young people in the Foundation's youth empowerment programmes. We focus on two core areas; empowering young people to gain skills and sustainable employment; and supporting entrepreneurs to build thriving microbusinesses and create jobs in their communities, with disability inclusion and financial inclusion as a cross-cutting theme.

We deliver these pillars through four programmes – Women in Tech (WiT), Ready for Inclusive Sustainable Employment (RISE), the Links to Work programme and Access to Finance programme to help underserved young people, especially young women and persons with disabilities, to access economic opportunities through employability and entrepreneurship support.

In 2025, we supported over 1,672 young people. Through our employability pillar, 188 young people have secured decent employment, with 94 per cent of these being young persons with disabilities.

Our entrepreneurship programmes have enabled creation of 203 jobs through supported micro-business.

Since launch in 2019, we have supported more than 55,959 young people. 519 have gained decent jobs through our employability programmes while 1,583 jobs have been created through supported microbusinesses under the entrepreneurship pillar.

Employability - Creating an inclusive ecosystem for decent work

Around the world, millions of young people not in employment, education, or training (NEET) or are trapped in low-paid and insecure work that prevents them from contributing economically to their communities and wider society. They lack the skills and opportunities to improve their situation. Young women are twice as likely as young men to be NEET. Attitudes and discrimination linked to disability make it much more difficult for young persons with disabilities to participate in economic activities.

We believe everyone deserves the opportunity to have access to training and employment opportunities to realise their full potential and gain financial independence. Our employability programmes prioritise these underserved groups, especially women and persons with disabilities, supporting them to gain the skills and networks to access decent jobs and encourage employers to promote an inclusive ecosystem. We provide access to quality training opportunities for young people and provide them with technical and vocational training, work experience, interview and CV preparation skills and mentorship opportunities.

Since 2024, we have been implementing Ready for Inclusive and Sustainable Employability (RISE), a three-year employability programme with an investment of KShs 133 million, which targets to engage 2,000 young persons with disabilities with 605 securing decent employment. The programme aims to empower young people with the life-skills, confidence and leadership capabilities to enable them to access employment, generate a decent income and become economically resilient. The programme is designed to develop a talent pool of appropriately skilled, employment-ready young people with and without disabilities, with the relevant skills such as resume writing, interviewing and career planning to enhance individual competitiveness and become employable or self-employed, thereby securing a better future for themselves and their communities.

For an employability programme to become sustainable, we acknowledge the need to develop both the demand and the supply side and engage wider labour market stakeholders - including business communities, universities, Government and associations for persons with disabilities, to become the catalysts of inclusion. We have taken a labour market approach where we are supporting employers to become more disability confident and more inclusive of persons with disabilities. We continue to work with Kenya Business Disability Network (KBDN) to engage employers.

In 2025, we hosted KBDN members and key stakeholders to a thought leadership session to unpack the Disability Act 2025 that requires employers to have 5 per cent representation in employment by persons with disabilities.

This year, we invested a further KShs 97.5 million and launched the Links to Work programme. This is a 3-year employability programme that aims to address both the supply and demand side of the job marketplace, with a specific focus on identifying and overcoming challenges women face. The programme aims at empowering over 1,500 young women from underserved backgrounds, aged 18 – 24. Of these, 750 young women will enter decent employment thereby contributing to economic empowerment and long-term financial independence. The programme will help participants establish a career growth plan, skills building and job search and application, including learning content, chat support channels, peer communities and mentorship.

In 2025, 1,519 young people participated in our employability programme, with 188 having secured decent employment; of these, 94 per cent are young persons with disabilities. Since 2019, a total of 13,030 young people have participated in employability programmes.

Entrepreneurship: Unlocking the potential of micro-businesses

Micro, small and medium enterprises (MSMEs) are the main GDP contributors and job creators in developing and emerging economies like Kenya. Millions of new, sustainable jobs are needed to maintain a growing global workforce and many of

Stakeholders and Responsibilities continued

these will need to be enabled through MSMEs. Yet young people – particularly women and persons with disabilities – face barriers to starting and sustaining a business, from inequitable access to finance, to limited relevant knowledge and skills and often a lack of confidence.

Many young people, women, micro and small businesses struggle to gain access to the financial system due to persisting socioeconomic factors such as inequality and gaps in economic inclusion, denying them opportunities to save and plan for their futures, as well as grow their businesses.

We believe investing in girls and young women brings greater prosperity and diversity in the society. A more financially inclusive society, where women are fully incorporated into the economy, unlocks substantial economic growth and empowers women to be a force for economic growth.

Our entrepreneurship programmes support young entrepreneurs, mainly women, to achieve business growth, build green and social micro-businesses and create much needed jobs in their communities. We provide entrepreneurs access to training, networks and finance that enables microbusinesses to thrive. Through our entrepreneurship programmes - Women in Tech (WiT) and Access to Finance, we support small and micro-business owners and aspiring entrepreneurs to build financial knowledge and develop broader business skills, access networks and finance. These programmes unleash the potential of young entrepreneurs, enabling them to earn from their businesses, thrive in the local market and beyond and ultimately create new jobs.

Women in Tech Accelerator Programme

Launched in 2017, Women in Tech (WiT) is designed to address these gaps and upscale women-led technology ventures, as an enabler for economic empowerment of women, through training, mentorship and seed funding. Aligned with our purpose – to drive prosperity through our unique diversity, WiT targets female entrepreneurs leveraging on technology to build or pivot their micro small and medium enterprises. It is a response to calls for greater diversity in technology and provides opportunities for women entrepreneurs to further develop leadership expertise.

The programme has attracted female led enterprises from different sectors such as hospitality, financial services, health care, agriculture, green businesses and media. Some of the entrepreneurs are providing tech solutions addressing social issues such as challenges faced by persons with disabilities and creating efficiencies that drive the cost of services down through technology.

In 2025, WiT programme Cohort 8 under the theme – Innovate, Lead, Inspire attracted over 250 applicants. We pivoted from the incubator to accelerator programme, attracting women led businesses that have been in operation for more than 3 years and revised the curriculum to meet their business needs. The 12 weeks accelerator sessions included master classes with colleagues from the Bank and industry experts as well as field trips to benchmark against successful women led businesses.

Since launch, the programme has attracted over 2,500 applications from 8 cohorts. To date, 92 female led businesses have gone through a 12-week training programme with 46 enterprises being awarded KShs 1.3 million each in seed money for their ventures. The enterprises have generated over KShs 13 billion and raised over KShs 1.17 billion.

Access to Finance Programme

The Standard Chartered Foundation Access to Finance programme was launched in 2022 to support women led small and microbusinesses to access small ticket loans of between KShs 250,000 to KShs 2.5 million to fuel the growth of female led enterprises at a low interest rate. The programme has provided debt financing spanning food, agriculture, education, personal care and textiles industries. The revolving funds are reinvested back into the women led businesses.

Phase I of the programme constituted a revolving loan facility which disbursed 104 loans to women-led businesses totalling KShs 32.5 million.

In Phase II, the Standard Chartered Foundation provided an additional loan facility which has disbursed 63 loans to 63 businesses valued at KShs 15.4 million.

To date, a total of 167 loans have been disbursed to 154 businesses totalling to KShs 447.9 million.

Beyond financing, the programme places emphasis on capacity building through structured coaching and mentorship. A total of 93 entrepreneurs are currently receiving individualised business coaching. The entrepreneurs reported improved financial health and resilience, reflecting the impact of combined financing, coaching and digital support.

Under the entrepreneurship pillar, a cumulative total of 1,387 jobs have been created since 2019.

Accelerating zero in our communities

We are participating in accelerating to net zero through creating awareness for our colleagues, communities and engaging like-minded stakeholders in the fight to mitigate the impact of climate change, thereby putting the world on a sustainable path to net zero by 2050.

Partnerships for Purpose

We successfully completed with our three-year partnership the Nairobi Arboretum Park to promote urban green spaces and create awareness on conservation of the environment in the community and achieved our target to plant one million tree seedlings in the nursery. We handed over the project to Nairobi Community Conservation Forestry Association and commissioned a legacy project on Ngong Road with over 1,000 trees.

In addition, within the year we planted 18,395 seedlings and distributed 31,000 seed balls.

Thought leadership

We celebrated the completion of the Goal Programme after 11 successful years in Kenya. Since inception, the Goal Programme has impacted the lives of 90,679 young women through sports, play and life skills. We engaged key stakeholders from the private sector, media and NGOs to mark the event as well as Goal girls.

We launched the 3rd edition of our Sustainability Progress Report under the theme “Unlocking Sustainable Growth Opportunities” bringing together over 100 industry experts, clients and colleagues. The report highlights our progress on Sustainable Finance, Acceleration to Net Zero and Social impact recorded in 2024.

In September, alongside the UN General Assembly (UNGA) Global Goals Summit, we hosted a hybrid event held simultaneously in Nairobi and New York for over 80 stakeholders. Themed ‘Building Ecosystems to Support Youth Employment’, the event brought together key players in the ecosystem who are working towards youth employability and young people’s voice exploring how the ecosystem can be strengthened to support young people enter decent jobs.

Stakeholders and Responsibilities continued

Collaboration with Business on Community Initiatives

We are collaborating with the Business teams to engage clients in community initiatives, where we hosted 3 employee volunteering activities in partnership with clients. We also invited our SC WIN client to mentor and share experience with Women in Tech Cohort 8 and the Access to Finance programme participants.

Supporting our Communities through Employee Volunteering

Employee Volunteering in 2025 focused on driving skill-based volunteering where we encouraged our colleagues to use their unique skills and expertise to make an impactful contribution in the community. Volunteering has a positive impact on our communities, our colleagues and our broader business. We have sought to scale the impact of volunteering by strengthening skills-based volunteering. This provides an opportunity for our colleagues to share time, skills and expertise on issues that matter in the communities. It also promotes mental and physical health. We offer every colleagues three days paid leave to volunteer in an activity of their choice.

In 2025, we achieved 87 per cent participation, against an aspirational target of 70 per cent with 809 colleagues volunteering a total of 1,355 days to support various philanthropic causes. We recorded 4,039 hours of skills-based volunteering through an array of activities, including provision of financial education coaching and mentoring young persons with disabilities and young female entrepreneurs.

We engaged our leaders including our Board and various senior Group leaders who visited Kenya in 2025, in activities such as mentors' dens and coaching sessions. Our colleagues also volunteered in the Standard Chartered Nairobi Marathon, as well as participated in activities to help reduce our environmental impact through tree planting.

Marking International Days

We hosted various International Women's Day events that included a fireside chat with senior leaders in the Bank and in the industry, which attracted over 800 colleagues from Africa.

In addition, together with our partners, we hosted an evening reception where we highlighted the Bank's commitment to diversity, equality and inclusion. During the networking session, Women in Tech alumni showcased their tech innovations. We also hosted a high tea for female Priority Bank clients.

We celebrated the World Environment Day and June Employee Volunteering Month through various activities, culminating in a handover ceremony for the 1-million-seedling Arboretum nursery, officially transferring it to the Nairobi Arboretum Conservancy Community Forest Association (NACCFCA).

In partnership with the Gender Colleagues' Community, we marked the World Menopause Day under the theme 'Lifestyle Medicine' with virtual sessions attended by over 1,500 colleagues

across the cluster and a physical event where Standard Chartered alumni shared their experiences in a curated panel discussion.

To mark the International Day for Persons with Disabilities, we partnered with the Disability Colleagues Community to host students from Kasarani Treeside School for the Deaf in a mentorship session where we donated 20 computers to the school computer lab.

To celebrate Valentine's Day, our colleagues handed over donations worth KShs 7 million to the Mukuru kwa Ruben Community who were affected by a fire outbreak. The team also mentored students from Ruben Primary School. Additionally, we held a blood donation drive and conducted medical checks for the community.

Sustainable Marathon

A total of 30,668 runners participated in the marathon, representing a 22 per cent increase from 2024, supported by 1,335 volunteers and 9,500 engaged Standard Chartered clients (an increase of 35% from last year).

We raised KShs 76 million for the Standard Chartered Foundation, marking an increase of 58 per cent compared to KShs 48 million in 2024.

We had a record engagement with 83 CEOs participating at the marathon. This was a 43 per cent increase from 2024, underscoring the marathon's growing influence among business leaders. We welcomed, 1,772 international runners from 98 nationalities and saw registrations close one month before the race date; a clear sign of the marathon's surging popularity.

Out of the 1,135 volunteers, 32 per cent were Bank colleagues.

The marathon's brand value continues to grow with our media campaign generating a PR value of KShs 598 million with 356 media stories compared to 300 stories in 2024. The marathon trended across various channels with our campaign video attaining 9.5 million views on YouTube and prompting a digital wave with over 27 million impressions.

This year, we attracted 43 sponsors with a total sponsorship value of KShs 101 million, an increase of 33 per cent vs 2024.

We continue to drive our sustainable agenda through the marathon. We distributed a total of 30,000 seed balls and 10,000 seedlings and dispensed water using 250 ml biodegradable water packs from Tetra Pak. All the waste collected was recycled.

The marathon continues to be a close collaboration with our colleagues, clients and communities.

Stakeholders and Responsibilities continued

Case Studies

Miriam Mukami
 Founder, Touche Kami
 Industries



Access to Finance Programme

Touche Kami Industries is a beauty and cosmetics company focused on producing luxurious, eco-friendly self-care products while empowering small scale farmers and reducing waste.

Founded by Miriam Mukami, the company is guided by the belief - 'beauty with intention'. It ensures that its products are sourced responsibly and are environmentally friendly, while uplifting the community through providing jobs and sourcing raw materials locally.

Through participation in the Standard Chartered Foundation Access to Financing Programme by SOMO, Miriam strengthened her knowledge of taxation and regulatory compliance, enabling the business to meet government requirements and secure product certifications.

This milestone allowed Touché Kami Industries to access wider markets and increase sales. Additionally, the company secured investments which supported business growth significantly increasing revenue from an estimated KShs 138,000 in 2024 to close to KShs 2 million and created employment.

Rhea Soil Team
 Founder, Rhea Soil



WiT Accelerator Programme

Rhea Soil Health focuses on farmer engagement by offering follow-up support and delivering practical, accessible recommendations that farmers can easily adopt. By combining this approach with machine learning and insights, the venture improves fertiliser recommendations, optimises input use and enhances farmer productivity and sustainability.

Standard Chartered Foundation Women in Tech programme played a pivotal role in Rhea Soil's growth. It provided business structure and clarity, strengthened team building and people management and laid the groundwork for scaling beyond a founder-led operation.

Through this support, Rhea Soil Health successfully mobilised capital to support product development, farmer training and regional expansion. As a result, they secured over KShs 13 million in funding from investors and grant programmes. Strategic partnerships with organisations such as Standard Chartered Women in Tech, Eastern Africa Grain Council (EAGC), Global BioAg Innovations (GBI) and Avocado Society of Kenya have played a key role in Rhea's growth and reach.

Case Studies continued

Hannah Wanjiku
RISE programme participant



Standard Chartered Foundation

Hannah Wanjiku is a young professional with a physical disability and a degree in Economics and Statistics. She is currently employed and is actively involved in community volunteering.

Her career journey was strengthened through the Standard Chartered Foundation Ready for Inclusive and Sustainable Employment (RISE) programme. The programme equipped her with essential skills, including career planning, communication, digital skills and personal branding, enhancing her confidence and job readiness.

Mentorship and employer partnerships were central to Hannah's success. Through the programme, she accessed internships which helped her gain valuable exposure and practical experience across finance and commercial functions.

Hannah later secured full-time employment at a leading Telecom company, where she continues to develop her soft skills, including people management. She encourages young persons with disabilities to remain resilient and calls on employers to embrace inclusive hiring by focusing on ability and potential rather than disability.

Sharon Odongo
RISE programme participant



Standard Chartered Foundation

After facing limited opportunities as a young person with a disability, Sharon (centre) joined the IT Bridge Academy, an inclusive IT programme that is funded by the Standard Chartered Foundation.

Joining the programme became a turning point for Sharon, narrating how the programme changed her life, through education and training that empowered her. Today, Sharon is a community leader, digital skills trainer, disability rights advocate and a board member in three different secondary schools. She is helping young persons with disabilities access skills, opportunities and the confidence to thrive. Stories like Sharon's truly demonstrate the importance of inclusion in our work and underscore the tangible impact we are making across our communities.

Stakeholders and Responsibilities continued

Conclusion

Our Purpose is to drive commerce and prosperity through our unique diversity and this guides our strategy and everything we do. The businesses we serve and with which we connect and partner, are the engines of trade and innovation and central to the transition to a fair, sustainable future.

Our approach to stakeholder engagement is firmly underpinned by our desire to put our purpose into action by connecting us to the big economic and social shifts in Kenya. This approach defines how we engage with our clients and society by aligning our activities with these shifts and enabling us to shape the forces driving growth.

These commendable efforts are being recognised by a wide range of influential stakeholders, as evidenced by the 41 awards and accolades that our business received in the last year.

There is still a lot to be done for us to meet the commitments we have made to fully embed sustainability in our client value proposition, operations and community programmes. We will determine our progress and impact by continually measuring the social and economic impact of our sustainability initiatives on our operations and in the communities where we do business.



Chairperson's statement



"We continued to uphold the highest standards of governance, transparency and ethical conduct, principles that are embedded in the Standard Chartered heritage and essential to long-term value creation"

Kellen Kariuki
Chairperson

Dear Shareholders,

It is my pleasure to present to you the 2025 Annual Report for Standard Chartered Bank Kenya Limited. This year has demonstrated the strength of our strategy, the discipline of our leadership and the unwavering commitment of our colleagues to deliver value to clients, shareholders and the communities we serve.

Our performance in 2025 reflects not only the quality of our franchise but also the strength of our diversified business model and disciplined approach to risk management.

Competing with strength in a dynamic environment

In 2025, we sharpened our strategic focus on areas where we deliver the greatest impact:

- Cross-border banking, leveraging our unrivalled global network;
- Affluent and wealth management propositions;
- Digital transformation and client experience; and
- Sustainable and responsible banking practices.

These priorities enabled us to deepen client relationships, diversify income streams and continue innovating across our operations.

Governance, Ethics and Board Oversight

The Board remained steadfast in its oversight of strategy, risk, culture and performance. We continued to uphold the highest standards of governance, transparency and ethical conduct, principles that are embedded in the Standard Chartered heritage and essential to long-term value creation.

During the year, the Board focused on strengthening our culture of accountability, embedding enhanced risk controls and ensuring the Bank remains future-ready. We also prioritised succession planning, leadership capability and continuous Board development to ensure we remain aligned with global best practice.

Chairperson's statement continued

Employee wellbeing

We continued to expand our holistic approach to employee wellbeing, recognising its contribution to sustainable performance and organisational resilience. In March 2025, we launched our Caregivers Forum, a ground-breaking initiative to support and elevate the voices of those who provide care, both formally and informally, within our workforce. Through shared experiences, expert insights and practical guidance, the forum has begun to play a significant role in helping employees effectively balance personal and professional commitments.

We remain committed to supporting our employees to thrive at work and the results of the 2025 My Voice employee engagement survey were positive and marked an improvement in various scores, with 93 per cent of our colleagues recommending the Bank as a great place to work and 95 per cent of them being aligned with the Bank's strategy.

Sustainability and community impact

We advanced our inclusion agenda through initiatives that broaden access, enhance representation and reinforce the sense of belonging among our people. In 2025, 87 per cent of our colleagues actively participated in volunteering activities aimed at enabling young people and underserved communities to learn, earn and grow. This strengthened our connection to the communities as our teams supported various philanthropic causes including skills-based volunteering, providing financial education and mentoring young persons with disabilities as well as young female entrepreneurs.

In 2025, we supported over 900 young people in preparation towards decent employment and invested KShs 97.5 million to launch the Links to Work programme. This is a 3-year employability programme that aims to address both the supply and demand side of the job marketplace, with specific focus on identifying and overcoming challenges women face in securing employment.

As part of our commitment to supporting young women, we celebrated the completion of the Goal Programme after 11 successful years in Kenya. Since inception, the Goal Programme has impacted the lives of over 90,000 young women through sports, play and life skills.

Awards and recognition

In 2025 we were honoured to receive 51 awards across various categories, compared to 41 awards received in 2024. This recognition enhances our positive reputation in the market amongst our stakeholders and is a testament to the incredible efforts by our talented teams across the Bank.

Board transitions

During the year, we experienced changes in the composition of our Board. Richard Etemesi stepped down from his role as a Non-Executive Director effective 30 June 2025. This concluded 33 years of distinguished service to Standard Chartered including as a dedicated member of the Board since 2017. The Board extends its deepest gratitude to Richard for his outstanding stewardship during his tenure.

In November 2025, the Board was pleased to announce the appointment of Peter Gitau as a Non-Executive Director and Kinya Kimotho as an Independent Non-Executive Director. These appointments are pending approval from the Central Bank of Kenya and Capital Markets Authority.

Peter is a distinguished financial services executive with over 30 years of experience in banking, operations, technology and audit including 22 years in leadership roles at Standard Chartered Bank across Africa and Asia. His deep institutional knowledge, strategic insight and experience in navigating complex regulatory environments will be invaluable in strengthening the Board's oversight role.

Kinya Kimotho is a seasoned finance leader with over 25 years of experience in strategic finance, governance and business transformation across Africa and Europe. Her extensive track record in finance leadership will add significant expertise to the Board.

In January 2026, the Board announced the appointment of Birju Sanghrajka as Managing Director and Chief Executive Officer and Head of Coverage for Kenya, subject to regulatory approvals. Birju will succeed Kariuki Ngari, who will retire from his role as Managing Director and Chief Executive Officer of the Bank in April 2026 after a distinguished 24-year career with Standard Chartered.

The Board expresses its sincere gratitude to Kariuki for his exemplary and transformative leadership. Under his stewardship, the Bank has delivered strong financial outcomes, accelerated its digital transformation and deepened its impact in the community. The Board congratulates Birju on his appointment and is confident that he will successfully steer the Bank through its next phase of growth.

Future outlook

We enter 2026 with confidence. Our balance sheet is strong, our strategy is clear and our people remain committed to delivering for our clients every day. While uncertainty remains a defining feature of global markets, we see significant opportunities across trade, wealth creation, digital solutions and sustainable finance. We remain committed to supporting Kenya's economic progress, driving prosperity and delivering consistent value to our shareholders.

On behalf of the Board, I extend my heartfelt appreciation to our clients for their trust, to our colleagues for their dedication and professionalism and to you, our shareholders, for your continued support.



Kellen Kariuki
Chairperson

18 March 2026

Chief Executive Officer's statement



"Sustainability remains at the heart of our strategy. We are making a difference through sustainable finance solutions for clients, our efforts to net zero in our operations and in our communities."

Kariuki Ngari
Managing Director and Chief Executive Officer

Dear Shareholders,

We are a global bank connecting corporate, institutional and affluent clients to a network that offers unique access to sustainable growth opportunities across the most dynamic markets. This distinctive proposition together with our strategy of combining differentiated cross-border capabilities with our leading wealth management expertise underpinned by sustainability saw us through 2025, navigating what turned out to be a most challenging year.

As a result, we delivered a resilient performance with profit before tax of KShs 16.8 billion. This represents a 40 per cent drop year-on-year driven mainly by a decline in revenue. The Monetary Policy Committee continued to ease the policy rates in the year and we in turn transmitted this to clients effectively reducing net interest margins by 310 basis points to 10.3%. This contributed to the 13 per cent reduction in net interest income. Our foreign exchange non funded income equally responded to the stable currency with a decline of 59 per cent.

We welcome and support the efforts by the Monetary Policy Committee in creating a lower interest rate environment which is critical in spurring economic growth. Our foundations remain strong with a well-diversified balance sheet with liquidity and capital well above regulatory thresholds and at right levels to support continued growth. Our Assets Under Management which is a key driver in our Wealth

Management business closed at KShs 302.2 billion up 29 per cent from December 2024.

Our performance was also impacted by a one-off employee past service cost of KShs 2.6 billion following the Supreme Court ruling on 5 September 2025 and the Retirement Benefits Appeal Tribunal (RBAT) Orders.

Progress on strategic priorities

Our strategy of combining differentiated cross-border capabilities for our corporate and investment clients with leading wealth management expertise for our affluent banking clients underpinned by sustainability remains our guide to the true north and we have made progress on our priorities.

Through our cross-border proposition, we continue to connect our clients to capital using innovative solutions. In the year we signed a market risk participation programme with British International Investment (BII) a facility that we envision will bridge the trade finance gap, empower women-owned enterprises under the 2X Challenge and stimulate job creation. We also entered into a partnership with the International Finance Corporation (IFC) to provide KShs 9 billion financing, a first in the market arrangement that will allow the IFC to lend to private sector players in Kenya Shillings hence cushioning these players from exchange rate volatility.

Group Chief Executive's statement continued

Our deliberate focus on Affluent in our wealth and retail business supported by our leading wealth management expertise is becoming sharper and stronger. We made deliberate effort to equip our relationship managers to better serve our clients in their investment and wealth journeys with 53 per cent of our relationship managers having obtained Chartered Institute for Securities and Investments (CISI) certification.

Innovation and digitisation remain central to delivering on our strategy. Our Straight2Bank platform continues to bring convenience to our corporate clients for collections, payments, tax payment, payroll, mobile wallet, trade finance, custody and foreign exchange (FX) services with convenience and security. During the year, both penetration and utilisation of our Straight2Bank digital platform remained steady at 89 per cent. On the retail front, our award winning mobile and online platforms continue to make everyday banking easy and secure for our clients with 97 per cent of all retail transactions done digitally. This has resulted in a reduction in manual in-branch transactions with a corresponding reduction in associated processing costs. The branch network consolidation supports our refreshed affluent strategy to improve service, adapt to evolving client needs and focus resources where they add most value.

Sustainability remains at the heart of our strategy. We are making a difference through sustainable finance solutions for clients, our efforts to net zero in our operations and in our communities. In 2025, we acted as a Sole Sustainability Coordinator, Joint Lead Arranger and Placing Agent for KShs 40 billion Safaricom Green Bond. This the largest green issuance in the Kenya market.

We officially handed over Nairobi Arboretum's rehabilitation and conservation project to Nairobi Arboretum Conservancy Community Forest Association. The KShs 20 million initiative is part of Standard Chartered's commitment to accelerate to net-zero through strategic partnerships. The project consists of a 1 million seedlings nursery, a digital app on conservation and climate change, QR codes for over 100 iconic evergreen tree species and 20 upgraded items of signage. The initiative marked the successful completion of a 3 year agreement to promote green urban spaces, community conservation education and awareness and new tree cover.

The 22nd edition of the Standard Chartered Nairobi Marathon set a new record with over 30,000 participants raising a record KShs 76 million - a 58 per cent increase compared to KShs 48 million in 2024. Proceeds from the marathon will go towards the Standard Chartered Foundation initiatives.

RBAT No 8 of 2021 Abdalla Osman and 628 Others versus Retirement Benefits Authority and Others

On 5 September 2025, the Supreme Court of Kenya dismissed the Bank's application for stay of execution of the 22 May 2025 Retirement Benefits Appeal tribunal (RBAT) ruling where the Bank and the Trustees were ordered to re-calculate and pay pension benefits to the 629 appellants. This effectively brought to a close the 16-year-old case. We moved with speed to execute the Orders of the Tribunal and as at 10 March 2026, we had discharged our mandate relating to 84 per cent of the appellants. We also made good the Order

to refund KShs 1.1 billion together with interest that had been withdrawn from the scheme. We are committed to seeing this process through and will continue to engage with the appellants and the Retirement Benefit Authority to this end.

Revised Risk Based Credit Pricing model

In August 2025, Central Bank of Kenya issued a final revised Risk-Based Credit Pricing Model for the Banking sector which would use the Kenya Shilling Overnight Interbank Average ("KESONIA") rate as the new industry benchmark reference rate for determining local currency lending rates for all variable rate loans. We have implemented the model taking into consideration various elements spelt out in the guidelines.

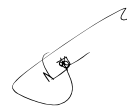
Looking ahead

Our strategy is designed to enable us to support clients as the world becomes more complex and as their own needs evolve and to ensure that we remain relevant, resilient and trusted over the long term.

We are optimistic about 2026 and confident in our ability to capture growth opportunities across our chosen segments. Our focus will remain on disciplined growth, client-centric solutions, operational efficiency and building a future-ready organisation. We will continue to invest in our people, technology and in solutions that empower clients to meet their financials needs in a rapidly changing world.

I wish to extend my deepest gratitude to colleagues for their resilience and unwavering commitment to our clients. To the Board, ably led by Kellen Kariuki, thank you for your counsel and steadfast support. To our clients, shareholders and communities at large, thank you for your trust and partnership over the years.

Finally, as my term comes to an end, I wish Birju Sanghrajka every success as he takes on the leadership of the Bank. He steps into this role with a strong foundation and I am confident that his vision and energy will propel the Bank to greater heights.



Kariuki Ngari
Managing Director and Chief Executive Officer

18 March 2026

Executive Committee



1. **Kariuki Ngari**
Managing Director and
Chief Executive Officer

2. **Chemutai Murgor**
Chief Financial Officer

3. **Birju Sanghrajka**
Head, Banking and Coverage,
Corporate and Investment Banking

4. **Edith Chumba**
Head, Wealth and Retail Banking

5. **Makabelo Malumane**
Head, Transaction Banking

6. **Evans Munyori**
Head, Human Resource

7. **Joyce Kibe**
Head, Corporate Affairs,
Brand and Marketing

8. **Jaime Mwai**
Chief Technology and
Operations Officer

9. **Judy Nyaga**
Company Secretary

10. **Patricia Mbugua**
Head, Legal

11. **David Mwindi**
Head, Conduct, Financial
Crime and Compliance

12. **Dedan Muugi**
Head, Audit

13. **James Mucheke**
Chief Risk Officer

14. **Moses Kiboi**
Head, Markets and
Foreign Exchange Trading



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Chief Financial Officer's statement



"The Bank's balance sheet remains strong, liquid and well diversified."

Chemutai Murgor
Chief Financial Officer

Summary of financial performance

The Bank delivered a resilient performance with profit before tax of KShs 16.8 billion a 40 per cent drop year-on-year on account of revenue reduction and increased expenses mainly due to the pension case. Excluding the impact of the one-off pension pay out, underlying profit before tax stood at KShs 19.5 billion, representing a 31 per cent decline year-on-year. Net interest income decreased by 13 per cent year-on-year due to margins compression on the back of declining interest rates. The decline has partially been mitigated by lower cost of funds on customer deposits and growth in interest income from government securities. Overall, operating income declined by 17 per cent.

Interest earning assets, largely customer loans and advances, government securities and group balances increased by 1 per cent year-on-year to KShs 333.8 billion from KShs 329.3 billion in 2024. Group balances decreased by 9 per cent to KShs 71.3 billion on account of reduced liquidity on the backdrop of the decrease in customer deposits. Government securities increased by 9 per cent while customer loans increased by 2 per cent.

Foreign exchange income decreased 59 per cent year-on-year on account of decline in margins as the local currency was stable in 2025. Net fee and commission income was flat at KShs 6.7 billion driven by decline in transactional volumes and margins in Transaction Service Markets. The drop was mitigated by strong wealth solutions momentum and trading income. Overall, non-funded income declined by 24 per cent.

Operating expenses increased 16 per cent on account of a one-off employee pension pay out KShs 2.7 billion and project expenses as a result of our investments to fund our digital capabilities. This led to the decline of the cost to income ratio to 55.6 per cent.

Credit impairment charge marginally reduced by 1 per cent to KShs 1.7 billion due to recoveries in our Corporate and Investment Banking (CIB) portfolio. This was partly offset by increase in Wealth and Retail Banking (WRB) provisions relating to the exposure to the USAID grantees in response to the suspension of the US foreign assistance. Other impairment relates to property plant and equipment write-offs.

Chief Financial Officer's Statement continued

Earnings per share ('EPS') decreased 38 per cent to KShs 32.5 on account of profitability decline

	2025 KShs '000	2024 KShs '000	Change %
Net interest income	28,891,842	33,265,303	(13)
Non-interest income	12,994,940	17,001,875	(24)
Operating income	41,886,782	50,267,178	(17)
Operating expenses	(23,270,203)	(19,994,088)	16
Credit impairment	(1,741,525)	(1,763,610)	(1)
Other impairment	(38,360)	(301,244)	(87)
Profit before taxation	16,836,694	28,208,236	(40)
Taxation	(4,400,123)	(8,147,649)	(46)
Profit after tax	12,436,571	20,060,587	(38)
Key metrics:			
Basic earnings per share (KShs)	32.5	52.7	38%
NIMs (%)	8.6	9.6	(100)bps
Cost income ratio (%)	55.6	39.8	1580bps
Cost of Risk (%)	1.2	1.5	(30)bps

*NIMs - Net Interest Margin

Client segments

Corporate and Investment Banking ('CIB') profit before tax decreased 46 per cent to KShs 9.0 billion. Income declined 28 per cent to KShs 18.4 billion driven by improved net interest margins, growth in Transactional Services, Markets and Banking. Expenses at KShs 9.5 billion were 14 per cent largely due to staff costs and investments. Credit impairment charges reduced by 123 per cent on account of credit recoveries from management of the credit portfolio.

Wealth and Retail Banking ('WRB') profit before tax increased by 15 per cent to KShs 12.7 billion, with income up 11 per cent to KShs 25.7 billion, benefitting from improved margins on retail assets income, transactions volume growth and growth in the wealth solutions. Expenses remained constant at KShs 10.8 billion while credit impairment increased by 89 per cent to KShs 2.1 billion.

Profit before tax

	2025 KShs '000	2024 KShs '000	Change %
CIB	8,975,711	16,486,051	(46)
WRB	12,670,969	10,981,407	15
C&O	(4,809,986)	740,778	(749)
Profit before taxation	16,836,694	28,208,236	(40)

Loans and advances to customers

Gross stage 3 loans and advances to customers of KShs 5.4 billion were 28 per cent lower year-on-year as repayments, upgrades and write-offs which more than offset new impairments to stage 3. Credit-impaired loans represented 3.4 per cent of gross loans and advances, 139 bps decrease compared to the prior year with continued improvement in credit quality in the midst of a challenging macro-economic environment. Consequently, the Non-Performing Loans (NPL) ratio improved by 200 bps to 5 per cent.

The stage 3 cover ratio increased from 70 per cent in 2024 to 78 per cent even as the gross exposures reduced by 28 per cent supported by a prudent credit management process.

Impairment losses on loans and advances reduced by KShs 312 million reflecting continued active management of the credit portfolio, driven by recoveries in CIB. Credit quality improved and remains resilient, but we remain alert to challenges in the macro-economic environment.

Chief Financial Officer's Statement continued

	2025 KShs '000	2024 KShs '000	Change %
Gross loans (amortised cost)			
Of which stage 1	142,143,196	145,209,376	2
Of which stage 2	6,901,205	5,855,085	17
Of which stage 3	5,382,951	7,576,889	(28)
Expected credit loss provisions			
Of which stage 1	(1,251,493)	(1,087,081)	15
Of which stage 2	(357,713)	(607,584)	(41)
Of which stage 3	(4,210,784)	(5,299,306)	(21)
Net loans and advances to customers (amortised)	148,607,362	151,647,379	2
Cover ratio of stage 3 (%)	78.2	69.9	830bps
NPL ratio (%)	5.4	7.4	(200)bps

	2025 KShs '000	2024 KShs '000	Change %
Gross loans (FVTPL)			
Of which stage 1	5,754,001	-	100
Expected credit loss provisions	(54,324)	-	100
Net loans and advances to customers (FVTPL)	5,699,677	-	100

	2025 KShs '000	2024 KShs '000	Change %
Credit impairment charge	1,639,808	1,952,167	(16)
Of which stage 1 and 2	2,030,000	51,854	3,815
Of which stage 3	(390,192)	1,900,313	(121)

Balance sheet and liquidity

The Bank's balance sheet remains strong, liquid and well diversified.

Total assets decreased by 5 per cent to KShs 363.5 billion driven by a 4 per cent decrease in customer deposits to KShs 283.5 billion, which in turn reduced balances due from Group by 9 per cent to KShs 71.3 billion. Customer loans and advances increased by 2 per cent to KShs 154.3 billion, both the foreign and local currency loans registering a minimal growth despite reduced credit growth in the industry. Investments in government and other securities increased by 9 per cent to KShs 107.3 billion from KShs 98.8 billion as at 31 December 2024.

Customer deposits decreased by 4 per cent from KShs 295.7 billion to KShs 283.4 billion and remain stable and well

diversified with 97 per cent CASA (current accounts and savings accounts) to total deposit ratio.

The advances-to-deposits ratio increased to 54 per cent from 51 per cent as at 31 December 2024 driven by a higher decrease in customer deposits (4 per cent) compared to the increase in customer loans and advances (2 per cent).

The proportion of foreign currency deposits to total customer deposits is 42 per cent compared to 41 per cent foreign currency customer loans to total customer loans and advances.

The liquidity ratio improved by 320 bps to 64 per cent as of 31 December 2025 and remains well above the minimum regulatory requirement of 20 per cent.

	2025 KShs '000	2024 KShs '000	Change %
Summary balance sheet			
Cash and balances with CBK	11,571,042	32,339,549	(64)
Government securities and other securities	107,386,995	98,821,528	9
Loans and advances to customers	154,307,039	151,647,379	2
Due from group companies and other related parties	71,345,065	78,564,954	(9)
Other assets	18,881,415	23,200,679	(19)
Total assets	363,491,556	384,574,089	(5)
Due to banks	1,280,365	306,862	317
Customer deposits	283,451,830	295,690,089	(4)
Other liabilities	12,439,180	16,801,018	(26)
Total liabilities	297,171,375	312,797,969	(5)
Equity	66,320,181	71,776,120	(8)
Total liabilities and equity	363,491,556	384,574,089	(5)
Advances-to-deposits ratio (%)	54.4	51.3	310bps
Liquidity ratio (%)	64.4	67.6	(320)bps

Chief Financial Officer's Statement continued

Capital

The Bank's absolute core capital increased by 2 per cent to KShs 55.0 billion while the core capital ratio increased by 88 bps to 20.36 per cent, 986 basis points higher than the minimum statutory ratio of 10.50 per cent.

Supplementary capital remained relatively at KShs 0.14 billion as at 31 December 2025.

Total capital increased by KShs 0.9 billion to KShs 55.2 billion driven by growth in retained earnings. Total capital ratio increased by 86 bps to 20.41 per cent, 591 basis points above the statutory minimum ratio of 14.50 per cent, reflecting a strong capital base in line with our capital risk appetite and is adequate to support balance sheet growth.

Summary balance sheet	Statutory Minimum	2025 KShs '000	2024 KShs '000	Change %
Tier 1 capital		55,050,216	54,088,745	2
Tier 2 capital		140,171	180,416	(22)
Total capital		55,190,387	54,269,161	2
Tier 1 capital ratio (%)	10.5	20.36	19.48	88bps
Total capital ratio (%)	14.5	20.41	19.55	86bps
Tier 1 to total deposits (%)	8	19.42	18.29	113bps

Total Risk-Weighted Assets (RWA) decreased by 3 per cent to KShs 270.4 billion from KShs 277.6 billion as at 31 December 2024.

Credit risk RWAs decreased by 11 per cent to KShs 164.0 billion from KShs 183.8 billion as at 31 December 2024 on account of increase in placements which attract a relatively lower risk weight charge.

Market risk RWAs increased by 16 per cent to KShs 16.9 billion due to growth in government securities holding largely treasury bills.

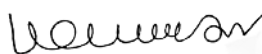
Operational risk RWAs increased by 13 per cent due to an increase in average income as measured over a rolling three-year time horizon, with higher 2024 income replacing lower 2021 income.

Summary balance sheet	2025 KShs '000	2024 KShs '000	Change %
Credit risk	164,021,695	183,825,544	(11)%
Market risk	16,886,076	14,535,889	16%
Operational risk	89,536,989	79,251,346	13%
Total Risk Weighted Assets	270,444,760	277,612,779	(3)

Dividends

In August 2025, the Board approved the payment of an interim dividend of KShs 8.00 per ordinary share and an interim dividend on the 6 per cent preference shares for the 181 days to 29 June 2025. Both interim dividends were paid in October 2025. The Board will be recommending to the shareholders a final ordinary dividend of KShs 23.00 per ordinary share for the year. This is in addition to the interim

dividend of KShs 8.00 paid in October 2025, taking total dividend to KShs 31.00. The total ordinary and preference share dividend for the year will be KShs 11,881,368,259 (95 per cent pay-out ratio), an increase of 8 per cent compared to 2024.



Chemutai Murgor
Chief Financial Officer

18 March 2026

Directors' Report

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Partnerships

Partnering with Liverpool FC, Formula 1® and sponsoring the marathon

In January 2026, we announced a new Sponsorship with Formula 1® as Official Wealth Management Partner and Official Corporate & Investment Banking Partner to the global racing series.

Board of Directors



Kellen Eileen Kariuki
Chairperson

Appointed: Kellen was appointed to the Board in February 2020 and elected as the Chairperson of the Board in May 2021.

Experience: Kellen has strong and diverse skills in banking, strategy, corporate governance, finance and leadership. She held several senior positions at Citibank N.A. before joining the Unclaimed Financial Assets Authority as the first Chief Executive Officer and Managing Trustee. She previously held Non-Executive Director appointments at Resolution Insurance Limited, Citibank Uganda, the Kenya Roads Board, was a nominee Director of the International Finance Corporation (IFC), Non-Executive Director of AMREF Health Africa, AMREF Flying Doctors and Chair of Citibank Tanzania Limited. Kellen is a founding member of the Board of Advisors of the Strathmore Business School, the Associate Dean of Executive Education at Strathmore University, is a Director at the Strathmore University Foundation and has served as an elected council member of the Institute of Certified Public Accountants of Kenya (ICPAK). She is currently a Director of Feruzi Holdings Limited, Startel Limited, Tausi Assurance Company Limited and Chairperson of Standard Chartered Investment Services Limited.

Kellen holds a Master of Business Administration (MBA) in Strategic Management and a Bachelor's degree in accounting both from United States International University-Africa and a Master of Science (MSc.) in International Human Resource Management from Cranfield University in the UK. Kellen is a Fellow of ICPAK (FCPA) and is currently pursuing a PhD at Strathmore University Business School.



Kariuki Ngari
Outgoing Managing Director &
Chief Executive Officer

Appointed: Kariuki was appointed to the Board in March 2019 and will retire in April 2026.

Experience: Kariuki has 30 years of banking experience. He was instrumental in transforming the Consumer Banking divisions of Standard Chartered Bank Kenya and the Africa Region. Prior to his current role, he was the Global Head, Retail Distribution for Standard Chartered Bank in Singapore. He was influential in formulating global strategies in building the future of Retail Branch and Voice and Virtual landscapes through digitisation of the physical channels.

Kariuki was the Regional Head of Retail Clients, Africa between 2013 and 2015 and an Executive Director of Standard Chartered Bank Kenya Limited from 2009 to 2013. He served as a Director on various other Standard Chartered Bank Kenya subsidiary Boards and also held senior positions at Absa Bank Kenya Plc. Kariuki served as a Non-Executive Director on the Board of Standard Chartered Bank Uganda.

Board of Directors continued



Chemutai Murgor
Chief Financial Officer

Appointed: Chemutai was appointed to the Board in March 2007.

Experience: Chemutai has been with the Bank for over 25 years and has wide experience in finance having worked previously as the Head of Finance as well as Head of Business Finance.

Chemutai has also held various senior positions at Deloitte and Touché both in Kenya and the United Kingdom. Chemutai is a Director on various other Standard Chartered Bank Kenya subsidiary Boards.



Birju Sanghrajka
Incoming Managing Director
and Chief Executive Officer &
Head of Coverage

Appointed: Birju was Appointed to the Board as an Executive Director in July 2021 and was appointed as the Managing Director and Chief Executive Officer on 21 January 2026. The appointment is subject to regulatory approval.

Experience: Birju has 26 years of corporate banking experience, having started as a Graduate Trainee in Standard Chartered Bank, Kenya. His career has seen him work in corporate banking, corporate finance and transaction banking, across Kenya, the United Kingdom, South Africa and the United Arab Emirates. Birju currently leads the CIB Client Coverage business across Kenya and the wider East Africa region. The business supports the banking and investment requirements of multi-national corporates, public sector entities, development organisations and institutional clients by leveraging the bank's innovative product offering, industry expertise and cross-border network.



Edith Chumba
Head, Wealth & Retail
Banking

Appointed: Edith was appointed to the Board in December 2024.

Experience: Edith has over 22 years of retail banking experience, having started her career at Absa Bank Kenya Plc before joining Standard Chartered Bank Kenya in 2015. Edith was appointed as Head, Wealth and Retail Banking (WRB) from 2019. Prior to her current role, Edith was the Head of Distribution Channels. She has been instrumental in leading the transformation of the WRB business and in overseeing the delivery of turnaround strategies for the business. Edith is also a Director on the Board of Standard Chartered Bancassurance Intermediary Limited.

Board of Directors continued



Judy Nyaga
Company Secretary

Appointed: Judy was appointed as Company Secretary in December 2020.

Experience: Judy has over 26 years legal and corporate governance experience in the banking industry having worked at both Standard Chartered Bank and other banks in Kenya. She has gained extensive knowledge and experience leading teams of company secretaries across various markets in Africa, Middle East, Europe, ASEAN and South Asia.



David Ong'olo
Independent Non-Executive Director

Appointed: David was appointed to the Board in January 2020.

Experience: David is an experienced private sector and development specialist with a demonstrated history of working in the economic development industry. He is skilled in Programme Management, Policy Analysis, Sectoral Analysis and Strategic Planning. He was until February 2019, the Chairman of Competition Authority of Kenya. His early career included working as Deputy Chief Economist in charge of the Trade and Industry Division of the then Ministry of Planning and National Development and Credit Specialist with the SDSR regional programme of the International Labour Organisation. He was previously the Senior Policy Adviser (Economics) at the Embassy of the Kingdom of Netherlands, Nairobi, Kenya, formerly the Managing Director of Matrix Development Consultants Limited and former Director on the Board of Netherlands Business Hub Kenya Limited. He is a Director on the Boards of CUTS Centre for International Trade, Economics and Environment, Jitegemee Trust Limited and Jabali Microserve Limited. He is also the Chairperson of Standard Chartered Kenya Pension Fund and Standard Chartered Kenya Staff Retirement Benefits Scheme, 2006. David holds a Master of Science degree in Industrial Economics from Lancaster University, UK and a Bachelor's degree in Economics from the University of Nairobi.



Nivedita ("Nivi") Sharma
Independent Non-Executive Director

Appointed: Nivedita Sharma was appointed to the Board in July 2021.

Experience: Nivi is an expert in innovation, impact and scale-up strategies in ascending markets. She is currently the CEO of Fika (formerly Bridges to Prosperity), the global leader in rural infrastructure development, which uses technology for needs assessment, impact assessment and engineering to aid rural infrastructure investments. Previously, she was the Chief Operating Officer of BRCK, a connectivity company that provided free public Wi-Fi. Nivi has dedicated her career to access for children, youth and adults. She co-founded eLimu, the first company to digitize the Kenyan Primary School curriculum content for revision and literacy. Nivi is driven by learning, development, access and impact. She serves on the Boards of Software Technologies Ltd and The Open Institute Trust and is an Independent Non-Executive Director of Standard Chartered Investment Services Limited. Nivi holds a B.A. (Hons) degree in Economics from Ithaca College, New York, USA. She is a 2014 East Africa Acumen Fellow and a member of the Fast Forward Leaders' Circle.

Board of Directors continued



Robert Mbugua
Independent Non-Executive
Director

Appointed: Robert was appointed to the Board in June 2024.

Experience: Robert has a wealth of leadership and banking experience with diverse skills in audit, finance, risk and corporate governance. He was previously a Partner in the Johannesburg office of PricewaterhouseCoopers (PwC) and subsequently held various senior executive roles within Standard Bank Group. He co-founded and is the immediate former Chief Executive Officer of Co-op Bank Fleet Africa Limited. Robert was until August 2024 the Chairman of BOC Kenya PLC. He currently serves as an Independent Non-Executive Director on the Board of Old Mutual Life Assurance Company (Malawi), an Independent Non-Executive Director of Standard Chartered Investment Services Limited and a Director of Edison Solar Group Limited. He is a Certified Public Accountant and holds a Master of Business Administration degree from Bond University in Australia.



Beverley Obatoyinbo
Independent Non-Executive
Director

Appointed: Beverley was appointed to the Board in January 2025.

Experience: Beverley is an expert business leader with over 30 years of extensive global leadership experience. She has diverse multi-sectoral experience spanning across pharmaceuticals, manufacturing and Fast-Moving Consumer Goods. She was previously the Managing Director of British American Tobacco (BAT) Kenya Plc, where she led the BAT business in East and Central Africa. Beverley currently serves as a Non-Executive Director on the Boards of WPP Scangroup Plc, the BAT Nigeria Foundation and previously served on the Board of the Kenya Association of Manufacturers. She is also a Director of Concierge Consulting Limited. She holds a Diploma in Advanced Strategic Management from the International Institute for Management Development (IMD), Switzerland and a Diploma in Customer-Focused Innovation from Stanford Executive Business School, USA. She attended Wolfson School of Nursing in Westminster, UK and specialised in Oncology at The Royal Marsden Hospital, London.

Directors, Officials and Administration

DIRECTORS

K. Kariuki	Chairperson
K. Ngari ¹	Outgoing Chief Executive Officer
B. Sanghrajka ²	Incoming Chief Executive Officer
C. Murgor	Chief Financial Officer
D. Ong'olo	
N. Sharma	
R. Mbugua	
B. Obatoyinbo	
R. Etemesi ³	
E. Chumba	

¹Retired in April 2026

²Appointed on 21 January 2026 as the Chief Executive Officer subject to regulatory approvals

³Resigned from the Board effective 30 June 2025

SECRETARY

Judy Nyaga
(CPS No. 1279)
StandardChartered@Chiromo
48 Westlands Road
P.O. Box 30003
Nairobi, Kenya

AUDITOR

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Certified Public Accountants
Kenya Re Towers, Off Ragati Road,
P.O. Box 44286
00100 Nairobi GPO

REGISTERED OFFICE

StandardChartered@Chiromo
48 Westlands Road
P.O. Box 30003
00100 Nairobi GPO
Nairobi, Kenya



futuremakers
by Standard Chartered

standard chartered
Nairobi Marathon

standard chartered
Nairobi Marathon

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Report of the Directors

The directors are pleased to submit their annual report together with the audited financial statements for the year ended 31 December 2025 in accordance with Section 22 of the Banking Act and the Kenyan Companies Act, 2015 which govern disclosure of the state of affairs of Standard Chartered Bank Kenya Limited (the 'Company' or the 'Bank' or 'Standard Chartered') and its subsidiaries (together referred to as the 'Group').

1. Activities

The Group is engaged in the business of banking and provision of related services. The Company is licensed under the Banking Act and the Capital Markets Authority Act and is regulated by the Central Bank of Kenya (CBK) and the Capital Markets Authority (CMA).

2. Results

The results for the year are set out in the attached financial statements on pages 124 to 129.

3. Dividends

The Board has resolved to recommend to the shareholders at the forthcoming Annual General Meeting, the payment of a final dividend of KShs 23.00 for every ordinary share of KShs 5.00 on the issued share capital of the Company in respect of the year ended 31 December 2025 (2024: KShs 37.00). One interim dividend of KShs 8.00 was declared on 20 August 2025 and paid on 7 October 2025 (2024: KShs: 8.00).

The Board has also resolved to recommend to the shareholders at the forthcoming Annual General Meeting the payment of a final dividend of KShs 84,690,411 on the non-redeemable, non-cumulative, non-voting, non-participating and non-convertible preference shares (2024: KShs 84,230,137). An interim dividend of KShs 83,309,589 was declared on 20 August 2025 and paid on 7 October 2025 (2024: KShs 83,769,863). Dividends on the preference shares are paid at the rate of 6 per cent per annum on the issue price of KShs 50.00 per share.

The dividends will be payable to shareholders registered on the Company's Register at the close of business on 30 April 2026 and will be paid on or after 21 May 2026.

4. Directors

The directors who served during the year up to and including the date of this report are set out on page 57. The directors are subject to periodic re-appointment and the following directors will be seeking re-election:

- Mrs. Kellen Kariuki and Mrs. Nivedita Sharma retire from office by rotation and will offer themselves for re-election at the forthcoming Annual General Meeting in accordance with Article 107 of the Company's Articles of Association.
- Mr. David Ong'olo will retire from the Board of Directors and having attained the age of seventy years, will not be presenting himself for re-election, in accordance with Article 111(b) of the Company's Articles of Association.

5. Property

Details of the movements in property are shown in note 26 to the financial statements.

6. Business review

Strategy

During 2025, we continued to execute our strategic priorities with notable progress. The Group reinforced its commitment to serving the cross-border requirements of our global corporate and financial institution clients, while leveraging our leading wealth management expertise to deliver strong outcomes for affluent clients. Throughout the year, targeted actions were taken to transform the Bank's operational model, addressing structural inefficiencies and reducing complexity without compromising revenue streams.

Despite ongoing changes in the macroeconomic and industry landscape throughout 2025, our strategy has remained resilient and well-suited to the Bank's objectives. Additional information on our progress against strategic priorities in 2025 can be found in the Chief Executive Officer's statement on pages 44 to 45.

Performance and position

Details of the Group's performance, financial and capital position are included in the Chief Financial Officer's statement on pages 48 to 51.

7. Principal risks and uncertainties

Effective risk management is essential in delivering consistent and sustainable performance for all stakeholders and is a central part of the financial and operational management of the Company. The Company adds value to clients and the communities in which it operates by taking and managing appropriate levels of risk, which in turn generates returns for shareholders.

The Company's principal risks that are inherent in the banking business include credit, traded, treasury, operational and technology, environmental, social and governance and reputational, compliance, information and cyber security, model and financial crime.

The Board has ultimate responsibility for risk management and there exists various Committees set up by the Board where the risks are discussed and prompt mitigating actions are taken.

The Board has adopted an Enterprise Risk Management Framework (ERMF) which enables the Company to closely manage enterprise-wide risks with the objective of maximising risk-adjusted returns while remaining within the Risk Appetite. A dynamic risk-scanning process is maintained for risk identification and assessment, with inputs from the internal and external risk environment, as well as potential threats and opportunities from the business and client perspectives, thus enabling a proactive approach to risk management. An inventory of the Principal Risk Types that are inherent to the strategy and business model; and emerging risks that include near-term as well as longer-term uncertainties is maintained. We continue to be on the lookout for emerging risks and collaborate with internal and external partners to proactively mitigate risks as they are identified.

Report of the directors continued

Risk culture

The Board champions a healthy risk culture which is the ability to identify and assess current and future risks, openly discuss and take prompt actions at all levels of the organisation. All colleagues who are engaged in, or supporting, revenue generating activities are expected to demonstrate the highest level of integrity by being transparent and proactive in disclosing and managing all types of risks. Colleagues in control functions adopt a constructive and collaborative approach in providing oversight and challenge over risk management activities and take decisions in a clear, transparent and timely manner. This effort is reflected in our valued behaviours and underpinned by our Code of Conduct and Ethics. The directors expect all colleagues to be accountable for their decisions and feel safe using their judgment to make these considered decisions.

The directors acknowledge that banking inherently involves risk taking and there will be instances of undesirable outcomes from time to time. These exceptions however present opportunities to learn from experience and implement change or lessons into the operational systems for better outcomes. The directors expect all colleagues to demonstrate a high degree of awareness in risk and control by self-identifying risks and managing them in a manner that will deliver lasting change.

8. Community impact

Our dedication to being a thought leader is a reflection of our brand promise, "here for good." This commitment is well articulated through our Standard Chartered Foundation community programmes, which are aimed at tackling inequality and promoting greater economic inclusion amongst underserved young people, with a focus on empowering young women and young persons with disabilities. These initiatives are crafted to equip young individuals with the vital skills and knowledge they need to significantly improve their employability and entrepreneurial opportunities. We are delivering four impact-focused programmes in employability and entrepreneurship - Women in Tech, Access to Finance, Ready for Inclusive and Sustainable Employability (RISE) and Links to Work to drive long-term employability and entrepreneurship outcomes and inclusive economic growth.

In 2025, we allocated KShs 105,608,300 to these initiatives, reaching thousands of young individuals and enabling them to either secure decent jobs or establish businesses that have created employment thereby fostering sustainable community development and resilience.

9. Directors' interests in ordinary shares

No director holds shares in the Company as at the date of this report.

10. Disclosure of information to auditor

With respect to each director at the time this report was approved:

- there is, so far as the director is aware, no relevant audit information of which the Group's auditor is unaware; and,
- the director has taken all the steps that the person ought to have taken as a director so as to be aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

11. Auditors

Ernst & Young LLP have indicated their willingness to continue in office in accordance with Section 721 (2) of the Kenyan Companies Act, 2015 and Section 24 (1) of the Banking Act. Ernst & Young LLP were first appointed as the statutory auditor in 2020.

The directors also approved the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees. The agreed auditor's remuneration of KShs 27,141,439 has been charged to profit or loss in the year as disclosed in note 12 to the financial statements.

12. Approval of financial statements

The financial statements were approved and authorised for issue by the board of directors on 18 March 2026.

BY ORDER OF THE BOARD



Kellen Kariuki
Chairperson

18 March 2026



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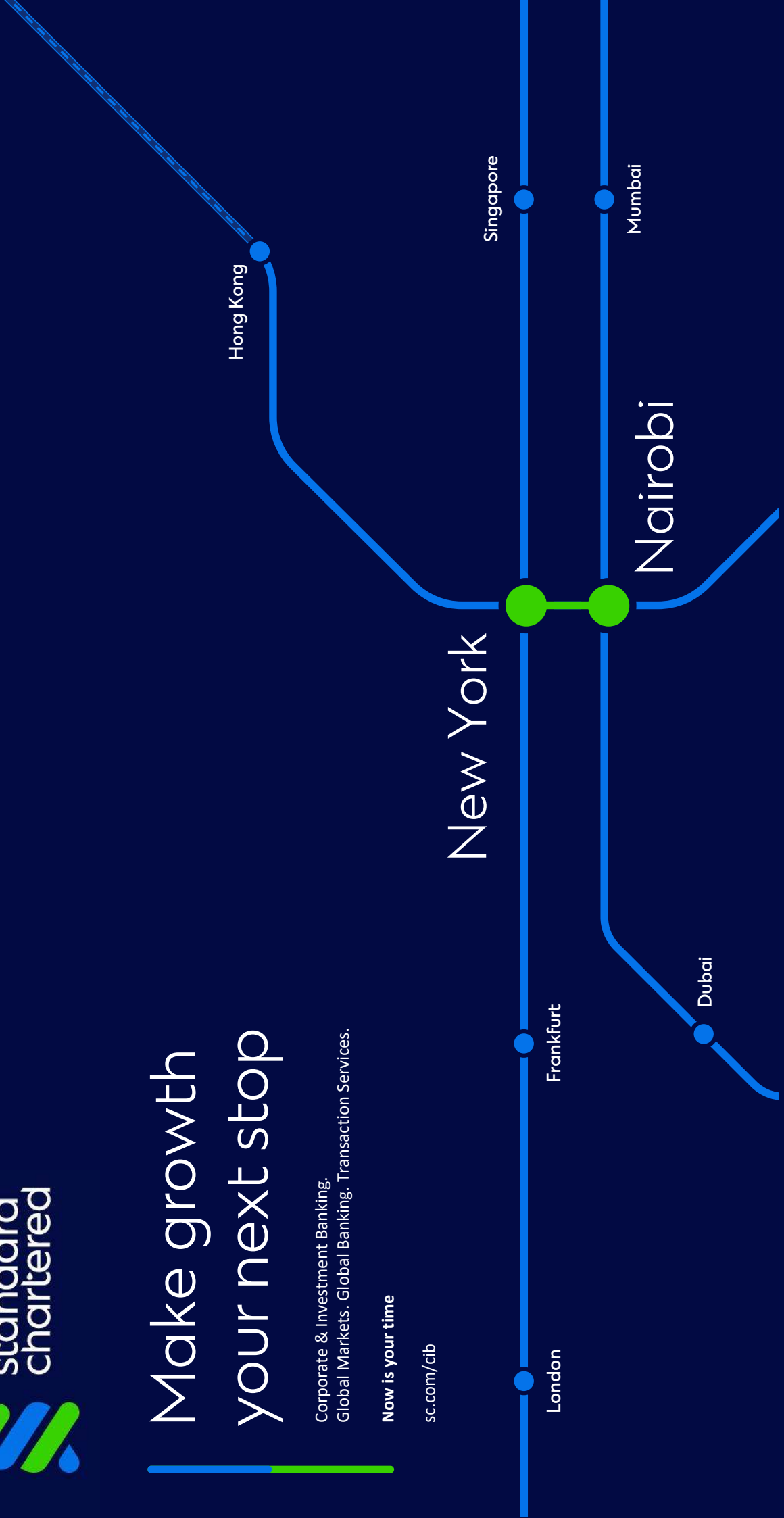
Mumbai

Nairobi

Frankfurt

Dubai

London



Statement of Corporate Governance

Leadership and culture

The Board of Standard Chartered Bank Kenya Limited acknowledges its duty to uphold exemplary corporate governance and to foster an atmosphere in which such standards are maintained and practiced by all players in the industry. Superior governance is essential for the Company's long-term prosperity, facilitating the generation of sustainable value for shareholders.

The Company adopts a comprehensive governance framework that guarantees effective management and oversight, aligning with its strategic objectives and the interests of key stakeholders. The Company's culture and core values are intricately woven into the organisation and are consistently emphasised through the onboarding of new employees, ongoing training and annual performance reviews. An annual assessment of the Code of Conduct and Ethics requires colleagues to reaffirm their commitment to fundamental principles, guiding their interactions with colleagues, clients, suppliers and other stakeholders.

The valued behaviours serve as benchmarks for expected conduct amongst employees and are integrated into the contractual agreements with all primary suppliers, ensuring that both the Company and its partners operate according to ethical business practices.

Our approach to governance

Standard Chartered has been in existence for over 100 years in Kenya. It is a public company incorporated in the Republic of Kenya and was listed on the Nairobi Securities Exchange in 1989. Standard Chartered endeavours to fully comply with all the provisions of the Kenya Capital Markets Authority Code of Corporate Governance for Issuers of Securities to the Public, 2015 (CMA Code of Corporate Governance) the Central Bank of Kenya Corporate Governance Guidelines and the Companies Act of Kenya.

Further, the Company remains committed to achieving exemplary corporate governance by striving for substantive compliance with all applicable regulations, including the Nairobi Securities Exchange Listing Rules and the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023. The Company has a comprehensive range of policies and systems in place designed to ensure that it is well managed, with effective oversight and control.

The Board aims to promote the Company's long-term success, deliver sustainable value to shareholders and promote a culture of openness and debate. As the ultimate decision making body for all material matters within the Company, the Board led by the Chairperson is responsible for, among other matters:

- Establishing and approving the Company's strategy and objectives and monitoring the alignment of the Company's purpose, strategy and values with the desired culture;
- Setting the Company's risk appetite and monitoring the Company's risk profile;
- Ensuring a sound system of internal controls and risk management, delegation and monitoring of authorities for expenditure and other significant commitments;
- Approving and monitoring capital and operating plans for achieving strategic objectives;
- Approving the appointment of directors, including Board roles; and
- Reviewing the Company's overall corporate governance arrangements.

The Board's mandate is set out in its Charter and in the Terms of Reference of the Board. The Board Terms of Reference and the Board Charter are reviewed by the Board periodically and are publicly available to investors through the Company's website at <https://www.sc.com/ke/investor-relations/>.

The Board discharges some of its responsibilities directly and delegates other functions to its Committees. The Board also delegates authority for the operational management of the Company's business to the Chief Executive Officer/Managing Director for further delegation by him in respect of matters which are necessary for the day to day running of the Company. The Board holds the Chief Executive Officer accountable for the effective discharge of the delegated responsibilities.

Statement of corporate governance continued

Board composition

This section outlines the key diversity and inclusion metrics for the Board's composition as at 31 December 2025.

The Board is structured to ensure that the directors provide the Company with the appropriate combination of skills, experience, knowledge and diversity, as well as independence to perform its role effectively. It is comprised of diverse, high-calibre members who have broad experience in the market. The areas of expertise, gender and independence status of the directors is as follows:

Name	Areas of expertise	Independent/Non-Executive/Executive	Gender	Date of Appointment
K. Kariuki	Banking, Financial Management and Human Resources	Independent Non-Executive	Female	10 February 2020
D. Ong'olo	Economics and Policy Advisory	Independent Non-Executive	Male	28 January 2020
N. Sharma	Technology, Innovation, Digital Solutions and Infrastructure Development	Independent Non-Executive	Female	22 July 2021
R. Mbugua	Audit, Banking, Financial Management and Entrepreneurship	Independent Non-Executive	Male	4 June 2024
B. Obatoyinbo	Manufacturing, Pharmaceuticals and Healthcare, Sustainability, Human Resources and Marketing	Independent Non-Executive	Female	22 January 2025
R. Etemesi*	Banking and Financial Management	Non-Executive	Male	25 September 2017
K. Ngari	Banking and Financial Management	Executive	Male	4 March 2019
C. Murgor	Audit, Banking, Financial Management and Sustainability	Executive	Female	1 March 2007
B. Sanghrajka	Banking, Financial Management and Sustainability	Executive	Male	21 July 2021
E. Chumba	Banking and Financial Management	Executive	Female	24 December 2024

*Richard Etemesi retired from the Board with effect from 30 June 2025.

Board diversity policy

The Board Diversity Policy describes the approach the Board takes to ensure that diversity in its broadest sense remains a central feature of the Board. The Board believes that diversity enhances its decision-making capability and thus the overall effectiveness of the Board in achieving sustainable business operations and enhancing shareholder value. The Company has a long history of diverse Board membership. All Board appointments are based on merit with each candidate assessed against objective criteria, with the prime consideration of maintaining and enhancing the Board's overall effectiveness. This notwithstanding, the Board strives to maintain diversity recognising the benefits of a diverse mix of gender, social and ethnic backgrounds, knowledge, personal attributes, skills, experience as well as diversity of thought. This diversity provides a mix of perspectives which we believe contributes to effective Board dynamics. In 2025, the Board reviewed the Board Diversity Policy and concluded that no changes were required.

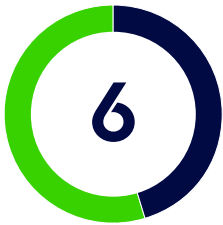
Diversity and mix of skills

As at the date of this report, the Board has 9 members majority of whom are non-executive directors. It is comprised of five independent non-executive directors including the Chair and four executive directors. The Company Secretary is a member of the Institute of Certified Secretaries of Kenya (ICS) whilst the Finance Director is a member of the Institute of Certified Public Accountants of Kenya (ICPAK).

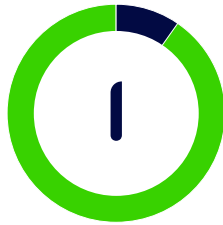
The Board has a good mix of skills and experience to drive the business forward whilst maintaining a tight control on risk management and good corporate governance. Through its Nomination, Evaluation and Remuneration Committee, the Board regularly reviews the skills and experience it requires to effectively discharge its responsibilities. A skills matrix, which is a key tool used by the Board to inform its succession planning discussions, is reviewed at least annually by the Board. An extract of the skills matrix, showing a selection of the current skills and experience of the non-executive directors, is shown below:

Industry experience

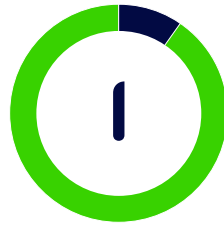
Banking and Finance



Technology and Digital Innovation



Economics and Policy Advisory



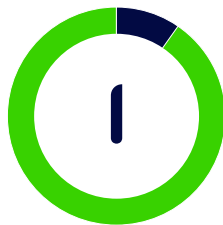
Human Resources



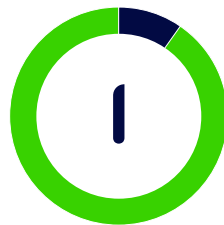
Audit



Manufacturing



Marketing



Pharmaceutical & Health Care



Sustainability

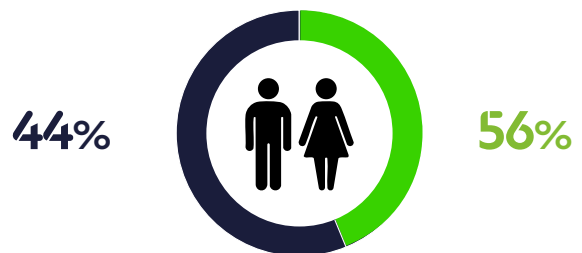


Entrepreneurship



Gender representation

● Men	44%
● Women	56%



Independent Non-Executive Directors and Non-Executive Directors Tenure



Board dynamics and information flow

The relationship between the non-executive and executive directors is marked by mutual respect and cooperation, fostering an environment where constructive challenge and robust debate are encouraged. This dynamic ensures that a range of perspectives are considered in the Board's decision-making processes. To facilitate informed discussions and effective oversight, the executive team is committed to providing non-executive directors with detailed and timely reports. These reports encompass all aspects of the business, including updates on operational performance and insights into the broader economic and competitive landscape. This approach enables non-executive directors to contribute meaningfully to Board deliberations and supports the Board's collective ability to drive the Company's strategic objectives.

Banking, Finance, Audit, Risk Experience Amongst Independent and Non-Executive Directors



Conflict of interest

The Board members are obligated to steer clear of any situations that could create a conflict between their personal interest and the Company's. They are required to promptly disclose any potential area of conflict that could jeopardise or undermine their directorship.

The Board has formal procedures to manage compliance with the conflict of interest provisions outlined in the Companies Act, 2015 and the CMA Code of Corporate Governance. The Directors must at the time of their appointment and on an ongoing basis, thereafter, disclose any circumstances that could potentially lead to a conflict of interest. The declaration of a conflict of interest is a standard agenda item at all Board and Committee meetings, preceding discussions of the substantive agenda. Directors with a vested interest in a matter are not included in the quorum and are restricted from voting on it. Notably, no material conflicts of interests were reported by the directors in 2025.

Moreover, each director is responsible for promptly notifying the Chairperson and the Company Secretary of any actual or potential conflict of interest situation as soon as it arises. Situational conflicts may be authorised by the Board under the Company's Articles of Association. The Board is satisfied that our processes in this respect continue to operate effectively.

Board selection and appointment principles

Pursuant to the CMA Code of Corporate Governance, the Board has a formal and transparent procedure for the appointment of Board members based on a set of broad principles:

- the Board should have sufficient independence of mind-set to challenge the executives as well as an appropriate balance of skills, knowledge, diversity (this includes diversity of gender and perspectives) and experience relevant to the Company's business;
- at least one third of the Board must be comprised of independent directors;
- prospective independent directors are interviewed by the Board Nomination, Evaluation and Remuneration Committee, who assess their suitability and whether their values and behaviours are aligned with the Company's culture and values;
- independent directors should not serve longer than the term prescribed by regulation.
- in accordance with the Company's policy, due diligence/screening checks must be completed prior to the appointment of any independent director to ensure there is no undue risk posed to the Company in relation to integrity, financial soundness, conflicts of interest and related party relationships;
- independent director candidates must not have political appointments;

Statement of corporate governance continued

- all directors should have the capacity to devote sufficient time and commitment to attend all Board, Board Committee meetings, as well as engage in other Company events;
- the Nomination, Evaluation and Remuneration Committee, in conjunction with the other independent directors, has periodic discussions to ensure the Company maintains a diverse pool of talented leaders as prospective directors;
- the Board has established and maintains robust succession plans to ensure sound planning and a balance of knowledge and skills as well as appropriate continuity;
- a list of prospective independent directors is maintained by the Company Secretary and reviewed at least annually by the Nomination, Evaluation and Remuneration Committee; and
- all directors must receive a tailor-made induction upon joining the Board or any Board Committee and should regularly update and refresh their skills and knowledge.

The Board Charter wholly adopts the recommendations of the CMA Code of Corporate Governance with respect to multiple directorships. The CMA Code of Corporate Governance recommends that there should be a limit to the number of directorships Board members hold at any one time. In particular, the CMA Code of Corporate Governance recommends that directors of listed companies should not hold directorships in more than three listed companies at any one time. The directors of the Company follow this recommendation and are also in compliance with the requirements of the Central Bank of Kenya Prudential Guidelines relating to other directorships. The Board fully endorses the principle that each director must be able to give enough time and attention to the affairs of the Company but does not restrict the number of directorships as a general rule. The Board is satisfied that the directors devoted sufficient time and attention to the affairs of the Company during 2025.

Independent non-executive directors

The majority of the non-executive directors are independent and free of any business relationship or other circumstances that could materially interfere with the exercise of objective or independent judgment. In determining the independence of a non-executive director, the Board considers each individual against the criteria set out in the CMA Code of Corporate Governance, the Central Bank of Kenya Prudential Guidelines on Corporate Governance as well as their contribution and conduct at Board meetings, including how they demonstrate objective judgment and independent thinking. The Board considers all of the independent non-executive directors to be independent of the Company and has concluded that there are no relationships or circumstances likely to impair any individual non-executive director's judgment.

The role of the independent non-executive directors is to support the development of proposals on strategy, hold management to account and ensure the executive directors

are discharging their responsibilities properly, while creating the right culture to encourage constructive challenge. Independent non-executive directors also support the equitable treatment of all shareholders and safeguard the interests of minority shareholders.

Non-executive directors also review the performance of management in meeting agreed goals and objectives. The Chairperson meets with the non-executive directors without the executive directors in attendance periodically as necessary. The Board is made aware of the other commitments of the non-executive directors and is satisfied that largely, these do not conflict with their duties and time commitments as directors of the Company.

Non-executive directors are appointed for an initial term of three years with an option for renewal. The Articles of Association contain provisions relating to the appointment, re-election and removal of directors. Newly appointed non-executive directors retire at the AGM following appointment and are eligible for election. All non-executive directors are nominated for re-election by shareholders subject to continued satisfactory performance based upon an annual assessment.

Roles of the Chairperson and Chief Executive Officer

The separate roles of the Chairperson and the Chief Executive Officer are clearly defined in the Board Charter which has been approved by the Board. Except for direction and guidance on general policy, the Board has delegated the conduct of the day-to-day business to the Chief Executive Officer and the Executive Committee.

Succession planning

The Company has in place a succession plan for the directors which is updated regularly. In 2025 the Board continued to focus on succession readiness and plans for the executive directors and other senior executives, as well as initiatives underway to develop talent internally. The Board also mapped out successors for Board Committee chairs and membership to augment readiness for change.

Access to information

Directors have unrestricted access to information and Management. They are provided with timely information and comprehensive reports on material operational, risk management and financial matters of the Company to facilitate informed discussions during meetings.

All the directors have access to the advice of the Company Secretary, who provides support to the Board and is responsible for advising the Board on governance matters. Directors also have access to independent professional advice at the Company's expense where they judge it necessary to discharge their responsibilities as directors.

Statement of corporate governance continued

Director induction

Prior to taking up their respective Board and Committee positions, new directors are provided with tailored and comprehensive induction sessions to fit with their individual experiences and needs to ensure a smooth transition into their roles and positive contributions from the outset.

The Company Secretary works with the Chairperson to oversee appropriate induction and ongoing training programmes for the Board.

The induction programme is delivered through formal briefings and introductory sessions with Board members. Each new director receives a briefing on various aspects of the business from the executive directors, the Company Secretary, Business Heads and other senior executives.

Topics covered include but are not limited to purpose and values; culture and leadership; governance and stakeholder management; Directors' legal and regulatory duties; anti-money laundering and anti-bribery; technical and business briefings; and strategy. The directors are advised of the legal, regulatory and other obligations of a director of a listed company and banking business on an ongoing basis including the process for dealing with conflicts. The directors also receive training on corporate governance and have access to independent professional advice to enable them to discharge their duties.

The induction process entails:

 Constitution and Governance Structure	<ul style="list-style-type: none">• The director undertakes a review of the constitutional documents and governance structure as follows:• Memorandum and Articles of Association;• Board and Management structure;• Governance structure (Committees);• Board Charter;• Board and Committee Terms of Reference (TORs);• Executive Committee/Management Committees' TORs;• Board and Committee meeting dates;• Rolling agenda for Board and Committee meetings; and• Board Diversity Policy.
 Directors' duties	<ul style="list-style-type: none">• A director receives information tailored to maximise their knowledge and understanding of the following critical aspects:• Key legal and regulatory provisions such as the Central Bank of Kenya Prudential Guidelines, CMA Code of Corporate Governance, the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023 and the Companies Act;• Directors' roles and responsibilities;• Summary rules on disclosing material information;• Summary of the directors' and officers' liability insurance;• Stakeholder engagement; and• Conflicts of interests including all directorships and personal interests.

About the business

- The induction is designed to ensure a director receives essential information regarding the business in the areas below:
- Various policies of the Company including the Enterprise Risk Management Framework, Credit, Third Party Risk Management, Cyber Security, Conflict of Interest etc.;
- History of the Standard Chartered Group;
- A brief about the business and;
- Company organisation chart.

Other areas

- A director also receives the following additional information necessary for their understanding of the Company's business, operations and values:
- Company Code of Conduct and Ethics;
- Annual Report and Accounts.
- Delegated Authorities Manual.



Statement of corporate governance continued

Directors ongoing development

Continuous training and development beyond a director's induction plan is essential for maintaining a highly engaged, effective and well-informed Board. Ongoing development plans also help ensure directors lead with integrity and promote the Company's culture, purpose and values. It is also necessary to ensure that the directors have the requisite knowledge and understanding of the Company and the market that it operates in for them to effectively carry out their roles.

In view of the changing business environment, continuous directors' development is undertaken to enhance governance practices within the Board itself and in the interest of the Company. The continuous development programme is needs-based and is designed for individual directors or for the whole Board to facilitate competence up-skilling of the directors. We ensure that directors secure at least twelve hours of development per year on areas of governance from credible sources.

From the annual evaluation exercise, the directors identify areas that require further consideration by the Board and individual Directors and these are addressed through training and Board presentations. The Board Committees also receive specialist presentations and training relevant to the work of the Committees as may be required. The Company Secretary makes appropriate arrangements for any additional training needs identified using internal resources, or otherwise, at the Company's expense. Board Directors who serve on principal subsidiary Boards also receive training relevant to those Boards.

2025 Director training overview

Directors' training and development is co-ordinated by the Company Secretary. Directors have access to a wide range of briefing and training sessions and other professional development opportunities. Ongoing development plans ensure that directors lead with confidence and integrity and promote the Company's culture, purpose and values.

During the year, directors received a combination of mandatory training, internal and external briefings, presentations from guest speakers and papers on a range of topics. The training covered a variety of topics throughout the year, the majority of which were held virtually. Training was delivered by both members of management and external parties. The table below gives further details of the training sessions delivered.

The Board also held virtual engagements and trainings with other Standard Chartered Directors globally which enhanced the Board's understanding of the Bank's strategy and linkages with Standard Chartered Group and its subsidiaries. In addition, a number of directors also accepted an invitation to the full Board to join meetings of the Board Credit Committee which covered deep dives into wealth lending and the renewable energy sector. The non-executive directors also joined a session with the Audit Committee where they were taken through the Financial Controls policy and procedures in detail.

Directors also undertake other individual trainings they consider necessary to assist them in carrying out their duties and responsibilities.

Statement of corporate governance continued

Director training sessions held in 2025

Training	K. Kariuki	D. Ong'olo	N. Sharma	R. Mbugua	B. Obatoyinbo	R. Etemesi*	K. Ngari	C. Murgor	B. Sanghrajka	E. Chumba
Artificial Intelligence (AI) in Financial Services: Enabling next generation banks	●	●	●	●	n/a	●	●	●	●	●
Understanding Generative AI	n/a	n/a	n/a	n/a	●	n/a	●	●	●	●
Global Economic and Geopolitical Outlook	●	●	●	●	●	●	●	●	●	●
Key developments in the Financial Crime Compliance Landscape	●	●	●	●	●	●	●	●	●	●
Information and Cyber Security Risk Awareness	●	●	●	●	●	n/a	●	●	●	●
Credit Assessment and Monitoring	●	●	●	●	●	n/a	●	●	●	●
Sustainability Reporting Frameworks	●	●	●	●	●	n/a	●	●	●	●
AI and Digital Assets	●	●	●	●	●	n/a	●	●	●	●
Radical Innovation	●	●	●	●	●	n/a	●	●	●	●
Risk Based Pricing – Implementation of the Kenya Shilling Overnight Interbank Average	●	●	●	●	●	n/a	●	●	●	●
Balance Substantiation	●	●	●	●	●	n/a	n/a	n/a	n/a	n/a
The Fast Forward Master Class	n/a	●	n/a	n/a	n/a	n/a	n/a	●	n/a	n/a
Fast Forward Leaders Circle	n/a	n/a	●	n/a	n/a	n/a	n/a	n/a	n/a	n/a
SCB Whistleblowing Framework	n/a	n/a	n/a	n/a	n/a	n/a	●	n/a	n/a	n/a
AI in Practice: AI Tools and Applications	n/a	n/a	n/a	n/a	n/a	n/a	●	n/a	n/a	n/a
AI Transformation: How AI is driving changes across industries	n/a	n/a	n/a	n/a	n/a	n/a	●	n/a	n/a	n/a
Continuing Professional Development offered by ICPAK	n/a	n/a	n/a	●	n/a	n/a	n/a	n/a	n/a	n/a
Certified AI Leader Pathway offered by Asia School of Business (Kuala Lumpur)	●	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

*R. Etemesi stepped down on 30 June 2025

- Director attended the session
- Director was unable to attend the session but received accompanying materials
- Other Training Sessions attended by Directors

Board effectiveness

2025 Board Effectiveness Review

The Board recognises that good corporate governance is an essential pillar for building the Company's future and has embedded a comprehensive corporate governance framework that instils best practice in the structuring and running of its Board. A key component of this framework is the regular self-evaluation conducted by the Board, the results of which are used to improve its performance.

In accordance with regulatory requirements, an evaluation of the performance of the Board, its Committees, the Chairperson and individual directors takes place annually. The evaluation is externally facilitated periodically, with internal evaluations in the intervening years. An internal evaluation was conducted in 2025 facilitated by the Company Secretary. In 2025 the Board reviewed the progress achieved against the actions agreed following the 2024 evaluation of the effectiveness of the Board and its Committees. It was agreed that all material actions had been successfully completed. Pending actions related to, the reporting on data-driven insights derived from vendor surveys, enhanced client feedback and sentiment analysis on IT projects implemented during the year and the actions being undertaken to mitigate risks arising from third-party dependencies.

Outcome

The evaluation enabled the Board to identify opportunities for refinement of certain processes and to build on its existing strengths. The insights derived from the process have ensured that the Board's governance strategies remain robust and reflective of best practices.

- The Board Effectiveness Review confirmed that the Board and Committee's continued to operate effectively, maintaining strong oversight over organisational culture, macro economic risks, market trends, credit matters and strategic progress.
- Directors had the right mix of talent and functioned well together, with the Chairperson continuing to be highly regarded and effective. There was need to augment the Board's skills by prioritising the recruitment of an independent non-executive director with finance and audit skills.
- Stakeholder engagement continued to be effective. Directors had many opportunities to meet with employees, clients and other stakeholders particularly during off sites held in the Eldoret region in the previous year and within Nairobi. However, directors felt that the Board could have more opportunities to review data driven feedback from clients and vendors/partners.
- Directors highlighted the value of leveraging the expertise of independent non-executive directors more deliberately, both inside and outside the boardroom.
- Across Committees, effectiveness remained strong. Collaboration between the Board and Management strengthened further, with directors noting improved quality of engagement and challenge across all Committees.

Several opportunities for enhancement were identified:

- Strengthening of the Board's oversight of Diversity, Equity & Inclusion (DEI).
- Reinforcing executive succession planning.
- Deeper stakeholder engagement, particularly with vendors and partners.
- Continued upskilling in understanding ESG regulatory and reporting frameworks.
- Ensuring timely Board refreshment and maintaining diversity of thought, skill and background were reiterated as ongoing priorities.

Key action plans

To address these themes, the Board agreed on key action plans, including the introduction of a DEI dashboard, structured stakeholder sentiment reporting, ESG reporting frameworks refresher training for the Board, recruitment of an independent non-executive director with audit and finance skills, strengthened executive succession oversight, expansion of skip level talent exposure, improved visibility into cyber defence operations and deeper focus on user centric feedback on digital initiatives. These actions underscore the Board's continued commitment to high quality governance, proactive oversight and sustainable long term performance. The Board has continued to monitor implementation of the action plans which were largely completed in 2025.

Directors' performance

The Chairperson led the peer evaluation of individual director performance during 2025. The feedback was given during one-to-one sessions which provided an important opportunity for each of the directors to discuss with the Chairperson, among other things:

- their performance against core competencies and their individual effectiveness.
- their time commitment to the Company, including (where relevant) the potential impact of any outside interests.
- their ongoing development and training needs; and
- the current and future committee membership and structure.

The outcome of the reviews confirmed that the performance of each director was effective and that each had met their time commitments during the year.

Chairperson's performance: The Board Evaluation included a review of the Chairperson's performance.

The consolidated feedback was shared with the Chairperson. This review confirmed that the Chairperson effectively discharges her mandate and provides strong leadership to the Board.

Chief Executive Officer's performance: As part of the Board evaluation all directors agreed that the CEO executed his role effectively. The feedback was collated and provided to the CEO.

Company Secretary's performance: Overall, the Board rated the support provided by the Company Secretary as working well.

Statement of corporate governance continued

Director independence

The Board Nomination, Evaluation and Remuneration Committee reviews the independence of each of the independent non-executive directors as part of its governance responsibilities undertaken on behalf of the Board, taking into account any circumstances likely to impair, or which could impair, their independence including financial relationships with the Company, their engagement in outside activities that may pose conflicts of interest and their relationships with significant company stakeholders. Recommendations are then made to the Board for further consideration.

During the Board Effectiveness Review process, independent non-executive directors completed a questionnaire to enable the Board to assess their independence and freedom from any conflicting interests. In determining the independence, the Board considers each individual against the criteria set out in the CMA Code of Corporate Governance and also considers their contribution and conduct at Board meetings, including how they demonstrate objective judgment and independent thinking. In view of the self-assessments completed by the independent non-executive directors, their objectivity and challenge to Management among other factors, the Board considers all of the independent non-executive directors to be independent of the Company, concluding that there are no relationships or circumstances likely to impair their judgment.

This exercise is instrumental in promoting good governance as it helps in safeguarding the Board's independence,

ensuring transparent decision-making and enhancing stakeholder confidence in the Company's operations. It showcases the dedication to upholding the highest standards of corporate governance and reinforces our commitment to ethical and responsible leadership.

Board roles, responsibilities and meeting attendance

The Board meets regularly, with at least four formal meetings a year. The Board held a separate strategy session in November 2025 to review, discuss and agree the Company's strategy. There was sufficient time to examine the emerging risks and opportunities in detail.

The directors receive appropriate and timely reports to enable them exercise full and effective control over strategic, financial, operational, risk, compliance and governance issues. A careful balance of formal and informal meetings throughout the year exists and there is an atmosphere of cordial relations.

This creates an environment that encourages challenge, consultation, information sharing, innovative thinking and openness in communication. The Board also has opportunities to interact with the staff. During the year, the Board held one private session without executive Management being present to discuss the Chief Executive Officer's performance and succession plan.

The directors have full access to corporate information and sufficient detail to enable productive and open discussions. There is diversity in the Board which ensures that the level of debate is both detailed and of a high technical standard.



Statement of corporate governance continued

The following table shows the number of Board meetings held during the year and the attendance by the directors:

2025 Board meetings attendance

	Meeting Attendance			Responsibilities
	Scheduled	Adhoc	AGM	
Chairperson Kellen Kariuki	7/7	3/3	1/1	Responsible for leading the Board, ensuring its effectiveness in all aspects of its role and developing the Company's culture in conjunction with the CEO. Promotes high standards of integrity and governance across the Company and ensures effective communication between the Board, management, shareholders and wider stakeholders.
Independent Non-Executive Directors				
D. Ong'olo	7/7	3/3	1/1	Provide an independent perspective, constructive challenge and monitor the performance and delivery of the strategy within the risk appetite and controls set by the Board.
N. Sharma	6/7	3/3	1/1	
R. Mbugua	7/7	3/3	1/1	
B. Obatoyinbo	7/7	3/3	1/1	
Non-Executive Directors				
R. Etemesi*	4/4	n/a	1/1	Enhance the effectiveness of the Board through knowledge and experience of SC Plc and bring the broader Group context to board discussions and provides the underlying rationale to facilitate the decision making of Independent Non- Executive Directors.
Executive Directors				
K. Ngari	7/7	3/3	1/1	Responsible for the management of all aspects of the Company's businesses, developing the strategy in conjunction with the Chairperson and the Board and leading its implementation.
C. Murgor	7/7	3/3	1/1	Responsible for Finance, Corporate Treasury, Strategy, the Company's Corporate Development and Investor Relations.
B. Sanghrajka	6/7	2/3	1/1	Responsible for client coverage in the Corporate and Investment Banking Business.
E. Chumba	5/7	2/3	1/1	Responsible for the Wealth and Retail Banking Business.

*R. Etemesi stepped down from the Board with effect from 30 June 2025 and his Board attendance is prorated accordingly.

Board operations

To enable the Board to use its time most effectively and efficiently, supported by the Company Secretary, it maintains a scheduled programme of meetings and a rolling agenda which includes standing items. There is sufficient flexibility in the programme for specific items to be added to any agenda to ensure that the Board can focus on the key matters at the appropriate time. The Board also schedules informal sessions and interactions, which allows Board members to discuss areas of the business, strategy and the external environment with members of the Executive Committee.

At the end of each year, the Board reviews its key priorities for the following year and formulates its forward plan, which requires a balance between standing items, governance requirements and areas of strategic, operational and tactical focus. Board meetings help structure Board activities and facilitate discussion and action. In addition, they provide an important forum for oversight and challenge of management in respect of aspects of the Company's operations, performance and strategy. Some of the areas detailed in the following pages formed part of the standing agenda for each meeting, while others were reviewed periodically throughout the year.

Stakeholder considerations and open interaction are central to the Board's priorities, with the need to promote positive stakeholder relationships. Significant time is spent interacting with key stakeholders to better understand their views, as well as the opportunities and challenges. In addition, the Board regularly discusses the impact on stakeholders, their views and their feedback, whether in Board or Committee meetings. The Board will continue to focus on considering stakeholders as part of the Board's decision-making.

In 2025, the Board held majority of its meetings virtually but held its Q2 and Q4 2025 Board and Strategy meetings in person. The Company's Articles of Association allow directors to participate in Board meetings by video conferencing or by any other audio-visual means.

Strategic Board activities in 2025

During 2025, the Board remained focused on the Company's strategic direction, overseeing performance and risk. It considered performance against financial and other strategic objectives, key business challenges, emerging risks, business development and the Company's relationships with its stakeholders. The governance framework facilitated discussion on strategy and performance which enabled the Board to support executive management with its delivery of the strategy.

Regular Reports

- Strategy and 2026 Corporate Plan and Budget
- CEO Reports include progress made on strategic priorities
- CFO Reports
- Board Committee Chairs Reports
- Business Insights Reports from CIB and WRB
- Sustainability Report
- Governance Reports from the Company Secretary including the Board Work Plan, Board Training Plan, Board Stakeholder Engagement Plan, Board Effectiveness Review
- Subsidiary and Related Entity Reports
- Annual Review of Key Policies and Standards
- Delegated Authority Reports

Key Approvals in 2025

- Quarterly Financial Results
- 2024 Information and Cyber Security Audit conducted by Ernst and Young
- Internal Capital Adequacy Assessment Process 2025 results
- Annual Enterprise Risk Management Framework review and Risk Appetite Refresh
- Quarterly Outsourcing Activities
- Board and Management Committee Terms of Reference
- Board Succession Plan and the Board's Skills Matrix
- Country Management Succession Plan
- Appointment of an Independent Non-Executive Director and Non-Executive Director

Statement of corporate governance continued

The Board's principal areas of focus in 2025 are set out by theme below:

Activities

Spotlight

Strategy and business performance



In 2025, the Board remained focused on strategic direction, overseeing performance and risk and sustaining disciplined execution in a changing macro environment.

Each Board meeting featured the Company's strategic performance on its agenda, facilitating opportunities to track its delivery throughout the year and providing an opportunity to shape how it was developed. The Board reviewed progress within the businesses, as well as against the key strategic pillars. The key areas included:

- Reviewed execution against the refreshed Wealth & Retail Banking pivot to Affluent, including distribution redesign and branch optimisation; the Corporate & Investment Banking sharpened network strategy; and Fit for Growth initiatives designed to simplify, standardise and digitise processes to unlock capacity for growth.
- Discussed and reviewed the Company's sustainability strategy.
- Reviewed and approved the five-year corporate plan for the year 2026-2030 as a basis for preparation of the 2026 budget.
- Reviewed and scrutinised the strategic and operational performance of the business across client segments and product groups, which included details of their priorities, progress, opportunities and response to current events. This included deep dives into various areas of focus in 2025.
- Reviewed and discussed the progress and evolution of the Group's Technology & Operations strategy.
- Provided oversight of major expenditures.
- Monitored and assessed the strength of the Company's capital and liquidity positions.



The Board reviewed the Group's strategy at a Board and senior management offsite meeting, discussing progress against the strategic priorities, the pivot to focus on cross-border and Affluent banking and execution challenges. The Board concluded that management is executing the strategy well and that it remains appropriate.

Risk management



The Board, advised by the Board Risk Committee, promotes a strong risk governance culture that shapes the Company's risk appetite and supports the maintenance of a strong risk management framework, considering the measurement, evaluation, acceptance and management of risks, including emerging risks. The Board considered the Company's approach to risk, reviewed and approved a number of key frameworks, as follows:

- Discussed macroeconomic headwinds and tailwinds as both risks and opportunities for the Company.
- Approved updates to the Enterprise Risk Management Framework and Country Addendum, Risk Appetite Statement for 2025 and refreshed Markets policies and standards.
- Received and discussed status updates on Cyber Security Risks.
- Received reports on the Company's Operational Resilience posture and Crisis Management Plans and approved the 2026 Business Continuity Plans.
- Received regular reports on the Credit Portfolio and Credit Risk Management.
- Received reports on Climate-related Financial Risks and other Environmental, Social and Governance considerations in the CIB Portfolio.
- Reviewed and approved implementation of the new Risk Based Credit Pricing Model developments: engagement with CBK on sectorwide pricing reforms and the Bank's internal approach.
- Undertook horizon scanning discussions, which considered the potential risks and opportunities that the Company might be or could become exposed to.



The Board oversaw continued improvement in asset quality and embedding of climate-related risk monitoring and appetites within CIB. Liquidity and capital remained well above regulatory minima across the year, providing strategic flexibility to support growth and dividends

Activities

Spotlight

Technology, information and cyber security



- In 2025, the Board received regular updates on technology from the Board Technology and Innovation (T&I) Committee, including updates on the implementation of the revised Technology and Operations strategy cloud/ datacentre migrations and operational resilience; key strategic business initiatives and the information and cyber security strategy of the Company.
- The Board reviewed the results of phishing simulations, cyber posture and thirdparty risk vigilance. The Board also monitored key client-impacting incidents and the actions taken to enhance resilience.
- The Board reviewed and discussed the outcomes of the information and cyber security audit carried out by EY in compliance with the requirements of Central Bank of Kenya and noted the status of technology and cyber security controls as well as the remedial actions being taken to resolve the issues reported.
- The Board reviewed and approved the Technology and Innovation and Cyber Security 2026 budgets.
- The Board reviewed and approved the refreshed Technology Policy and Standards.



Budget and performance oversight



- Approved the Company's budget/corporate plan.
- Monitored the Company's financial performance.
- Approved the full year and quarterly results and considered key internal and external factors in approving an interim dividend for the 2025 financial year.
- Approved the 2024 final dividend.
- Approved the Internal Capital Adequacy Assessment Process.
- Monitored and assessed the strength of the Company's capital and liquidity positions.
- Monitored the Company's competitor and market position and performance;
- Received updates from the statutory auditor Ernst & Young LLP on the audit of the financial statements.
- Considered the re-appointment of EY as the statutory and made appropriate recommendations to shareholders to consider the auditor reappointment of EY at the Annual General Meeting.



The Company has declared a final dividend of KShs 23.00 per ordinary share for 2025 reflecting strong capital and liquidity positions and disciplined balance sheet management.

People, culture and values



- The Board places great importance on engagement with colleagues and values its interactions at all levels. The role of the Board is distinct from management and the directors are aware of the importance of overseeing, supporting and, where necessary, challenging management in implementing its people strategy. During 2025, the Board.
- Received and discussed regular updates on implementation of the people strategy.
- Discussed the results of the employee engagement survey "My Voice", the Company's talent pool and leadership development programmes.
- Discussed and approved the senior management succession plan.
- Discussed the Company's culture and the importance of a robust conduct culture throughout the Company.
- Considered the progress made on implementation of diversity, equity and inclusion priorities.



The Board emphasised talent depth and advice-led client engagement, backing Affluent execution with targeted RM hiring, wealth academies and specialist support and progressed Board and Committee succession plans to maintain effective governance coverage.

Statement of corporate governance continued

Activities

Spotlight

Governance



- The Board continued to oversee the governance, smooth operation and oversight of the Bank and its subsidiaries.
- Considered and approved appointments of directors following recommendations from the Board Nomination, Evaluation and Remuneration Committee.
- Reviewed the Board Succession Plan, Directors' Capability Matrix and prospective INED watch list.
- Considered the continued independence and objectivity of independent non-executive directors.
- Reviewed, considered and approved the Company's Remuneration Approach and Human Resource Policies.
- Approved the Board Charter refresh, revised Board and Committee Terms of Reference, the Board Diversity Policy and the Related Party Policy.
- Continued to ensure linkages with the Board Committees through receiving quarterly reports from the Committee Chairs on each of their key areas of focus.
- Discussed the observations and themes arising from the 2025 internally facilitated Board and Committees' effectiveness reviews and approved the action plan to address the issues arising.
- Maintained linkages with Standard Chartered Plc, the parent company through attending calls hosted by the Standard Chartered Plc Board as well as other engagements.
- Received updates on the governance of its subsidiaries.
- Monitored its compliance with the CMA Code of Corporate Governance, the Central Bank of Kenya Corporate Governance Guidelines, the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023 and the Companies Act 2015 throughout the year.



External environment



The Board, advised by the Board Risk Committee, promotes a strong risk governance culture that shapes the Company's risk appetite and supports the maintenance of a strong risk management framework, considering the measurement, evaluation, acceptance and management of risks, including emerging risks. The Board considered the Company's approach to risk, reviewed and approved a number of key frameworks, as follows:

- Discussed macroeconomic headwinds and tailwinds as both risks and opportunities for the Company.
- Approved updates to the Enterprise Risk Management Framework and Country Addendum, Risk Appetite Statement for 2025 and refreshed Financial Markets policies and standards.
- Received and discussed status updates on Cyber Security Risks.
- Received reports on the Company's Operational Resilience posture and Crisis Management Plans and approved the 2026 Business Continuity Plans.
- Received regular reports on the Credit Portfolio and Credit Risk Management.
- Received reports on Climate-related Financial Risks and other Environmental, Social and Governance considerations in the CIB Portfolio.
- Reviewed and approved implementation of the new Risk Based Credit Pricing Model developments: engagement with CBK on sectorwide pricing reforms and the Bank's internal approach.
- Undertook horizon scanning discussions, which considered the potential risks and opportunities that the Company might be or could become exposed to.





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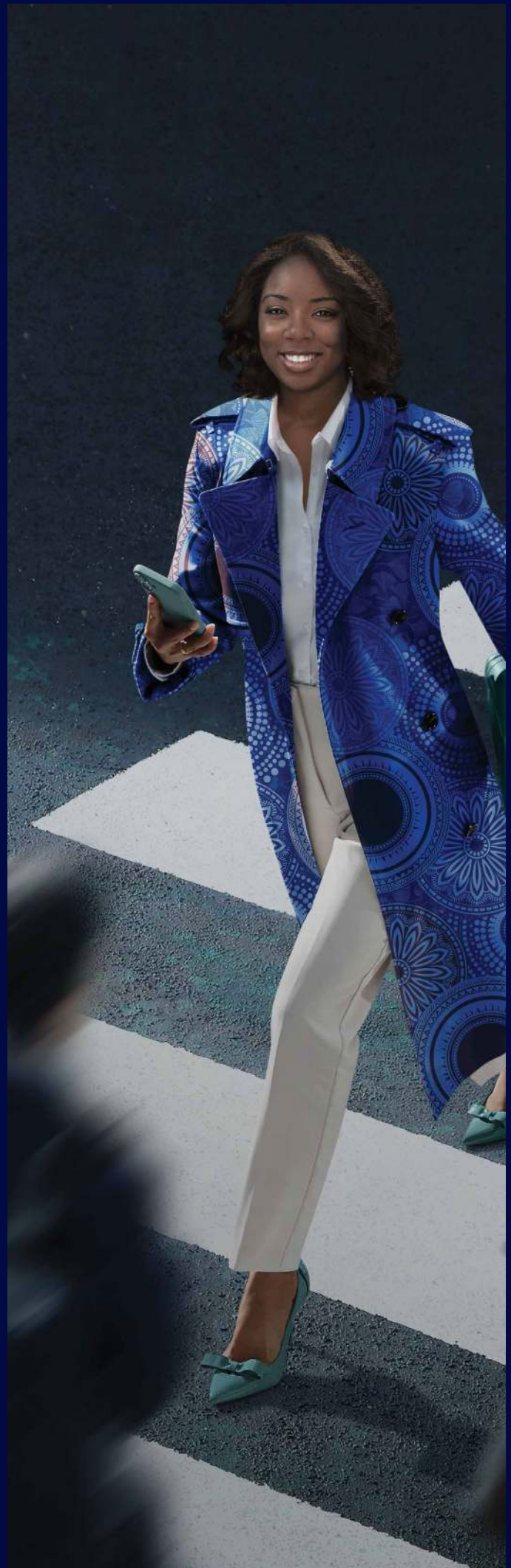
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The Board's principal areas of focus in 2025 are set out by theme below continued

Stakeholder consideration and engagement is central to the Board's priorities. The Board recognises the importance of promoting positive stakeholder relationships and spends time interacting with them to better understand their views, as well as the opportunities, challenges and the Company's impact. In addition, the Board regularly discusses the impact on stakeholders, their perspectives and their feedback, whether in Board and Committee meetings, or as part of other interactions. In 2025, the Board implemented the Stakeholder Engagement Plan with focus on effective and proactive management of stakeholders.

Shareholder and Stakeholder engagement

Investors

- Directors engaged shareholders at the virtual Annual General Meeting (AGM) and responded to retail shareholders' questions raised before and during the AGM
- The Directors interacted with representatives of the majority shareholder in the year.

Customers

- The Board received regular updates from management on customer engagement activities.
- In December 2025, directors had the opportunity to meet with a selection of clients based in the Coast region.

Regulators

- The Board regularly received reports regarding significant regulatory matters and deliberated on approaches to regulatory changes, expectations, compliance and regulatory engagements throughout the year.

Communities

- Directors participated in Corporate Social Responsibility (CSR) programmes including the Standard Chartered Nairobi Marathon, Women In Tech and various Futuremakers initiatives. The Board also discussed the progress on community initiatives as detailed in the stakeholders and responsibilities section of the annual report on pages 27 to 41.

Suppliers

- The Board regularly receives updates from management regarding key supplier relationships, including an in-depth analysis of third-party management.
- These discussions enhance directors understanding of supplier relationships and foster collaboration.

Statement of corporate governance continued

Board Committees

Structure, decisions, responsibilities and delegation of authority

The Board delegates oversight of certain audit, risk, technology, remuneration, nomination and governance matters to its Committees. These are the Board Audit Committee, the Board Risk Committee, the Board Credit Committee, the Board Nomination, Evaluation and Remuneration Committee and the Board Technology and Innovation Committee, all chaired by independent directors. Each Board Committee has a remit to cover specific topics in accordance with its respective Terms of Reference.

The respective Chairs present their reports to the Board at each scheduled meeting. The Asset and Liability Committee (ALCO) and the Executive Committee are management committees chaired by the Chief Financial Officer, whilst the Third-Party Risk Management Committee is chaired by the Chief Risk Officer and all report quarterly to the Board.

Terms of Reference for the Board and each Committee are in place to provide clarity over where responsibility for decision making lies. These are reviewed annually against industry best practice and corporate governance provisions and guidance.

The Board places significant reliance on its Committees by delegating a broad range of responsibilities and issues to them. It therefore remains crucial that effective linkages are in place between the Committees and the Board as a whole, not least as it is impracticable for all independent non-executive directors to be members of all the Committees. Mechanisms are in place to facilitate these linkages, including ensuring that there are no gaps or unnecessary duplications between the remit of each Committee and there is overlapping membership between Board Committees where necessary. Alongside interconnected Committee membership, the Board receives a written summary of each of the Committees' meetings and verbal updates at the Board, where appropriate.

Board Committees

Board Audit Committee

Oversight and review of matters relating to financial reporting, financial controls and internal controls and the work undertaken by the Compliance, Financial Crime and Conduct Risk (CFCR) team, Group Internal Audit and the Statutory Auditor, Ernst & Young LLP.

[Read more on page 82.](#)

Board Risk Committee

Oversight and review of the Risk Appetite Statement, the appropriateness and effectiveness of the risk management systems and the principal risks to the Company's business. Furthermore, oversight and review of risks including operational and technology, compliance, financial crime, environmental, social, governance and reputational credit, traded, information and cyber security, treasury and model risks.

[Read more on page 87.](#)

Board Credit Committee

Oversight of the Company's credit policy and all lending undertaken by the Company in line with the established risk appetite. In addition, the Committee oversees the Company's governance framework for raising credit impairment provisions for all assets and ensures that timely and adequate provisions and write offs are made to accurately reflect the true and fair financial condition of the Company.

[Read more on page 91.](#)

Board Nomination, Evaluation and Remuneration Committee

Oversight and review of Board and executive succession, overall Board effectiveness and corporate governance issues. Further, the Committee provides oversight on remuneration, rewards and other incentives.

[Read more on page 95.](#)

Board Technology and Innovation (T&I) Committee

Oversight of the Company's technology and information and cyber security risks as well as the Company's approach to innovation in light of emerging technologies.

[Read more on page 101.](#)

Board Level Committees

Membership of the Board Committees

	Board Audit Committee	Board Risk Committee	Board Credit Committee	Board Nomination, Evaluation and Remuneration Committee	Board Technology and Innovation (T&I) Committee
K. Kariuki				●	
D. Ong'olo		●	●	●	
R. Mbugua	●	●	●	●	
N. Sharma	●				●
B. Obatoyinbo	●	●	●	●	●

● Chair
● Member

The Board Committees are comprised of independent non-executive directors (INEDs) who bring a diversity of skills, experience and knowledge to the discussion and play an important role in supporting the Board.



Board Audit Committee

Committee Composition

The Board Audit Committee is comprised solely of independent non-executive directors with the membership designed to provide financial expertise and commercial acumen needed to fulfil its responsibilities. Robert Mbugua is the Chair of the Audit Committee. Mrs. Nivedita Sharma and Mrs. Beverley Obatoyinbo are the other members on the Committee. The Committee members have detailed and relevant experience and bring an independent mind-set to their role.

2025 Board meetings attendance

Attendance of the meetings held in 2025	Scheduled	Private Sessions with the Internal and External Auditors
R. Mbugua (Chairperson)	5/5	2/2
N. Sharma	5/5	2/2
B.Obatoyinbo	5/5	2/2

As part of, the scheduled Committee meetings, the Committee held meetings with the Statutory Auditor, EY and the Head, Internal Audit, without Management being present.

Who else attended 2025 Committee meetings?

The Chief Financial Officer; Chief Risk Officer; Chief Compliance Officer; Head of Internal Audit; Head of Legal; Head of Property; Statutory Auditor; and the Company Secretary. Other members of Management also attended upon invitation.

C. Murgor	
J. Mucheke	
D. Mwindi	
D. Muugi	
D. Mwaisaka*	
J. Kariuki	Head of Property
J. Nyaga	Secretary
Ernst & Young LLP	

*Former Head of Legal until November 2025

What are the main responsibilities of the Committee?

The Committee operates under delegated authority from the Board and advises the Board on matters concerning the Company's financial reporting requirements. The Committee Chair reports on the key matters and discussions at the subsequent Board meeting. This supports the Board's oversight of the work carried out by Management, Internal Audit and the Company's statutory auditor. The Committee considers Management's recommendations in respect of impairment on loans and advances as well as other disclosure requirements.

The Committee regularly reviews and reports to the Board on the effectiveness of the Company's system of internal control. It receives reports on findings of the internal and external audits and monitors Management's remedial actions on audit findings. The Committee also reviews the proposed work plans for the external auditor and the Internal Audit team.

The Head of Compliance submits regular reports on regulatory, compliance, financial crime and conduct issues. The Business and Function Heads are regularly invited to the meetings to provide reports or respond to audit issues as required.

Report of the Chair of the Board Audit Committee



Robert Mbugua
Chair of the Board Audit Committee

I am pleased to present the Report of the Chair of the Board Audit Committee for the year ended 31 December 2025. This year was characterised by heightened regulatory engagement, a demanding operating environment and significant developments in legacy litigation matters. I want to thank my fellow Committee members, Management, Internal Audit and Ernst & Young (EY) for their collaborative engagement and professionalism throughout the year.

Meetings and attendance

Five scheduled meetings of the Committee were held in 2025. As is standard practice, two private sessions with Internal Audit and the External Auditor, without Management present were held in the year, ensuring an unrestricted environment for independent dialogue. All members attended the meetings thereby achieving quorum. The Committee reported to the Board after each scheduled meeting, escalating matters for the Board's attention as required.

Principal areas of focus in 2025

A critical function of the Committee is to oversee Management's approach to the preparation of financial results and other financial and non-financial disclosures. The Committee's responsibilities are guided by its Terms of Reference, which were reviewed during the year to ensure they remained aligned to regulatory expectations and best practice. The Terms of Reference are available on the investor relations page of the Company's website: Investor Relations – Standard Chartered Kenya.

The Committee reviewed the integrity and completeness of the Bank's financial reporting throughout the year, providing assurance to the

Board that the financial statements continued to be prepared using appropriate accounting policies, supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015. The Committee is satisfied that the Bank's financial reporting remained robust, transparent and reliable, giving shareholders and stakeholders the information necessary to assess the Bank's performance, business model, strategy and risks.

Internal Audit continued to provide independent and objective assurance on the adequacy and effectiveness of governance, risk management and internal control processes. In 2025, the Committee reviewed and approved the annual audit plan, which incorporated both local and SCB Group driven audit requirements. As part of its oversight, the Committee considered the results of audits completed during the year, including ICAAP, WRB Client Due Diligence, Data Privacy, Unsecured Lending, Corporate Governance, Vendor Management and Local Technology audits. Regarding technology audits, the Committee received comprehensive updates on the actions taken to address technology obsolescence risks and was pleased to note significant progress in reducing obsolete applications and infrastructure, as well as Management's efforts to mitigate these risks. The Committee was also kept informed on the status of ongoing audits, the remediation of audit issues and improvements to audit methodology following the adoption of the new Global Internal Audit Standards, which came into effect in January 2025.

The Committee was satisfied that the Internal Audit function continued to operate effectively, with adequate resources and independent access to the Committee. Private sessions with the Head of Internal Audit were held at appropriate intervals and the Committee considered the results of the 2025 Internal Auditor Effectiveness Review, which confirmed robust performance while identifying opportunities to further enhance thematic insights, presentation clarity and visibility of succession planning within the function.

The Committee provided oversight of the Bank's regulatory compliance framework, including anti-money laundering, counter-terrorist financing, conduct risk and data protection. Regular compliance updates were received and the Committee reviewed key regulatory engagements including the sector-wide consultations on the Risk-Based Credit Pricing Model (RBCPM) and the Office of the Data Protection Commissioner (ODPC) Data Protection Audit in which the Bank was assessed as substantially compliant. This was in addition to the oversight of the continuing interactions with the Central Bank of Kenya (CBK), Capital Markets Authority, Insurance Regulatory Authority, Kenya Revenue Authority and the Financial Reporting Centre. Particular attention was paid to ensuring timely resolution of outstanding regulatory matters and maintaining strong regulatory relationships.

The Committee also considered Management's updates on policy changes and enhancements to the compliance operating model, including transformation initiatives to strengthen advisory and surveillance capabilities. Significant focus was also placed on financial crime risk given elevated fraud typologies noted across the industry.

The Bank remains committed to ensuring colleagues have confidence to speak up and to acting appropriately when they do. The Committee continued to oversee the effectiveness of the Bank's whistleblowing arrangements under the Speak Up Programme. The Committee received periodic updates on themes arising from Speak Up reports and reviewed the annual summary of cases, taking assurance that concerns were investigated and that appropriate remediation actions were undertaken.

Statement of corporate governance continued

The Committee also continued to monitor developments in key litigation matters affecting the Bank, including the legacy Pensions Case, where significant financial implications required close Committee oversight throughout the year, as well as other material litigation involving the Bank. A detailed update on the Pensions Case is available under Note 32 on page 221 to 224. Management provided regular updates on progress, legal advice and provisioning considerations, including tax implications and the Committee was satisfied with the appropriateness of Management's approach to these matters.

EY, the Company's External Auditor, completed its sixth audit of the Bank's financial statements during the year. The Committee reviewed and discussed the external auditor's approach and strategy for the annual audit, including materiality, risk assessment and audit scope, as well as key audit matters identified. EY provided written confirmation of its independence and held private sessions with the Committee at which no concerns were raised. The Committee reviewed and approved the statutory audit plan and the CBK mandated ICT Audit plan. The Committee also considered the findings of the External Auditor Effectiveness Review, which confirmed strong overall performance while identifying opportunities for more forward looking insights, optimisation of audit walkthroughs and enhanced visibility of the audit team transitions.

including the sector-wide consultations on the Risk-Based Credit Pricing Model (RBCPM) and the Office of the Data Protection Commissioner (ODPC) Data Protection Audit in which the Bank was assessed as substantially compliant. This was in addition to the oversight on the continuing interactions with the Central Bank of Kenya (CBK), Capital Markets Authority, Insurance Regulatory Authority, Kenya Revenue Authority and the Financial Reporting Centre. Particular attention was paid to ensuring timely resolution of outstanding regulatory matters and maintaining strong regulatory relationships.

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Committee effectiveness review

The Audit Committee's performance and effectiveness were reviewed as part of the Board effectiveness review undertaken during the year. Notably, the Committee continued to operate effectively, with no material areas for improvement identified.

The Audit Committee discharged its responsibilities effectively in 2025, demonstrating continued commitment to robust oversight, transparency and governance excellence. The Committee will continue to monitor developments in regulatory reform, financial reporting, operational resilience and internal controls to ensure the Bank remains well-positioned for the challenges and opportunities ahead.

The following pages provide insight and context into the Committee's work and activities during the year.

Statement of corporate governance continued

Principal activities and significant issues considered during 2025:

Area of Focus	Key Issues The Committee:
Financial Reporting	<ul style="list-style-type: none"> Satisfied itself that the accounting policies and practices are appropriate. Reviewed the clarity and completeness of the disclosures made within the published financial statements. Reviewed the annual financial statements and quarterly financial results prior to publication. Monitored the integrity of the published annual financial statements, reviewing the significant financial judgments and accounting issues. Considered, satisfied itself and recommended to the Board, that the processes and procedures in place to ensure that the Annual Report had been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, were in conformity with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. This ensured that the financial statements provided the information necessary for shareholders to assess the Company's position and performance, business model and strategy and the business risks it faces. Reviewed the appropriateness of the financial control policies and discussed updates to the policies prior to recommending them to the Board for approval. Monitored the financial controls environment and received updates regarding operational risk on financial controls. Considered advice presented on the current status of significant legal and regulatory matters and considered Management's judgments on the level of provisions and the adequacy of disclosure.
Taxation	<ul style="list-style-type: none"> Provided oversight on tax risks and related matters, including ongoing KRA audits, assessments and the processing of outstanding refunds. Reviewed the tax implications of the Pensions Case and considered Management's treatment with reference to external tax advice.
Statutory Auditor, Ernst & Young (EY)	<ul style="list-style-type: none"> Provided oversight of the work undertaken by EY and in particular: Reviewed and discussed the external auditor's approach and strategy for the annual audit including the materiality, risk assessment and scope of the audit. Satisfied itself that EY had allocated sufficient and suitably experienced resources to address these risks and reviewed the findings from the audit work undertaken. Reviewed and discussed the key audit matters and key risks identified by EY's audit planning, seeking and receiving assurance that these risks had been addressed properly in the audit strategy. Received a confirmation of independence from EY. Considered the audit fees for the audit of the financial statements as appropriate together with the external auditor's engagement letter and recommended the terms of engagement to the Board for approval. Met privately with EY twice without Management being present Maintained responsibility for setting, reviewing and monitoring the appropriateness of the provision of non-audit services, applying the policy on the award of non-audit services to the External Auditor, while considering the relevant ethical guidance. The non-audit services are carried out in accordance with the external auditor independence policy to ensure that services do not create a conflict of interest. In 2025, non-audit services offered by EY were approved and compliance with the Bank's external auditor independence policy confirmed.

Statement of corporate governance continued

Area of Focus	Key Issues The Committee:
Internal Controls	<ul style="list-style-type: none"> Discussed reports from Internal Audit that provide a view on the system of internal controls across all risk types, business and functions, including summary highlights of the most significant matters being monitored by Internal Audit and areas of thematic interest that have arisen as part of the audits and warrant the Committee's attention. On a periodic basis, Internal Audit reports on any overdue remediation of findings. Reviewed the adequacy of resourcing and the proposed Internal Audit plan and was satisfied that they were appropriate in light of proposed areas of focus, expertise and skills that were required. Assessed the role and effectiveness of the Internal Audit function and reviewed and monitored progress against the annual audit plan and the review and monitoring of post-audit actions. Reviewed and approved the 2026 Internal Audit plan. Probed and was satisfied with the independence of the Internal Audit function. Received updates on the implementation of the new Global Internal Audit Standards and results of internal methodology enhancements. Received the results of the External Quality Assessment Review conducted at SCB Group level. The review confirmed full conformance with the Global Internal Audit Standards and the regulations that had been scoped in the review providing assurance that the function was operating effectively. Held two private sessions with the Head of Internal Audit without Management being present.
Compliance	<ul style="list-style-type: none"> Reviewed reports on the arrangements established by Management for ensuring adherence to internal compliance policies and procedures and compliance with specific laws and regulations and was satisfied that the compliance framework and controls continue to operate effectively. Monitored regulatory engagements and reviewed updates on inspections, industry consultations and data protection compliance. Received and discussed reports on Financial Crime Compliance produced by the Company's Money Laundering Reporting Officer and any specific actions taken by Management in relation to the report. Reviewed and recommended the Outcome of the Bank's 2024 Anti-Money Laundering (AML) and Counter Terrorist Financing (CTF) Risk Assessment for Board approval.
Provisions for legal and regulatory matters	<ul style="list-style-type: none"> Received and discussed updates on major disputes and reviewed Management's judgements on the level of provisions and the adequacy of disclosure
Whistle Blowing	<ul style="list-style-type: none"> Received regular updates on the efficacy of the whistleblowing framework, themes in reports made and monitored outcomes of the most pertinent cases. An annual report on Speak Up cases was reviewed and subsequently tabled to the Board. Speaking Up is the Company's confidential and anonymous whistleblowing programme. The whistleblowing channels are available to colleagues, contractors, suppliers and members of the public, to raise concerns confidentially and anonymously.
Committee Effectiveness Review	<ul style="list-style-type: none"> Following the conclusion of the Committee's effectiveness review, the Committee dedicated time to discuss its performance. The Committee rated its oversight of the fundamental financial reporting, internal control environment and assessment of the performance of external auditors as performing well. The Committee was satisfied with its effectiveness in providing support to the internal audit function and staying informed about significant compliance and legal issues.

RN Mbugua

Robert Mbugua

Chair of the Board Audit Committee

Board Risk Committee

Committee Composition

The Board Risk Committee is comprised of independent non-executive directors and non-executive directors. The members collectively have wide knowledge on banking and the risk factors affecting the Company, including geopolitical, economic, technology, financial crime, credit and general business risks which is needed to fulfil Committee responsibilities. The Committee is chaired by David Ong’olo, with members being Robert Mbugua and, following Richard Etemesi’s resignation from the Board on 30 June 2025, Beverly Obatoyinbo, who replaced him on the Committee.

Attendance of the scheduled meetings held in 2025

Attendance of the meetings held in 2025	Scheduled
D. Ong’olo (Chairperson)	4/4
R. Mbugua	4/4
R. Etemesi ¹	2/2
B. Obatoyinbo ²	2/2

¹ Stepped down on 30 June 2025

² Attendance is prorated from Q3, 2025 when she joined the Committee.

Who else attended Committee meetings in 2025?

The Chief Executive Officer; Chief Financial Officer; Chief Risk Officer; Chief Technology and Operations Officer; Head, Wealth and Retail Banking; Head, Corporate and Investment Banking; Head, Markets and the Company Secretary attend the Committee meetings as permanent invitees. Other members of Management also attend upon invitation. The participation of our senior business leaders reaffirmed the ownership and accountability of risks in the first line of defence.

K. Ngari	
C. Murgor	
J. Mucheke	
E. Chumba	
B. Sanghrajka	
M. Kiboi	
J. Mwai	
J. Nyaga	Secretary

What are the main responsibilities of the Committee?

The Committee is responsible for exercising oversight of and reviewing prudential risk. It reviews the Company’s Risk Appetite Statement and Enterprise Risk Management Framework (ERMF) and makes recommendations to the Board. These risks include, amongst others, credit, traded, treasury, operational and technology, environmental, social and governance and reputational, financial crime, compliance, information and cyber security and model risks.

The Chief Risk Officer presents a report to the Committee at every scheduled meeting and the Committee discusses the major risks faced by the Company across the businesses. It is responsible for ensuring that there are written policies, procedures and processes for identifying and managing all risks within the Company.

The Committee maintained a clear focus on capital and liquidity during the year. The Chief Financial Officer presents a report at every scheduled meeting and the members have an opportunity to consider the Company’s capital and liquidity positions, the regulatory environment and expectations.

Report of the Chair of the Risk Committee



David Ong'olo
Chair of the Board Risk Committee

I am pleased to present the Report of the Chair of the Board Risk Committee for the year ended 31 December 2025. During the year, there was a change in the Committee's composition following the resignation of Richard Etemesi from the Board in June 2025. Richard's tenure on the Committee was marked by significant contributions and valuable insights, for which the Committee expresses its sincere gratitude. Following his departure, Beverley Obatoyinbo was appointed to the Committee, ensuring a smooth transition and continuity in the Committee's work.

Throughout the year, the Committee provided active oversight of the Bank's risk profile amid a complex environment. We worked closely with Management to enhance risk management and to reinforce a disciplined risk culture. I thank my fellow Committee members and Management for their dedication and collaboration.

This report outlines how the Committee has fulfilled its role in overseeing and advising the Board in relation to current and potential future risk exposures and the risk profile to ensure the Company prudently manages risks. Further information about the Committee's remit can be found in its Terms of Reference which are reviewed annually and are available on the investor relations page of the Company's website Investor Relations – Standard Chartered Kenya.

Meetings and attendance

There were four scheduled meetings of the Committee held in 2025, all of which were held virtually. Details of the attendance are provided in the preceding page. The Committee reported to the Board on its activities after each meeting, escalating matters for the Board's attention as appropriate.

Between meetings, I continued to hold regular one on one discussions with the Chief Risk Officer to remain apprised of emerging risks, significant incidents, regulatory developments and Management actions and to shape the focus of future Committee agendas. The Committee recognises the importance of holding Management directly accountable for any issues raised by the Chief Risk Officer. Senior Management routinely joins Committee meetings to engage in more in-depth discussions, serving as the first line of defence.

Principal areas of focus

In an increasingly complex global and domestic operating environment, the Committee maintained a clear focus on ensuring effective and efficient risk management across the Company. The macroeconomic backdrop in 2025 remained fluid, with continued easing of monetary policy, subdued private sector credit growth, fiscal pressures, elevated public debt and heightened sensitivity to external shocks including geopolitical tensions, global trade developments and changes in international funding flows.

The Committee spent considerable time reviewing the Bank's macroeconomic, market and liquidity risk profile, noting continued stability in inflation and foreign exchange markets, strong liquidity buffers and adequate foreign exchange reserves, albeit against a backdrop of ongoing fiscal consolidation challenges and revenue mobilisation constraints. The Committee closely monitored developments relating to interest rate reductions by the Central Bank of Kenya, trends in Treasury yields and the implications for the Bank's balance sheet, capital allocation and earnings resilience.

Operational and Technology risk continued to receive significant attention in 2025. The Committee closely monitored several material risk events including payment system incidents, technology obsolescence, third party dependencies and resilience challenges arising from outages linked to external service providers.

Third party risk management remained a key area of oversight. The Committee reviewed the resilience of material external arrangements, vendor redundancy plans and the effectiveness of third party security assessments and onsite reviews. The Committee took assurance that for all material vendors, either credible alternatives or mitigation plans were in place, while acknowledging that transitioning between vendors would require careful planning to avoid service disruption.

Working alongside the Board Audit Committee, the Committee continued to monitor financial crime risk, which is becoming more prevalent and requires dynamic management to ensure the Company, clients and stakeholders continue to be protected. The Committee received regular updates on fraud trends, suspicious transaction reporting and remediation actions. The Committee also monitored other matters such as cross-border payments ensuring that risk mitigation requirements were met.

Compliance risk remained a focus area through the year. The Committee received updates on regulatory inspections, ongoing engagement with regulators and progress against remediation plans. The Committee monitored developments relating to data protection compliance, implementation of risk based pricing and the evolving regulatory expectations on climate related financial risk.

The Committee also oversaw climate and environmental risk matters, including review of the Climate Risk Implementation Plan and associated commitments. The feasibility of certain commitments was

Statement of corporate governance continued

reviewed in light of market realities and performance trends and the Committee engaged Management on appropriate recalibration and regulatory engagement to ensure commitments remained credible and achievable while avoiding greenwashing risk.

The Committee received and evaluated the Markets policies before recommending them for the Board's approval. Additionally, the Committee also provided oversight on key control metrics within Markets, assuring the Board that these controls are functioning effectively.

Traded, treasury, information and cyber security, ESG and reputational risks were reviewed regularly and remained within acceptable levels throughout the year. Capital and liquidity positions remained strong, providing resilience in a volatile environment. The Committee also received updates on the tax risks and progress made in resolving legacy tax matters.

Committee effectiveness review

During the year, the annual review of the effectiveness of the Board Risk Committee, was conducted. The review concluded that the Committee continued to operate effectively. The Committee demonstrated strong capability in assessing the Bank's risk profile, overseeing the Enterprise Risk Management Framework, challenging Management on emerging and material risks and supporting informed Board decision making. Areas identified for continued enhancement included further strengthening horizon scanning and periodically allocating additional time for deeper discussions on key risks. Actions to address these areas were agreed and are being implemented.

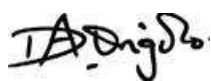
The Committee will continue to support the Board and Management in strengthening the Bank's risk culture, resilience and governance as the external environment continues to evolve.

The following sections provide insight and context into the Committee's work and activities during the year.

Statement of corporate governance continued

Principal activities and significant issues considered during 2025:

Area of Focus	Key Issues The Committee:
Holistic enterprise risk monitoring, including the risk profile	<ul style="list-style-type: none"> • Closely monitored global geopolitical and macroeconomic risks that could impact the Company's strategy, business performance or operations. • Continued to track top and emerging risks and other management information metrics, as well as early warning measures to understand sensitivities and the likelihood of the potential impact to our operations, clients and stakeholders. • Considered lessons learnt from material operational incidents and near misses, particularly those relating to technology and payments systems, to ensure that corrective actions were robust and sustainable.
Risk Appetite	<ul style="list-style-type: none"> • Received regular reports from the Chief Risk Officer on the Company's risk profile as detailed in the Principal Risk Types report ensuring this was consistent with the risk appetite. • Tracked a broad range of risk metrics that are reported to the Committee periodically.
Enterprise Risk Management Framework	<ul style="list-style-type: none"> • Reviewed the Enterprise Risk Management Framework (ERMF), which sets out the principles and standards for risk management across Standard Chartered Bank. • Considered enhancements arising from the annual review, including refinements to Principal Risk Types and the integration of emerging risks. • Satisfied itself that the ERMF remained appropriate, effective and responsive to the evolving risk landscape and recommended the relevant updates to the Board for approval.
Embedding Third Party Risk Management	<ul style="list-style-type: none"> • Continued its focus on managing third-party risk to safeguard the Company from potential disruptions caused by third-party relationships.
Operations and Technology Risk	<ul style="list-style-type: none"> • Regularly reviewed reports on the Company's technology risk profile, as well as reports on cybersecurity risks. The Committee also maintained a strong focus on monitoring obsolescence risk and mitigations to the risks arising and the remediation plans in place.
Traded Risk	<ul style="list-style-type: none"> • Endorsed the Markets policies and standards for Board approval. The Committee also received a report on the status of key Markets control metrics for assurance on their effectiveness.
Treasury Risk	<ul style="list-style-type: none"> • Received reports from the Chief Financial Officer at each scheduled meeting, which covered the Company's capital and liquidity position to ensure that there was sufficient capital, liquidity or funding to support the Company's operations in line with regulatory requirements.
Committee Effectiveness Review	<ul style="list-style-type: none"> • Participated in the annual Board and Committee effectiveness review. The review concluded that the Committee continued to operate effectively, with strong risk oversight, quality of challenge and constructive engagement with Management. Areas for improvement were identified and actions have been taken to enhance the Committee's effectiveness.



David Ong'olo

Chair of the Board Risk Committee

Board Credit Committee

Committee Composition

The Board Credit Committee is comprised of independent non-executive directors and non-executive directors. The members collectively have wide knowledge on banking and credit risk factors affecting the Company's credit portfolio which is imperative for execution of the Committee's mandate. Robert Mbugua is the Chair of the Committee with members being David Ong'olo and, following Richard Etemesi's resignation from the Board on 30 June 2025, Beverley Obatoyinbo, who replaced him on the Committee.

Attendance of the scheduled meetings held in 2025

Attendance of the meetings held in 2025	Scheduled
R. Mbugua (Chairperson)	4/4
D. Ong'olo	4/4
R. Etemesi ¹	2/2
B. Obatoyinbo ²	2/2

¹Stepped down on 30 June 2025

²Attendance is prorated from Q3, 2025 when she joined the Committee.

Who else attended Committee meetings in 2025?

The Chief Executive Officer; Chief Financial Officer; Chief Risk Officer; Head, Wealth and Retail Banking (WRB); Head, Corporate and Investment Banking (CIB); Senior Credit Officer; Country Credit Head, WRB; Head, Stressed Assets Risk and the Company Secretary routinely attend the Committee meetings as permanent invitees. Other members of Management also attend upon invitation.

K. Ngari	
C. Murgor	
E. Chumba	
B. Sanghrajka	
J. Mucheke	
S. Mwangi	Senior Credit Officer, CIB
M. Muthuri	Country Credit Head, WRB
J. Warutere	Senior Manager, Stressed Assets Risk
J. Nyaga	Secretary

What are the main responsibilities of the Committee?

The Committee exercises oversight on the key credit risks faced by the Company and makes recommendations to the Board on the Company's overall credit risk appetite. In particular, the Committee: reviews and oversees the Company's lending policies; ensures that there are effective procedures and resources to identify and manage irregular problem accounts, minimise credit losses and maximise recoveries; and delegates and reviews lending limits to the sanctioning arms of the Company.

Additionally, the Committee oversees the Company's governance framework for raising credit impairment provisions for all assets and ensures that timely and adequate provisions and write offs are made in compliance with the requirements of the Central Bank of Kenya Prudential Guidelines. Further, the Committee reviews and provides guidance on non-credit risk issues which are considered in making credit decisions. The Committee also reviews the top country risks impacting the credit portfolio and ratifies approvals of the Credit Approvals Committee.

Report of the Chair of the Board Credit Committee



Robert Mbugua
Chair of the Board Credit Committee

I am pleased to present the Board Credit Committee's report for the year ended 31 December 2025.

The Committee's composition remained stable through the year, with the exception of the retirement of Mr. Richard Etemesi from the Board in June 2025. His valuable contributions, particularly in strengthening credit governance, are gratefully acknowledged.

Over the course of the year, the Committee continued to provide oversight on credit risk management ensuring that the Company's lending activities were aligned with its credit risk appetite. I wish to extend my appreciation to my fellow Committee members for their insightful contributions and constructive scrutiny, as well as to Management for their transparency and collaboration.

This report outlines how the Committee fulfilled its oversight and advisory role to the Board concerning credit risk and the overall credit risk appetite. Additional details regarding the Committee's remit can be found in its Terms of Reference, which are reviewed annually and made available on the investor relations page of the Company's website: Investor Relations – Standard Chartered Kenya.

Meetings and attendance

The Committee held four scheduled meetings during the year, each convened virtually. Attendance remained consistently strong, reflecting the Committee's ongoing commitment to rigorous oversight. The Committee received timely reports from management and reported to the Board on its activities after each meeting, escalating matters for the Board's attention as appropriate.

Principal areas of focus

In 2025, the Committee reviewed the strategy and approach to managing credit risk across the Corporate & Investment Banking (CIB), Wealth & Retail Banking (WRB) and Stressed Assets portfolios. Regular updates included trends in credit quality, concentration risks, early warning indicators, portfolio developments and emerging risks arising from macroeconomic and geopolitical conditions.

The Committee undertook detailed sector and thematic deep dives designed to enhance its understanding of priority sectors, credit processes and risk mitigation practices. In Q1, the focus was on Wealth Lending, including insights into product evolution, client growth and platform enhancement initiatives. In Q2, the Committee reviewed the integration of climate risk considerations into credit processes. In Q3, the Committee focused on the renewable energy sector, including opportunities and challenges. All deep dives provided valuable context for strategic decision making and reinforced risk governance expectations.

The CIB portfolio remained resilient through 2025 supported by growth in key product areas and disciplined credit underwriting. While utilisation fluctuated at certain points, driven by among other things, competitive pricing dynamics and client needs, the overall portfolio was stable. The Committee also maintained close oversight of industry concentration and ensured that sector diversification and risk appetite remained appropriately balanced.

The WRB portfolio continued to evolve through 2025 as the Bank advanced its strategic shift toward the Affluent segment. Overall portfolio movements reflected deliberate derisking in the personal loans and credit card portfolio while wealth lending remained the primary driver of growth. The Committee provided oversight to ensure the portfolio remained aligned with the Bank's risk appetite and strategic priorities.

The Committee also maintained close oversight of the Stressed Assets Group ensuring continued focus on early intervention and appropriate provisioning for nonperforming accounts. The Committee discussed settlement strategies to ensure that recovery decisions were aligned with the Bank's risk appetite.

Climate-related financial risks, ESG integration and adherence to internal and regulatory standards remained central to Committee's deliberations. Additionally, the Committee continued to monitor exposures that could lead to material credit impairments and increased risk-weighted assets through the Company's Early Alert process.

The Committee regularly reviewed and ratified decisions of the Credit Approvals Committee. Portfolio guideline compliance was reviewed quarterly, with no significant breaches reported. Updates to credit policies, standards and portfolio guidelines were evaluated and recommended for Board approval. The Committee also exercised oversight over insider lending, with reports confirming full compliance with the CBK Prudential Guideline requirements.

Committee effectiveness review

During the year, a Committee effectiveness review was undertaken. The review confirmed that the Committee continued to operate effectively, with strong member engagement, robust discussions and clear challenge to Management. Areas for enhancement included learning initiatives related to the Company's credit risk and assessment methodologies, which have since been implemented.

The Committee remains committed to high standards of governance and effective credit oversight to safeguard the Bank's credit risk standards while supporting strategic priorities.

Principal activities and significant issues considered during 2025:

Area of Focus	Key Issues The Committee:
Credit Portfolio Performance	<ul style="list-style-type: none"> Reviewed the overall credit portfolio to ensure adherence to the Central Bank of Kenya Prudential Guidelines. Provided oversight of credit risk developments across CIB, WRB and the Stressed Assets portfolios, with a focus on emerging macroeconomic and geopolitical risks. Assessed concentration risk across key sectors and portfolio segments, ensuring appropriate diversification and alignment to risk appetite. Received regular updates from the Stressed Assets Group on account remediation, restructuring progress and workout strategies. Monitored early alert exposures and the effectiveness of Management’s treatment plans, including thematic reviews reflecting global and local uncertainty.
Review of Credit Policies, Standards and Portfolio Guideline	<ul style="list-style-type: none"> Reviewed and recommended updates to credit policies, standards and portfolio guidelines to ensure continued alignment with regulatory expectations, risk appetite and evolving market conditions. Considered updates supporting enhancements in climate-related risk management, environmental, social and governance requirements and the integration of new regulatory frameworks such as Kenya’s Green Finance Taxonomy and Climate Risk Disclosure expectations. Reviewed delegated credit authorities across business units, ensuring appropriate controls, governance and accountability.
Loan Impairment	<ul style="list-style-type: none"> Oversaw the Bank’s approach to credit impairments to ensure application of prudential and internal policy requirements. Reviewed quarterly updates on loan impairment trends, including Management actions undertaken to mitigate emerging risks. Considered workout plans and forbearance strategies for challenged accounts across CIB, WRB and SME segments. Evaluated overlay requirements.
Deep Dive into various Topics	<ul style="list-style-type: none"> Conducted a deep dive on Wealth Lending in Q1, focusing on product evolution, client behaviour and strategic positioning within the Affluent segment. Undertook a climate risk and ESG-focused assessment in Q2, analysing the integration of climate risk into credit decisioning and portfolio monitoring. Reviewed opportunities and risks in the renewable energy sector in Q3. Considered WRB portfolio themes such as shifts in client credit appetite, changes in disposable income, affecting personal and SME segments.
Credit Approvals Committee	<ul style="list-style-type: none"> Ratified all decisions of the Credit Approvals Committee during the year and provided oversight on adherence to credit approval processes. Monitored compliance with the portfolio guidelines on a quarterly basis, noting that no significant breaches were reported. Ensured that approvals continued to reflect the Bank’s risk appetite, strategic priorities and regulatory expectations.

Statement of corporate governance continued

Area of Focus	Key Issues The Committee:
Insider Lending Oversight	<ul style="list-style-type: none">Reviewed Insider Lending reports quarterly in compliance with Central Bank of Kenya Prudential Guidelines. All facilities to Directors and related parties were confirmed to be aligned to the regulatory requirements.
Committee Effectiveness Review	<p>Completed its annual effectiveness review in 2025. Key observations included:</p> <ul style="list-style-type: none">Strong challenge and robust engagement with Management.Need for ongoing training on credit assesment and monitoring and risk appetite metrics. The recommended training interventions were delivered.

RN Mbugua

Robert Mbugua

Chair of the Board Credit Committee

Board Nomination, Evaluation and Remuneration Committee

Committee Composition

The Board Nomination, Evaluation and Remuneration Committee (NERC) is comprised of independent non-executive directors. In addition to the Board Chairperson, Kellen Kariuki, David Ong’olo and Beverley Obatoyinbo are the other members.

Attendance of the scheduled meetings held in 2025

Attendance of the meetings held in 2025	Scheduled
K. Kariuki (Chairperson)	5/5
D. Ong’olo	5/5
B. Obatoyinbo	5/5

Who else attended Committee meetings in 2025?

The Chief Executive Officer; Head, Human Resources; and the Company Secretary routinely attended Committee meetings supporting the Committee to fulfil its people and governance responsibilities.

K. Ngari	
E. Munyori	
J. Nyaga	Secretary

What are the main responsibilities of the Committee?

The Committee’s mandate is to regularly review the structure, size and composition of the Board, make recommendations to the Board on suitable candidates to fill Board vacancies, review and recommend the remuneration levels for the independent non-executive directors for Board approval. In addition, the Committee has oversight of key Management appointments.

As part of the Committee’s succession planning for the Board, it considers the Company’s strategy and makes recommendations to the Board in respect of any adjustments to the Board’s composition. The Committee also:

- keeps under review the leadership needs of and succession plans for, the Company in relation to both executive directors and other senior executives;
- has oversight of the process by which the Board, its Committees and individual directors assess their effectiveness;
- keeps the diversity of the Board under review and monitors progress towards achieving its objectives in this area; and
- considers the impact of material changes to corporate governance regulation and legislation affecting the Company.

The Committee is responsible for setting the governance framework for the remuneration for all employees, ensuring alignment with the Company’s culture and requirements of the relevant regulations. The Committee Chair reports to the Board on its key areas of focus following each Committee meeting.

Report of the Chair of the Board Nomination, Evaluation and Remuneration Committee



Kellen Kariuki
Chair of the Board Nomination,
Evaluation and Remuneration
Committee

I am pleased to present this report, which provides an overview of the work of the Board Nomination, Evaluation and Remuneration Committee and its activities during the year ended 31 December 2025.

This report sets out the Committee's activities for the year regarding board composition, succession planning, people strategy and governance arrangements, ensuring alignment with regulatory expectations and best practice. More details on the Committee's responsibilities can be found in its Terms of Reference which are reviewed annually and are available on the investor relations page on the Company's website: Investor Relations – Standard Chartered Kenya.

Principal areas of focus

During the year, the Committee continued to discharge its responsibilities against a backdrop of transformation of the Bank's strategy, evolving regulatory expectations and a dynamic operating environment. The Committee remained focused on ensuring that the composition of the Board and senior management sustained effective oversight, strong leadership and delivery of the Bank's strategic priorities.

The Committee maintained a strong focus on matters relating to Board composition and succession planning. In doing so, it reviewed the structure, balance and composition of the Board, taking into account skills, experience, independence, tenure and diversity, in the broadest sense. The Committee also considered upcoming retirements and regulatory developments affecting the classification of directors and ensured that succession plans were in place to support continuity and orderly transition.

In line with the Company's Articles of Association, David Ong'olo is due to retire at the 2026 Annual General Meeting upon attaining the age of 70. To ensure an orderly transition, the Committee commenced the recruitment process for new non-executive directors in 2025, with a particular focus on candidates possessing finance and audit expertise, given the future needs of the Audit Committee. An external executive search firm was engaged to support the process and the Committee reviewed longlists and shortlists of potential candidates during the year. On the recommendation of the Committee, the Board approved the appointment of Kinya Kimotho as an independent non-executive director (INED) and Peter Gitau as a non-executive director (NED). More information on the appointments is available on the Company's website. Both appointments will take effect upon receipt of approvals from the Central Bank of Kenya and the Capital Markets Authority. Oversight of executive management succession planning remained a key area of focus for the Committee. Throughout the year, the Committee reviewed the Executive Committee succession plans with particular attention to leadership continuity, readiness, development actions and diversity of the succession pipeline. The Committee noted continued improvement in bench strength across key executive roles, including increased female representation. Management was requested to enhance Board visibility of potential successors through structured engagement and opportunities for interaction.

In 2025 the Committee provided oversight on the appointment of Patricia Mbugua as the Head of Legal and CIB Coverage, subject to regulatory approval.

Subsequent to the year end, the Board announced the planned retirement of the Managing Director and Chief Executive Officer, effective April 2026 and the proposed appointment of a successor, subject to regulatory approval. The Committee has overseen executive management succession planning for this role over the years as part of its broader leadership continuity responsibilities. Succession planning for the Chief Executive Officer has been approached in a structured and deliberate manner, considering strategic priorities, leadership capability, continuity of stakeholder relationships and regulatory expectations. The Committee is satisfied that the transition reflects the strength and depth of the Bank's executive succession pipeline and provides continuity in leadership while supporting the Bank's long term strategy and stability.

As part of its governance responsibilities, the Committee led the annual Board and Board Committee effectiveness review process in respect of the 2024 financial year, with the results considered during 2025. The review concluded that the Board and its Committees continued to operate effectively, with positive feedback on leadership, agenda management, quality of papers and oversight of strategy, risk and culture. Areas identified for continued enhancement included further strengthening of diversity, equity and inclusion oversight, deeper stakeholder engagement and additional Board upskilling on ESG reporting frameworks. The Committee reviewed, recommended appropriate action plans and monitored progress against the actions during the year.

The Committee also assessed the independence of each INED in accordance with the Capital Markets Authority Code of Corporate Governance and the Capital Markets (Public Offers, Listings and Disclosures) Regulations 2023. Having reviewed the selfassessments, declarations of interests and relevant circumstances, the Committee concluded that all INEDs continued to demonstrate independence of

Statement of corporate governance continued

thought and judgement. The Committee's recommendations were subsequently endorsed by the Board.

Oversight of the framework and governance for remuneration across the Bank continued. The Committee reviewed and recommended the remuneration outcomes for Executive Directors and employees, ensuring alignment with performance, the Bank's values, risk, control and conduct considerations and the principles of the Fair Pay Charter. The Committee was satisfied that remuneration outcomes appropriately recognised performance while remaining prudent, fair and sustainable.

The Committee continued to oversee implementation of the people strategy, particularly in light of the Bank's continued pivot towards Affluent Banking. It reviewed Management's approach to workforce planning, organisational design changes and redeployment initiatives and took assurance that changes were managed transparently, sensitively and in accordance with policy and regulatory requirements. Employee engagement, wellbeing and mental health remained critical areas of oversight, with the Committee monitoring the effectiveness of wellbeing initiatives including the Employee Assistance Programme and digital wellbeing platforms.

During the year, the Committee reviewed employee engagement outcomes, including the 2025 My Voice survey results. The Committee noted continued strong participation and improvements in engagement, pride and intent to stay, while recognising areas requiring ongoing attention, including psychological safety. Management will continue targeted action planning to address these areas.

The Committee also continued to oversee Diversity, Equity and Inclusion matters. Diversity is taken into account when considering succession plans and appointments at both Board and senior management level, as well as more broadly across the Company. The Committee also considered the diversity and representation on Board Committees when reviewing their composition. I am pleased to note that the Board had 5 female Board members out of 9 (56%), ahead of the targets set in the Board Diversity Policy. The Board intends to maintain strong gender diversity metrics going forward. The Board's diversity and inclusion policy is available on the Company website <https://av.sc.com/ke/content/docs/ke-scbkl-board-diversity-policy.pdf>.

The Committee also reviewed progress against gender representation, pay equity and progress made on implementation of the requirements of the Persons With Disabilities Act, noted areas requiring acceleration and recommended Management strengthens actions to support sustainable improvement. The development of a dedicated diversity dashboard was welcomed and will form part of ongoing oversight.

In fulfilling its broader governance responsibilities, the Committee reviewed and recommended for Board approval a number of key governance documents during the year, including updates to the Board Charter, Board and Committee Terms of Reference, the Board Diversity Policy, the Stakeholder Engagement Plan and the Related Party Policy.

The Committee considered developments in the corporate governance regulatory landscape, including ongoing engagement with the Capital Markets Authority in relation to governance audits, director independence and shareholder approval of policies. While recognising the additional compliance burden arising from regulatory changes, the Committee remained committed to maintaining high governance standards and constructive regulatory relationships.

Looking ahead, the Committee will continue to focus on Board and executive succession planning, strengthening diversity and inclusion outcomes, supporting effective remuneration governance and maintaining high standards of corporate governance across the Bank. The Committee will also oversee the externally facilitated Board effectiveness review planned for 2026 and continue to track progress against agreed governance enhancements.

I would like to thank my fellow Committee members, Management and the Company Secretariat for their commitment, support and constructive engagement throughout the year.

The following report sets out the areas of significant focus for the Committee and its activities over the course of the year.

Statement of corporate governance continued

Highlights for 2025

Principal activities and significant issues considered during 2025:

Area of Focus	Key Issues The Committee:
Board and Senior Management Succession Planning	<ul style="list-style-type: none"> Engaged Carol Musyoka Consulting Limited, an executive search firm, to review the market for INED and NED candidates. Discussed the composition of the Board and considered the orderly succession of current INEDs and the skills competency matrix, knowledge, experience, diversity (in the widest sense) and attributes required of future INEDs, both immediately and in the medium to longer term. In considering the Board's succession, the Committee takes into account the length of tenure of the INEDs and the importance of regularly refreshing Board membership. Reviewed succession plans for the Committee Chair roles, identifying appropriate individuals with the necessary skills and attributes to provide emergency cover as required, as well as on a longer-term basis, including acknowledging and addressing any gaps that exist. Provided oversight of the detailed executive management team succession plans. Oversaw succession planning for the Managing Director and Chief Executive Officer role as part of its broader leadership continuity mandate.
Assessment of the INEDs independence	<ul style="list-style-type: none"> Considered the independence of each of the INEDs, taking into account any circumstances likely to impair, or which could impair, their independence and made appropriate recommendations to the Board.
People	<ul style="list-style-type: none"> Oversaw implementation of the people strategy as aligned to the business strategy. Discussed initiatives taken to drive the strategy of building a future ready workforce including accelerating introduction of digital tools and training academies. Monitored the progress towards achieving the diversity and inclusion aspirations of the Company noting the progress made on the key performance indicators which include, the gender pay gap, representation of persons living with disabilities and gender balance. Discussed the outcome of the annual employee engagement survey 'My Voice'. Provided oversight on the Performance and Pay process and outcomes. Reviewed material human resource policies. Received reports on employee wellness as well as progress on implementation of wellness initiatives. Interviewed candidates for the role of Head of Legal and CIB Coverage and made a recommendation to the Board as appropriate.
Governance	<p>Undertook the following governance activities and recommended Board approval:</p> <ul style="list-style-type: none"> Reviewed and recommended for Board approval a number of governance documents, including updates to the Board Charter, Board and Committee Terms of Reference, the Board Diversity Policy, the Stakeholder Engagement Plan and the Related Party Policy. Developed the Annual Work Plan/Key Performance Indicators for the Board for the year 2026. Reviewed the Directors Report and other corporate governance disclosures included in the Annual Report.

Highlights for 2025

Principal activities and significant issues considered during 2025:

Area of Focus	Key Issues <i>The Committee:</i>
<p>Corporate Governance Regulatory Requirements</p>	<ul style="list-style-type: none"> • Considered developments in the corporate governance regulatory landscape, including governance audit requirements and evolving expectations under the Capital Markets Authority framework and monitored Management’s engagement with regulators. • Received and discussed CMA’s assessment of implementation by the Company of the CMA Code of Corporate Governance in the fiscal year ended 31 December 2024 and made appropriate recommendations to the Board.
<p>Review of the Directors Remuneration Report and Remuneration Framework for the workforce Board and Committee Effectiveness Review</p>	<ul style="list-style-type: none"> • Steered the process of reviewing the Directors Remuneration Report ensuring alignment with regulatory requirements and the Company’s objectives. Additionally, the Committee reviewed and endorsed the remuneration framework for employees, ensuring it was fair, competitive and aligned with the Company’s goals. • Carried out a review of its own effectiveness during the year. Overall performance was assessed as effective, particularly in oversight of Board composition and skills, talent management, succession planning for non-executive director roles, recruitment approach for directorships roles, oversight on delivery of the Board’s continuous development programme and monitoring the progress made by the Board on key areas of improvement. • Areas for improvement were identified, including the need to strengthen executive management succession planning by increasing Board exposure to skiplevel talent and ensuring the Committee is provided with a comprehensive diversity, equity and inclusion dashboard for ongoing monitoring on behalf of the Board. The agreed actions were implemented.



Kellen Kariuki

Chair of the Board Nomination, Evaluation and Remuneration Committee



Board Technology and Innovation Committee

Committee Composition

The Board Technology and Innovation Committee is comprised of independent non-executive directors and non-executive directors. The members collectively have wide knowledge on banking, information, technology and digital innovation relevant to fulfil the Committee's responsibilities. Nivedita Sharma is the Chair and Beverley Obatoyinbo is the other member of the Committee. Richard Etemesi stepped down from the Board on 30 June 2025.

Attendance of the scheduled meetings held in 2025

Attendance of the meetings held in 2025	Scheduled
N. Sharma (Chairperson)	4/4
B. Obatoyinbo	4/4
R. Etemesi*	2/2

*Stepped down on 30 June 2025

Who else attended Committee meetings in 2025?

The Chief Executive Officer; Chief Financial Officer; Chief Risk Officer; Chief Technology and Operations Officer; Head, Corporate and Investment Banking (CIB); Head, Wealth and Retail Banking (WRB), Head Transaction Banking; Head, Audit; Country Information Security Officer and the Company Secretary routinely attend the Committee meetings as permanent invitees. Other members of Management also attend upon invitation.

K. Ngari	
C. Murgor	
J. Mucheke	
B. Sanghrajka	
E. Chumba	
J. Mwai	
M. Malumane	
D. Muugi	
S. Kariuki	Country Information Security Officer
J. Nyaga	Secretary

What are the main responsibilities of the Committee?

The Committee's mandate is to oversee the technology risk management framework and technology innovation strategy and ensure the following objectives are achieved:

- the Company's overall approach to information security supports high standards of governance;
- the information security assurance framework is aligned to the CBK Prudential Guidelines, the CBK guidance note on Cyber Risk and other relevant laws and regulations;
- adequate business resilience arrangements for disaster recovery and business continuity are in place; and
- oversight on the Company's approach to technological innovation is provided.

Report of the Chair of the Board Technology and Innovation Committee



Nivedita Sharma
Chair of the Board Technology and Innovation Committee

I am pleased to present my report as Chair of the Board Technology and Innovation Committee which sets out the work undertaken by the Committee during the year ended 31 December 2025.

The Committee continued to operate in line with its mandate to provide oversight of the Bank's technology strategy, innovation agenda, information and cyber security and operational resilience. Details of the Committee's responsibilities are set out in its Terms of Reference, which are reviewed annually and are available on the investor relations page of the Company's website: Investor Relations – Standard Chartered Kenya.

Meetings and attendance

Four scheduled meetings of the Committee were held in 2025. During the year, all members attended the meetings, one of which was held in person. The Committee reported to the Board after each meeting, escalating matters for the Board's attention as required. Attendance by Management continued to be strong, reflecting the importance placed on technology, innovation and resilience to the Bank's strategy and operations.

Principal areas of focus

In 2025, the Committee received regular and detailed updates from Management on technology, innovation, cyber security and operational resilience, including progress against the Technology and Operations strategy and the status of key strategic initiatives. Technology continued to be a critical enabler in delivering the Bank's strategy, supporting digital transformation, client experience and operational efficiency.

A significant area of focus during the year was the execution of major transformation and simplification initiatives.

The Committee received regular updates on migration milestones and client communications and was satisfied that appropriate controls and governance were in place. System stability remained a key area of oversight. The Committee received detailed reports on client impacting incidents. The Committee focused on understanding root causes, Management's response, client communication and lessons learnt.

Operational resilience continued to be a priority. The Committee reviewed the Bank's resilience activities during the year, including disaster recovery testing, call tree testing, Business Continuity Plan testing and Crisis Management Group simulations. The Committee was satisfied that the Bank met regulatory expectations under the Central Bank of Kenya Prudential Guidelines and that enhancements to resilience planning and execution were progressing appropriately.

Information and Cyber Security continued to be a primary area of focus. The Committee was provided with regular updates regarding the Information and Cyber Security strategy, cyber threat intelligence, phishing simulation exercises, key performance indicators and significant initiatives. There were no reported cyber incidents of critical or high severity in the year. However, the Committee acknowledges the dynamic nature of the threat landscape and the growing risks associated with third-party dependencies and emerging technologies, including Artificial Intelligence (AI).

The Committee received updates on AI use cases across the Bank, governance controls and security assessments and supported Board and Management training to deepen understanding of AI developments in a regulated environment. The Committee emphasised the importance of ethical guardrails, robust governance and alignment with client trust.

The Committee received and reviewed updates on Group-led initiatives to modernise the global data centre footprint, mitigate technology obsolescence risk, strengthen third-party assurance, and enhance response and recovery capabilities, in the discharge of its oversight responsibilities.

Third-party risk oversight was a key focus this year. The Committee acknowledged that partnerships can drive speed and innovation but emphasised the importance of maintaining strong controls and accountability. The committee discussed reliance on essential partners and reviewed efforts to diversify dependencies by implementing direct integrations and enhancing third-party security assessments.

The Committee reviewed updates to Technology policies, standards and local addenda for Board approval. It also evaluated the Technology and Information & Cyber Security budgets for 2026, taking into account cost efficiency, regulatory requirements and the Bank's strategic priorities and was satisfied that the budgets appropriately balanced investment with cost discipline.

Committee effectiveness review

During the year, the Committee completed its annual effectiveness review. The review concluded that the Committee continued to operate effectively, particularly in its oversight of cyber risks, technology resilience and Management accountability. Areas identified for further focus included accelerating innovation delivery, enhancing oversight of thirdparty technology risk and increased awareness of cyber defence capabilities and AI use cases. Action plans were agreed and progress on implementation of the actions was monitored in the year.

The Committee remains committed to supporting innovation while safeguarding the Bank's technological integrity, resilience and longterm sustainability.

The following report sets out the areas of significant focus for the Committee and its activities over the course of the year.

Highlights for 2025

Principal activities and significant issues considered during 2025:

Area of Focus	Key Issues The Committee:
<p>Technology and Innovation updates</p>	<ul style="list-style-type: none"> Reviewed the technology cost performance during the year and recommended the 2026 technology budget for Board approval Provided ongoing oversight of key technology transformation initiatives. Received reports from the IT Management Forum. Monitored progress on technology cost simplification initiatives under SCB Group’s Fit for Growth programme. Considered and monitored the Company’s business resilience arrangements and received reports on Business Continuity Plans and testing. Provided oversight on management of third-party risk relating to providers of IT services and goods. Monitored the status of regulatory approvals for cloud applications. Considered updates on emerging trends and new developments, opportunities and risks in the technology space. Discussed updates on various business initiatives and considered lessons learnt from unsuccessful projects. Discussed updates on the Aspire programme (a programme launched to deliver a modern technology system and data landscape for financial management and reporting). Discussions focused on the programme’s potential in driving control enhancement and cost efficiencies. Reviewed updates to the technology policy and standards prior to board approval.
<p>Information and Cyber Security</p>	<ul style="list-style-type: none"> Reviewed the Information and Cyber Security (ICS) strategy, cyber threat intelligence, phishing simulation results, key performance indicators and incident reports, while ensuring proactive measures are taken to mitigate against the risks arising. Reviewed the ICS cost performance during the year and recommended the 2026 ICS budget for Board approval.
<p>Deep Dive topics</p>	<ul style="list-style-type: none"> Led the Board in an externally facilitated training session which considered AI use cases being deployed in the Company and across SCB Group.
<p>Committee Effectiveness Review</p>	<ul style="list-style-type: none"> Completed its annual effectiveness review during the year. Overall performance was assessed as effective, particularly in cyber risk oversight and Management challenge. Opportunities for improvement were identified, including accelerating innovation delivery, strengthening oversight of thirdparty risks and increasing awareness of cyber defence capabilities. Action plans were agreed and implemented.



Nivedita Sharma

Chair of the Board Technology and Innovation Committee

Management Committees

Group Chief Executive

The Chief Executive Officer (CEO) is responsible for the management of all aspects of the businesses, developing the strategy in conjunction with the Chairperson and the Board and leading its implementation.

The Board delegates authority for the operational management of the business to the CEO for further delegation by him in respect of matters that are necessary for the effective day-to-day running and management of the business. The Board holds the CEO accountable in discharging his delegated responsibilities.

Management Team

The Management Team forms the Executive Committee and has the responsibility to execute the strategy, led by the Chief Executive Officer. Details of the Management Team can be found on page 46 of this report.

Management Level Committees Reporting to the Board

Executive Committee

Support the CEO in the day-to-day management of the Company as well as implementation of the Company's strategy.
Reports to the Board through the CEO.

Asset and Liability Committee

Oversight over the Company's balance sheet to ensure it is managed in line with regulatory requirements and Company policies.
Reports to the Board.

Executive Risk Committee

Oversight of the implementation of the Company's risk management to ensure the effective management of risk throughout the Company.
Reports to the Board Risk Committee..

Credit Approvals Committee

Monitoring and enforcing applicable credit policies within the Company and approving credit applications within the approved credit risk appetite.
Reports to the Board Credit Committee.

Third Party Risk Management Committee

Monitoring the effective management of risks arising from outsourcing and oversight of all outsourcing arrangements.
Reports to the Board Risk Committee.

Information and Technology (IT) Management Forum

Management of IT resources to facilitate the achievement of the Company's strategic objectives.
Reports to the Board Technology and Innovation Committee.

Asset and Liability Committee (ALCO)

Members

C. Murgor	Chairperson
K. Ngari	
J. Mucheke	
E. Chumba	
B. Sanghrajka	
M. Kiboi	
C. Njuguna	Country Treasurer
P. Kariuki	

Role and function

The Committee is charged with the responsibility of ensuring the effective implementation of balance sheet management policies, receiving and reviewing reports on liquidity, market risk and capital management and reviewing the deposit and asset pricing strategies in line with market fundamentals and regulatory guidelines.

The Committee meets once a month. The Chief Financial Officer presents the ALCO report to the Board at each scheduled Board meeting.

Executive Committee Members

Members	Chairperson
K. Ngari	
E. Chumba	
B. Sanghrajka	
C. Murgor	
E. Munyori	
D. Mwindi	
J. Nyaga	
M. Malumane	
J. Mucheke	
P. Mbugua	
J. Kibe	
M. Kiboi	
D. Muugi	
J. Mwai	

Role and function

The Executive Committee is the link between the Board and Management. The Committee supports the Chief Executive Officer in the day-to-day management of the Group and Company. The Committee is responsible for general oversight and the implementation of operational plans and the annual budgets. It is also responsible for the periodic review of operations, strategic plans, ALCO strategies, credit proposals, identification and management of key risks and opportunities. The Committee also reviews and approves guidelines for employees' remuneration.



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Corporate Governance Policies

Statement of policy on corporate governance

The Company's corporate governance framework is designed to promote accountability, fairness and transparency and to support the delivery of sustainable longterm value for shareholders and other stakeholders. The Board recognises that sound corporate governance is fundamental to maintaining confidence in the Company and to ensuring the integrity and resilience of its operations.

Commitment to good governance

The Company is committed to upholding high standards of corporate governance and continuously strengthening its governance practices in line with applicable laws, regulations and recognised best practice. The Board views corporate governance as an evolving process and remains focused on embedding ethical conduct, effective oversight and responsible decisionmaking throughout the organisation.

The governance framework is overseen by the Board of Directors, which is responsible for the strategic direction of the Company and for providing effective oversight of Management. The Board comprises a mix of executive and nonexecutive directors, including independent non-executive directors, to ensure an appropriate balance of skills, experience, independence and knowledge of the business. The separation of the roles of the Chairperson and the Chief Executive Officer is maintained to promote effective leadership and independent oversight, in line with the Company's governance arrangements.

To support the effective discharge of its responsibilities, the Board has established Board Committees with clearly defined mandates covering audit, risk management, nomination, evaluation and remuneration and technology and innovation. These Committees operate under written terms of reference approved by the Board and play a key role in supporting the Board's oversight of governance, risk and control matters. The Board remains responsible for matters reserved to it and receives regular reports from its Committees.

Board Charter

The Board regularly reviews the Board Charter which outlines the role and responsibilities of the Board, powers of the Board, various Board Committees and their roles, separation of roles between the Board and Management and the policies and practices of the Board in respect of corporate governance. The Board Charter is available on the Company's website at <https://www.sc.com/ke/investor-relations/>

Capital Markets Authority – Corporate Governance Assessment Report for the Year Ended 31 December 2024

The Capital Markets Authority conducted a Corporate Governance Assessment of the Company's application of the Code of Corporate Governance Practices for Issuers of Securities to the Public for the year ended 31 December 2024. The assessment resulted in an overall weighted Leadership Rating of 89%, reflecting strong governance practices while identifying areas for continued improvement under the applyandexplain approach.

The assessment scores awarded to the Company across the key governance pillars were as follows:

- Commitment to Good Corporate Governance: Leadership Rating of 95%
- Board Operations and Control: Leadership Rating of 75 per cent
- Rights of Shareholders: Leadership Rating of 86 per cent
- Stakeholder Relations: Leadership Rating of 86 per cent
- Ethics and Social Responsibility: Leadership Rating of 96%
- Accountability, Risk Management and Internal Control: Leadership Rating of 96 per cent
- Transparency and Disclosure: Leadership Rating of 97 per cent

The Board welcomes the outcome of the assessment and recognises the Authority's acknowledgement of the Company's governance strengths. The assessment also identified specific areas for improvement, particularly relating to the designation of independent non-executive directors and related Board composition requirements based on cross directorships on a Subsidiary Board and shareholder approval of certain governance policies under the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023. Following engagement with the Authority, the Company was granted an extension until 31 December 2026 to achieve full compliance with the criteria for designation of independent non-executive directors. Further, the Board will recommend the relevant policies to the shareholders for approval at the next Annual General Meeting.

Legal and Compliance Audit Statement

The Code of Corporate Governance for Issuers of Securities to the Public (2015) requires Boards of listed companies to ensure that a comprehensive, independent legal and compliance audit is conducted at least once every two years by a legal professional in good standing with the Law Society of Kenya. The findings from these audits must be addressed and any non-compliance issues resolved.

In 2025, an external legal and compliance audit was conducted by K. Mwaura & Co. Advocates, led by auditor Charles Ouma. An unqualified audit opinion was provided and can be found on page 110 of this report. The audit report was formally presented to the Board Audit Committee, which will closely monitor and track the implementation of the resulting action plans to ensure ongoing compliance and enhancement of governance structures.

Statement of corporate governance continued

In addition, an internal legal and compliance audit focused on corporate governance commenced in 2024 and was completed in 2025. The results were presented to the Board Audit Committee and actions arising therefrom are being implemented.

Governance Audit Statement

The Capital Markets Authority (CMA) Code of Corporate Governance provides that issuers of securities to the public are required to undertake governance audits to ensure that the Company is operating on sound governance practices. The audits are conducted by a competent professional accredited for that purpose by the Institute of Certified Secretaries (ICS). A Governance Audit for the year 2025 was conducted by Qwasha Corporate Services LLP, the corporate secretariat arm of KN Law LLP, led by Mugambi Nandi. The audit report was presented to the Board and an unqualified opinion was issued and is available on page 111 of this report. The audit confirmed that the Board has put in place a sound governance framework, which complies with the legal and regulatory framework and in line with global best governance practices in the interest of stakeholders. Management action plans addressing recommendations will be monitored through the Board Nomination, Evaluation and Remuneration Committee to ensure effective implementation and ongoing compliance.

Relations with shareholders

We recognise and respect the rights of our shareholders, which are integral to our corporate governance framework. Shareholders are entitled to timely and accurate information regarding the Company's performance and strategic direction. We ensure that shareholders have opportunities to participate in key decisions, including voting on significant matters at annual and special meetings.

The Board recognises the importance of good communications with all shareholders and the importance of shareholder participation in meetings. Shareholders are strongly encouraged to attend and participate in the AGM which provides an opportunity for shareholders to engage with the Board and Management directly. The virtual Annual General Meeting (AGM) as well as the published annual report are used as an opportunity to communicate with all shareholders. The Company always gives shareholders the 21 days' notice of the AGM as provided for in the Kenyan Companies Act, 2015 and shareholders are encouraged to submit questions and appoint proxies to represent them where they are unable to attend. Ad hoc shareholder requests for information are handled on an on-going basis and on the floor of the AGM. The Board uses electronic means to communicate with shareholders and shareholders are encouraged to visit <https://www.sc.com/ke/investor-relations/> for general information on the Company as well as annual reports.

Risk management and internal control

The Board is committed to managing risk and to controlling the Company's business and financial activities in a manner which enables it to maximise profitable business opportunities, manage and ensure compliance with applicable laws and regulations and enhance resilience to external events.

A cornerstone of the Company's approach is the robust risk management framework designed to identify, assess and effectively manage various risks, including financial, operational and reputational risks. This proactive stance safeguards the Company against potential vulnerabilities. Our governance structure ensures accountability at all organisational levels as detailed in the Chief Risk Officer's report on pages 17 to 26.

Our internal controls are routinely reviewed and updated to maintain compliance with applicable laws and regulations, safeguard our assets and enhance operational efficiency.

The Company has a process in place to ensure that any changes in legislation are captured and monitored effectively. The Legal department reviews and undertakes a comprehensive gap analysis once the laws are in place and advises the impact of the changes to the Company. The Compliance department ensures that the business units put in place controls to ensure compliance with the various laws and regulations.

The effectiveness of the Company's internal controls system is reviewed regularly by the Board through a Management framework and the Internal Audit function.

The Internal Audit function monitors compliance with policies and standards and the effectiveness of internal control structures of the Company through its programme of business audits. The work of the Internal Audit function is focused on the areas of greatest risk as determined by a risk-based assessment methodology. The Internal Audit function reports to the Board Audit Committee.

The Company's business is conducted within a developed control framework, underpinned by policy statements, written procedures and control manuals. This ensures that there are written policies and procedures to identify and manage the Principal Risk Types. The Board has established a management framework that clearly defines roles, responsibilities and reporting lines. Delegated Authorities are documented and communicated.

The performance of the Company's business is reported by Management to the Board. Financial information is prepared using appropriate accounting policies, which are applied consistently. Operational procedures and controls have been established to facilitate complete, accurate and timely processing of transactions and the safeguarding of assets.

Operational policies

There are broad operation policies that guide Management in execution of the Company's operations in an efficient and socially responsible manner. The policies cover various operational functions including Human Resource, ICT, Risk Management, Financial Management, Sustainability, Environment, Safety and Health and Corporate Affairs.

Ethics and compliance

We adhere to a strong ethical framework that informs our business practices and decision-making processes. Our commitment to ethical conduct is outlined in our Code of Conduct and Ethics, which sets forth the principles and standards expected of all employees and Board members. All Directors, Management and employees are required to observe the Code and are expected to observe high standards of integrity and fair dealing in relation to customers, staff and regulators. The Directors and Management also comply with the Central Bank of Kenya Code of Conduct as set out in the Prudential Guidelines.

Statement of corporate governance continued

Whistle Blowing Policy

We promote a culture of responsibility, encouraging individuals to act with integrity and report any unethical behaviour without fear of retaliation. Speak Up mechanisms are in place for employees to report misconduct or ethical breaches confidentially.

Speaking Up is our confidential and anonymous whistleblowing programme. It includes independent and secure channels for anyone – employees, contractors, suppliers and members of the public – to raise concerns. The public, employees, contractors and suppliers are encouraged to report alleged irregularities of a general, operational and financial nature in the Company to the Directors or designated official through the “Speak Up” portal. All “Speak-Up” cases are investigated and the required action taken to ensure feedback is provided as appropriate.

Anti-Bribery and Corruption

Anti-bribery and corruption (ABC) policies aim to prevent employees, Directors or third parties working on our behalf, from participating in active or passive bribery or corruption, or from making facilitation payments. To embed the policy, the Company regularly carries out training for all staff and the Board regarding the ABC risk. Further, the Company has worked with its third parties to raise awareness on the ABC risk, embed strict requirements in the contractual documents and share best practices on controls to manage the risk.

Related Party Policy

The Company has established a Related Party Policy that aims to set out requirements for the creation of any new Related Party and maintaining controls to prevent or identify Non-Exempt Transactions that are entered into with existing Related Parties. Details of transactions with Directors and officers and other related parties are set out in Note 39 to the financial statements. More information on the Board Related Party Policy is available on the investor relation section of the Company’s website: <https://www.sc.com/ke/investor-relations/>

Insider trading

The Company has a policy on insider trading which is observed and implemented through the Group Transactional Conflicts and Information Walls Standard and the Group Personal Account Dealing Standard. Directors, Management and employees are aware that they ought not to trade in the Company’s shares while in possession of any insider information not available to the public or during a closed period.

The closed period is a specified period before the publication of the Company’s annual, half year and quarterly financial results. Further, directors, management and employees in possession of inside information must not deal directly or indirectly in any financial instruments to which the inside information relates, including Company shares. The Group Personal Account Dealing Standard requires specific staff to declare any dealings with securities or company shares all year round.

Stakeholder relations

Our Company values the relationships with all stakeholders, including employees, customers, suppliers, regulators and the communities in which we operate. We are committed to engaging with stakeholders transparently and constructively, fostering mutual respect and collaboration. Understanding

and addressing the interests and concerns of our stakeholders is a critical aspect of our decision-making processes. The Board has established a Board Stakeholder Engagement Policy which articulates the Bank’s dedication to fostering meaningful interactions with a diverse array of stakeholders, such as clients, regulators, investors, suppliers, employees and the surrounding community. Central to this policy is the principle of transparent communication and collaborative efforts aimed at enhancing value for all stakeholders. By actively considering their interests and concerns in the decision-making framework, the Bank integrates stakeholder engagement into its core strategy, thereby reinforcing operational effectiveness while nurturing trust and accountability throughout its operations. This holistic approach not only strengthens relationships but also ensures that the Bank remains responsive and responsible to the needs of its various stakeholder groups.

The Company actively engages with its diverse stakeholders, including shareholders, employees, clients and local communities. This engagement is crucial for understanding stakeholder expectations while enhancing overall transparency and trust. More information on stakeholder engagements is available on pages 27 to 41.

Transparency and disclosure

We are committed to maintaining a high level of transparency in our operations and financial reporting. We provide stakeholders with clear, accurate and timely information regarding our financial performance, governance practices and strategic initiatives. Our disclosure practices align with regulatory requirements and best practices, ensuring stakeholders have access to necessary information for informed decision-making.

Sustainability and corporate social responsibility

The Company is dedicated to sustainable practices, actively integrating corporate social responsibility into its operations. The annual reports highlight various initiatives aimed at promoting environmental sustainability, financial inclusion and community development, illustrating the Bank’s commitment to creating a positive societal impact. More information is available on pages 36 to 41.

This Corporate Governance Policy Statement reflects our commitment to excellence in governance and our dedication to fostering a culture of integrity, accountability and transparency.

Going concern

The directors have assessed the Group and Company’s ability to continue as a going concern. This assessment has been made having considered the continuing geopolitical challenges and macroeconomic headwinds and has included:

- a review of the strategy and corporate plan, including a review of the actual performance to date, loan book quality and legal and regulatory matters.
- consideration of the capital adequacy stress testing performed; and
- analysis of the funding and liquidity position of the Group, including a review of the Group’s emerging risks.

Based on the analysis performed, the Directors confirm that they are satisfied that the Group and Company have adequate resources to continue in business for a period of at least 12 months from the date of approval of these financial statements.

Legal and Compliance Auditor's Report

Directors' Responsibility

The Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015 (The Code) requires the Boards of listed companies to ensure that a comprehensive independent legal and compliance audit is conducted at least once every two years by a legal professional in good standing with the Law Society of Kenya. The Code also requires that an internal legal and compliance audit be conducted on an annual basis (save the year when there is an external independent audit). The findings from the audits must be acted upon and any non-compliance issues closed. Standard Chartered Bank Kenya Limited (hereinafter referred to for brevity as SCBKL) undertook an independent comprehensive legal and compliance audit in the year 2025.

The audit was conducted by the firm of K. Mwaura & Company Advocates.

Opinion

The auditors are of the opinion that as of 31 December 2025, SCBKL was, in material respects, substantially compliant with the requirements of the internal and external regulatory framework. The minor instances of non-compliance, none of which have been ranked as posing a serious risk to the legal health of SCBKL, have been identified and reported for the suggested interventions.

The partner responsible for this Audit was Charles B.G Ouma.



CHARLES B.G OUMA

K. MWAURA & COMPANY ADVOCATES

Governance Auditor's Report

Introduction

The Code of Corporate Governance for Issuers of Securities to the Public, 2015, requires the Board of a listed company to subject the company to a Governance Audit to assess the level of compliance with sound governance practices.

The objective of the governance audit is to assess and report on the Bank's compliance with governance principles prescribed in law and the generally accepted best practice, and in case of non-compliance or partial compliance, propose remedial measures.

Directors' Responsibility

It is the responsibility of the Board to formulate policies, procedures and guidelines that promote good corporate governance including strategic guidance of the Bank, business integrity, sustainability, effective monitoring of Management by the Board, compliance with applicable laws and regulations and accountability to the Bank, the shareholders and other stakeholders and to ensure compliance with those policies, procedures and guidelines.

Governance Auditor's Responsibility

The Governance Auditor's responsibility is to form an opinion, based on sufficient and appropriate evidence, and to report to the Board as to whether and if so, to what extent, the Bank has complied with the governance principles prescribed in law and the generally accepted best practice.

Scope of the Audit

The scope of the audit was derived from:

- The Code of Corporate Governance Practices for Issuers of Securities to the Public (2015)
- The Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023
- The Companies Act, 2015
- The Capital Markets Authority Circular No. 06/2024
- The Governance Audit Tool developed by the Institute of Certified Secretaries (ICS)

Basis for Opinion

We conducted the audit in accordance with the Governance Audit Standards and Guidelines prescribed by the Institute of Certified Secretaries (ICS), which conform to global standards. These standards require that we plan and perform the governance audit to obtain reasonable assurance on the adequacy and effectiveness of the organization's policies, systems, practices and processes. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Board has put in place effective, appropriate and adequate governance structures in the organization which are compliant with the legal and regulatory framework and in line with good governance practices. Accordingly, we issue an unqualified opinion.

The partner responsible for this Audit was Mugambi Nandi - ICS Accreditation No GA 00023.



Mugambi Nandi
Qwasha Corporate Services LLP
Nairobi, Kenya

Directors' Remuneration Report

The Company presents the Directors' remuneration report for the year ended 31 December 2025. This report is in compliance with the Company's reward policy, banking regulations, the Capital Markets Authority (CMA) Code of Corporate Governance guidelines on Directors' remuneration and the Kenyan Companies Act, 2015. A key provision of the Company's principles is that reward will directly support the business strategy with a clear and measurable linkage to business performance.

The Company's remuneration approach is aligned to market remuneration standards in Kenya. Oversight of the remuneration approach is provided by the Board Nomination, Evaluation and Remuneration Committee. It is designed to:

- reward employees for the progress made on the execution of our strategy and appropriately incentivise colleagues to deliver strong performance over the long-term whilst avoiding excessive and unnecessary risk-taking; and
- promote sound and effective risk management through our remuneration structures.

Our Fair Pay Charter

The Company's remuneration policy is designed to reflect the purpose, valued behaviours and culture ambitions of the Group and Company as well as following the principles of the Fair Pay Charter used to make remuneration decisions for all colleagues in the Company.

Our Fair Pay Charter sets out the principles we use to make remuneration decisions that are fair, transparent, competitive and strongly reflect business and individual performance, supporting us in embedding a high-performance culture. Our approach to remuneration promotes long-term focus and alignment with shareholders' interests and reflects the achievement of financial and strategic results as well as the demonstration of our valued behaviours in pay decisions. We seek to keep remuneration as simple as possible, ensure we meet all regulatory requirements and incorporate evolving best practice.

Directors' remuneration policy

The remuneration policy supports the achievement of the strategic objectives through balancing reward for both short-term and long-term sustainable performance.

The Board Nomination, Evaluation and Remuneration Committee ("Committee") reviews the implementation of the policy which provides for alignment of remuneration to the delivery of the Group's strategy and sustainable shareholder returns.

The Committee has the responsibility to review the annual remuneration of the executive and non-executive directors (NEDs) and the structure of their compensation package for approval by the Board. The Board received shareholders' authorisation to fix the directors' remuneration by a resolution passed at the Annual General Meeting held on 28 May 2025. The Committee monitors the competitiveness of directors' remuneration to ensure the Group is able to motivate and retain individuals of the appropriate calibre as directors. The remuneration of the executive directors is as per negotiated employment contracts.

In determining remuneration for NEDs, regular surveys on the market rates for NEDs and the levels of remuneration are carried out for consideration by the Committee. All the remuneration and privileges accorded to the NEDs and enumerated under the policy are competitive and reviewed according to the prevailing market trends for companies of a similar size and complexity as the Company. Compensation is set to attract NEDs who together with the Board as a whole have a broad range of skills and experience to determine the Group's strategy and oversee its implementation.

The NEDs are paid an annual fee for Board and Committee membership in monthly instalments. The fees payable reflect the time commitment and responsibilities of a NED.

NEDs are also reimbursed for expenses, such as travel and subsistence, incurred in the performance of their duties.

Directors Remuneration Report continued

During the financial year, the Board of Directors consisted of:

- Five independent non-executive Directors at any one time: Kellen Kariuki, David Ong'olo, Nivedita Sharma, Robert Mbugua and Beverley Obatoyinbo.
- Four Executive Directors: Kariuki Ngari, Chemutai Murgor, Birju Sanghrajka and Edith Chumba.
- One non-executive Director Richard Etemesi who stepped down with effect from 30 June 2025.
- Non-executive Directors are subject to retirement by rotation and re-election by shareholders. The Group's NEDs were appointed on the dates indicated below:

Name	Appointment Date	Date of Retirement/Resignation
Kellen Kariuki (Chairperson)*	31 May 2021	-
David Ong'olo	28 January 2020	21 May 2026
Nivedita Sharma	22 July 2021	-
Robert Mbugua	4 June 2024	-
Beverley Obatoyinbo	22 January 2025	-
Richard Etemesi	25 September 2017	30 June 2025

*Kellen Kariuki was appointed to the Board on 10 February 2020 and elected Chairperson on 31 May 2021.

Service contracts for non-executive directors

Independent Non-Executive Directors are appointed for fixed terms not exceeding three years, which may be renewed subject to their re-election by shareholders at annual general meetings. Other than as set out above, there are no obligations in their letters of appointment which could give rise to payments for loss of office.

Executive directors' remuneration policy

Executive directors typically receive a salary, pension and other benefits and are eligible to be considered for variable remuneration (determined based on both SCB Group and individual performance). The Group's remuneration approach is consistent with effective risk management and the delivery of the Group strategy, underpinned by the principles of:

- a competitive remuneration opportunity that enables the Group to attract, motivate and retain the executive directors;
- a clearly defined performance management framework that ensures executive directors have clear objectives and receive ongoing feedback;
- remuneration outcomes that relate to the performance of the executive director and the Group. The Group aims to ensure the executive director is aligned to deliver long-term sustainable growth of the Group in the interest of stakeholders;
- variable remuneration and deferred options that recognises the achievement, conduct, behaviours and values of each executive director, ensuring reward is aligned to the Group's performance. The Group takes into account both what is achieved and how it is achieved;
- an appropriate mix of fixed and variable remuneration, with the level of fixed remuneration based on each executive director's role;
- remuneration that is fair and transparent. An equal pay review is undertaken as part of the pay review process; and a core level of benefits that protects the executive directors and reflects the Group's commitment to employee wellbeing.

There were no changes in remuneration policy from the prior year.

Service contracts for executive directors

The remuneration policy provides for a combination of permanent terms and renewable fixed term employment contracts for executive directors on international assignments.

The executive directors were appointed as indicated below:

Name	Appointment Date	Date of Retirement/Resignation
Kariuki Ngari	4 March 2019	16 April 2026
Chemutai Murgor	1 March 2007	31 May 2026
Birju Sanghrajka	22 July 2021	Permanent Terms
Edith Chumba	24 December 2024	Permanent terms

Directors Remuneration Report continued

Directors' emoluments

The following table shows the directors' remuneration for services rendered for the financial year ended 31 December 2025 together with the comparative figures for 2024. The aggregate directors' emoluments are shown in Note 12 and are subject to audit.

Year ended 31 December 2025

KShs '000	2025								Total
	Basic pay	Bonus	Deferred cash awards	Share based awards	Non- cash benefits	Pension	Directors Fees ¹	Other ²	
Executive directors									
K. Ngari	54,717	37,474	-	37,474	4,040	7,461	-	-	141,166
C. Murgor	32,330	14,144	-	360	125	3,993	-	-	50,952
B. Sanghrajka	45,479	28,959	-	13,683	125	5,649	-	-	93,895
E. Chumba	31,954	17,071	-	2,312	125	3,830	-	-	55,292
	164,480	97,648	-	53,829	4,415	20,933	-	-	341,305
Non-executive directors									
K. Kariuki	-	-	-	-	-	-	6,160	-	6,160
D. Ongolo	-	-	-	-	-	-	3,825	1,100	4,925
N. Sharma	-	-	-	-	-	-	3,880	-	3,880
R. Mbugua	-	-	-	-	-	-	4,360	-	4,360
R. Etemesi ³	-	-	-	-	-	-	1,823	-	1,823
B. Obatoyinbo	-	-	-	-	-	-	4,654	-	4,654
	-	-	-	-	-	-	24,702	1,100	25,802
	164,480	97,648	-	53,829	4,415	20,933	24,702	1,100	367,107

¹Sitting allowance and retainer fees were consolidated into Board and Committee membership fees/retainer.

²Fees earned from chairing the board of trustees of the company's pension scheme and fund

³R. Etemesi stepped down with effect from 30 June 2025. His remuneration is prorated for the period of appointment.

Year ended 31 December 2024

KShs '000	2024								Total
	Basic pay	Bonus	Deferred cash awards	Share based awards	Non- cash benefits	Pension	Directors Fees ¹	Other ²	
Executive directors									
K. Ngari	54,708	43,582	32,686	32,686	4,040	7,348	-	-	174,420
C. Murgor	32,509	14,408	-	-	125	3,968	-	-	51,010
P. Gitau	29,331	3,166	-	-	111	3,518	-	-	36,126
B. Sanghrajka	38,120	33,962	6,705	6,705	125	4,684	-	-	90,301
E. Chumba ³	667	327	16	-	3	82	-	-	1,095
	154,705	95,445	39,407	39,391	4,404	19,600	-	-	352,952
Non-executive directors									
K. Kariuki	-	-	-	-	-	-	6,160	-	6,160
C. Adeya	-	-	-	-	-	-	4,540	-	4,540
D. Ongolo	-	-	-	-	-	-	3,910	1,100	5,010
N. Sharma	-	-	-	-	-	-	3,770	-	3,770
R. Mbugua ⁴	-	-	-	-	-	-	2,119	-	2,119
R. Etemesi	-	-	-	-	-	-	3,435	-	3,435
	-	-	-	-	-	-	23,934	1,100	25,034
	154,705	95,445	39,407	39,391	4,404	19,600	23,934	1,100	377,986

¹Sitting allowance and retainer fees were consolidated into Board and Committee membership fees/retainer.

²Fees earned from chairing the board of trustees of the company's pension scheme and fund.

³E. Chumba was appointed on 24 December 2024. Her remuneration is prorated for the period of appointment.

⁴R. Mbugua was appointed on 4 June 2024. His remuneration is prorated for the period of appointment.

Directors Remuneration Report continued

Neither at the end of the financial year, nor at any time during the year, did there exist any arrangement to which the Company is a party to, under which directors acquired benefits by means of acquisition of the Company's shares.

Share awards

The Group's employees participate in a number of share-based payment schemes (equity-settled and cash-settled) operated by Standard Chartered PLC, the ultimate holding company of Standard Chartered Bank Kenya Limited and its subsidiaries. Participating employees are awarded ordinary shares in Standard Chartered PLC in accordance with the terms and conditions of the relevant scheme.

In addition, employees have the choice of opening a three-year or five-year savings contract under the "All Employee Share Save" plan. Within a period of six months after the third or fifth anniversary, as appropriate, employees may purchase ordinary shares of Standard Chartered PLC. The price at which they may purchase shares is at a discount of up to twenty per cent on the share price at the date of invitation.

There are no performance conditions attached to options granted under the "All Employee Share Save" plan.

The Management Long Term Incentive Plan (MLTIP) awards are granted with vesting subject to performance measures. Deferred share awards are used to deliver the deferred portion of variable remuneration, in line with both market practice and Group regulatory requirements. These awards vest in instalments on anniversaries of the award date specified at the time of the grant.

MLTIP and deferred share awards are delivered through the Standard Chartered PLC Share Plan (2011 plan) which replaced the 2006 Restricted Share Scheme.

Finally, although the Restricted Share Scheme has now closed, there are outstanding shares that are still to vest. Within the 2011 plan, the grants made are differentiated to indicate the year it was made and also the type of share.

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. Further details are provided in Note 11.

The following details are with respect to the outstanding share awards:

KShs '000	2025					At 31 December 2025	Vesting date
	At 1 January 2025	Awarded	Exercised	Lapsed			
Kariuki Ngari							
2011 Deferred Restricted Share Award	32,403	-	9,833	-	22,570	14-Mar-25	
2013 Share save plan	2,860	-	-	-	2,860	1-Dec-27	
Birju Sanghrajka							
2011 Deferred Restricted Share Award	6,924	98	3,301	-	3,721	14-Mar-25	
2013 Share save plan	1,908	-	-	-	1,908	14-Mar-25	
Chemutai Murgor							
2011 Deferred Restricted Share Award	853	6	593	-	266	14-Mar-25	
Edith Chumba							
2011 Deferred Restricted Share Award	-	3,382	454	2,771	157	14-Mar-25	

Approval of the directors' remuneration report by the Board of Directors

The directors confirm that this report has been prepared in accordance with the Kenyan Companies Act, 2015, Capital Markets Authority (CMA) Code and listing rules and reflects the disclosure requirements under the IFRS.

BY ORDER OF THE BOARD



Kellen Kariuki
Chairperson

18 March 2026



Growing



youth

businesses



Statement of Directors' Responsibilities

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year and of their profit or loss for that year. It also requires the directors to ensure that the Company keeps proper accounting records that: (a) show and explain the transactions of the Company; (b) disclose, with reasonable accuracy, the financial position of the Company; and (c) enable the directors to ensure that every financial statement required to be prepared complies with the requirements of the Companies Act, 2015.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

- i) designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii) selecting suitable accounting policies and applying them consistently; and,
- iii) making accounting estimates and judgements that are reasonable in the circumstances.

Having assessed the Company's and Group's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Group's ability to continue as a going concern.

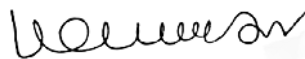
The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approval of the financial statements

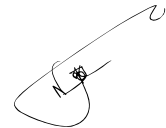
The financial statements, as indicated above, were approved and authorised for issue by the Board of Directors on 18 March 2026.



K. Kariuki
Director



C. Murgor
Director

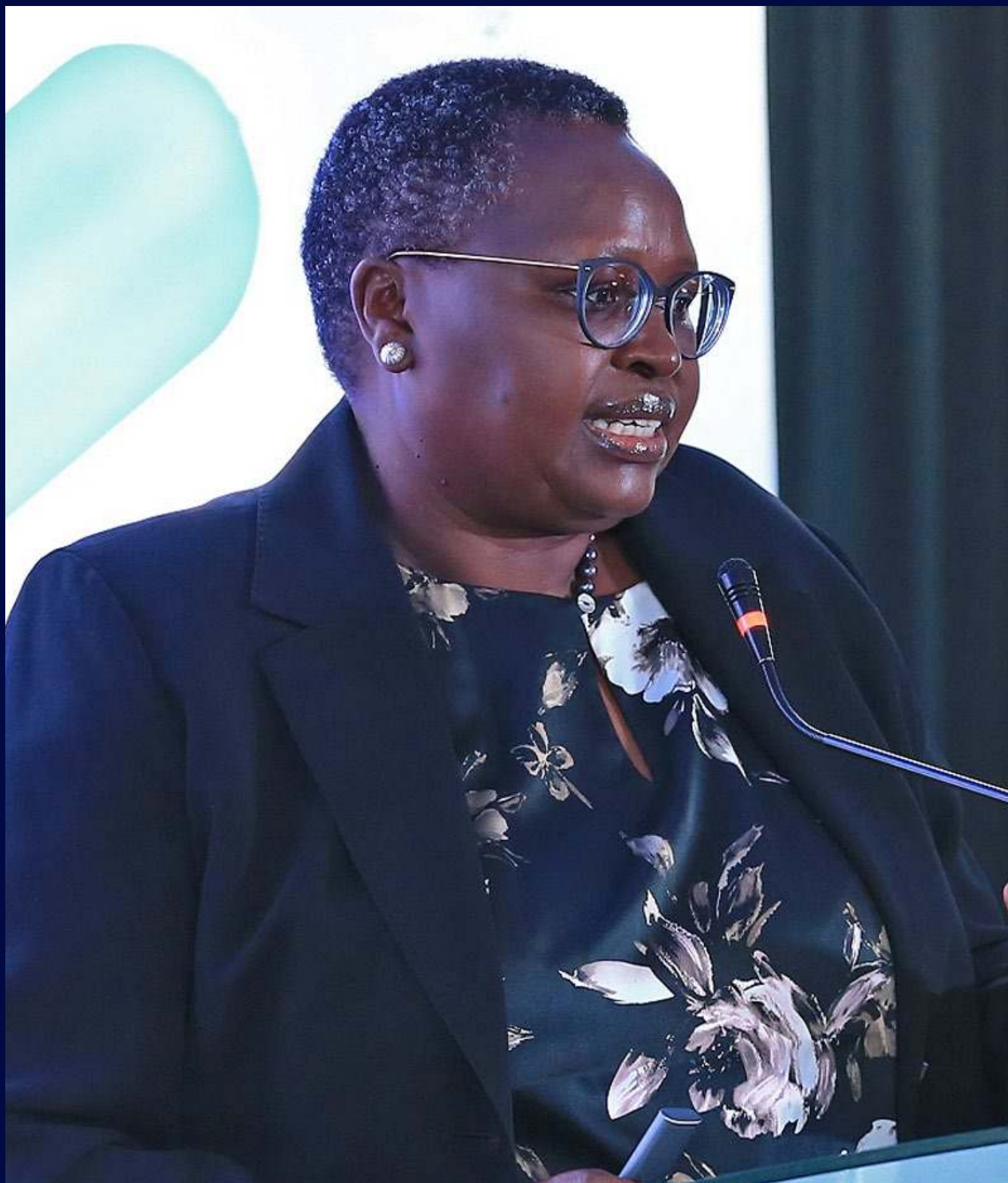


K. Ngari
Director

Financial statements

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Independent Auditor's report

To the Members of Standard Chartered Bank Kenya Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the accompanying consolidated and separate financial statements of Standard Chartered Bank Kenya Limited (the "Company" or "Bank") and its Subsidiaries (together, the "Group") set out on pages 124 to 238, which comprise of the consolidated and separate statements of financial position as at 31 December 2025, and the consolidated and separate statements of profit or loss, the consolidated and separate statements of other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and the Company as at 31 December 2025, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Kenyan Companies Act, 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) as applicable to audits of financial statements of public interest entities and other independence requirements applicable to performing audits of financial statements of the Group and Company and in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the Group and Company and in Kenya. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our descriptions of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

Independent Auditor's report

To the Members of Standard Chartered Bank Kenya Limited

Report on the audit of the consolidated and separate financial statements continued

Key audit matters continued

The key audit matters apply equally to the audit of the consolidated and separate financial statements.

Key audit matter

How the Key audit matter was addressed in the audit

Expected Credit Losses (ECLs) on loans and advances to customers

As disclosed in Note 19 to the financial statements, as at 31 December 2025, the Company reported expected credit (ECL) losses on loans and advances to customers of KShs 5,820 million (2024: KShs 6,994 million). The estimation of ECLs on financial instruments, involves significant judgment and estimates due to the significant uncertainty associated with the assumptions used in the estimation in respect of the timing and measurement of ECLs. We have therefore identified the audit of the ECLs as a key audit matter.

The key areas where we identified greater levels of management judgment include:

Significant increase in credit risk (SICR)

Allocation of assets to stage 1, 2, or 3 is dependent on criteria used in the identification of SICR which is highly judgmental. Staging of assets determines whether a 12-month or lifetime ECL is assessed and can materially impact the ECLs recognised.

Expected credit loss modelling

Accounting interpretations, modelling assumptions and data used to build and run the models that calculate the ECLs are inherently judgmental and can materially impact the ECLs recognised.

ECL macroeconomics

There are significant judgments involved in the determination of significant macroeconomic factors that correlate with historical data of the Bank's portfolios to achieve a forward-looking model.

Management overlays

Significant management judgment is applied in determining appropriateness, completeness and valuation of risk event overlays on modelled outputs.

Impairment of individually assessed assets

Measurement of individual provisions including the assessment of probability weighted scenarios, collateral valuations and time to collect involves greater levels of management judgment.

The disclosures associated with ECLs are set out in the financial statements in the following notes:

- Note 3 – Financial assets and liabilities
- Note 4(a) – Credit risk
- Note 19 – Loans and advances to customers

Our procedures included, but were not limited to the following:

We reviewed the appropriateness of the Group's accounting policy manual (GAPM) and other IFRS 9 Financial Instruments technical documentations on correct classification of the financial assets between IFRS 9 categories and IFRS 9 ECL model of estimation.

We evaluated the design and operating effectiveness of controls relevant to the Company's processes over material ECL balances, including the judgments and estimates noted.

Significant increase in credit risk (SICR)

We evaluated the criteria used to allocate financial assets to stage 1, 2 or 3 in accordance with IFRS 9. We reperformed the staging distribution for a sample of assets and assessed the reasonableness of staging applied by management.

Expected credit loss modelling

We performed a risk assessment on models involved in the ECL calculation to select a sample of models to test. We evaluated a sample of ECL models by assessing the reasonableness of underpinning assumptions, inputs and formulae used. This included a combination of assessing the appropriateness of model design and formulae used, alternative modelling techniques and recalculating the Probability of Default, Loss Given Default and Exposure at Default.

ECL macroeconomics

We held discussions to understand significant macroeconomic forecasts considered in the ECL model and corroborated assumptions using both internal and publicly available information.

Management overlays

We challenged the completeness and appropriateness of overlays used for risks not captured by the models.

Impairment of individually assessed assets

We recomputed a sample of individually assessed provisions and challenged management's forward-looking economic assumptions of the recovery outcomes identified, time to realisation and individual probability weightings applied.

We evaluated the adequacy of the Company's disclosures on this matter in Notes 3, 4(a) and 19 to the financial statements.

Independent Auditor's report

To the Members of Standard Chartered Bank Kenya Limited

Report on the audit of the consolidated and separate financial statements continued

Key audit matters continued

Key audit matter	How the Key audit matter was addressed in the audit
<p>Provisions and contingent liabilities in respect of claims and litigations</p> <p>The Group is subject to a number of significant claims and litigations. The amounts of claims may be significant and estimates of the amounts of provisions or contingent liabilities are subject to significant management judgment.</p> <p>Given the uncertainties surrounding resolution of these matters, management has to use significant judgment in order to determine the probability of an outflow of resources, its timing and the amount it will have to pay to discharge the liability.</p> <p>This area is significant to our audit, since the accounting and disclosure for contingent liabilities in respect of claims and litigations is complex and judgmental (due to the difficulty in predicting the outcome of the matter and estimating the potential impact if the outcome is unfavourable), and the amounts involved are, or can be, material to the financial statements as a whole.</p> <p>The disclosure associated with contingent liabilities in respect of claims and litigations is set out in Note 32 to the financial statements.</p>	<p>Our procedures included, but were not limited, to the following:</p> <p>Gained an understanding of the process of identification of claims, litigations and contingent liabilities.</p> <p>Held discussions with the in-house legal counsel on the nature of all significant on-going claims and legal cases and validated the status of each case and the accounting and disclosure implications.</p> <p>Obtained formal legal confirmations from external legal counsel for all significant litigation matters, evaluated the likelihood of an unfavourable outcome against management assessment and checked for completeness of provisions made.</p> <p>Reviewed the provisions to assess whether the disclosures made in the financial statements detailing significant legal procedures adequately disclose the potential liabilities.</p>

Independent Auditor's report

To the Members of Standard Chartered Bank Kenya Limited

Report on the audit of the consolidated and separate financial statements continued

Other information

The directors are responsible for the other information. The other information comprises the information included on pages 1 to 114 of the document titled "Standard Chartered Bank Kenya Limited Annual Report and Financial Statements 31 December 2025", which includes, among other reports, the Report of the Directors and Directors Remuneration Report, as required by the Kenyan Companies Act, 2015, which we obtained prior to the date of this report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon, other than that prescribed by the Kenyan Companies Act, 2015, as set out below.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Kenyan Companies Act, 2015 and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as going concerns.

Independent Auditor's report

To the Members of Standard Chartered Bank Kenya Limited

Report on the audit of the consolidated and separate financial statements continued

Auditor's responsibilities for the audit of the consolidated and separate financial statements continued

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER MATTERS PRESCRIBED BY THE KENYAN COMPANIES ACT, 2015

As required by the Kenyan Companies Act, 2015, we report to you based on our audit, that;

- (i) In our opinion, the information given in the Report of the Directors on pages 53 to 60 is consistent with the consolidated and separate financial statements.
- (ii) In our opinion, the auditable part of the Directors' Remuneration Report on pages 112 to 115 has been properly prepared in accordance with the Kenyan Companies Act, 2015.

The engagement partner responsible for the audit resulting in this independent auditor's report was CPA Tom Nyakoe, Practising Certificate No. 2283.



For and on behalf of Ernst & Young LLP

Certified Public Accountants

Nairobi, Kenya

18 March 2026

Financial statements

Consolidated and Company income statements

For the year ended 31 December 2025

	Notes	Group		Company	
		2025 KShs'000	2024 KShs'000	2025 KShs'000	2024 KShs'000
Interest income calculated using the effective interest method	6	32,827,083	38,815,684	32,827,083	38,815,684
Interest expense calculated using the effective interest method	6	(3,935,241)	(5,550,381)	(3,952,314)	(5,572,877)
Net interest income	6	28,891,842	33,265,303	28,874,769	33,242,807
Fees and commission income	7	10,196,132	9,193,627	7,477,288	7,374,939
Fees and commission expense	7	(3,464,230)	(2,530,268)	(3,464,230)	(2,530,268)
Net fee and commission income		6,731,902	6,663,359	4,013,058	4,844,671
Net gains on foreign exchange transactions	8	3,420,248	8,266,151	3,420,248	8,266,151
Net gains on financial assets at fair value through profit or loss	8	2,721,071	3,246,460	2,721,071	3,246,460
Net trading income	8	6,141,319	11,512,611	6,141,319	11,512,611
Dividend income	9	-	-	1,763,777	886,267
Other operating income/(loss)	10	121,719	(1,174,095)	121,719	(1,174,095)
Operating income		41,886,782	50,267,178	40,914,642	49,312,261
Staff costs	11	(11,477,870)	(9,433,617)	(11,351,208)	(9,312,745)
Premises costs	11	(935,728)	(866,127)	(932,832)	(863,388)
General administrative expenses		(9,347,482)	(8,273,718)	(8,927,566)	(7,801,504)
Depreciation and amortisation	11	(1,509,123)	(1,420,626)	(1,509,123)	(1,420,626)
Operating expenses		(23,270,203)	(19,994,088)	(22,720,729)	(19,398,263)
Operating profit before impairment losses and taxation		18,616,579	30,273,090	18,193,913	29,913,998
Impairment losses on financial instruments	19(c)	(1,741,525)	(1,763,610)	(1,741,525)	(1,763,610)
Impairment losses on goodwill and intangible assets	27	(38,360)	(301,244)	(38,360)	(301,244)
Profit before taxation		16,836,694	28,208,236	16,414,028	27,849,144
Income tax expense	13	(4,400,123)	(8,147,649)	(3,785,260)	(7,787,613)
Profit for the year		12,436,571	20,060,587	12,628,768	20,061,531
Earnings per share:					
Basic and diluted earnings per ordinary share	14	32.47	52.65	32.98	52.65

The notes set out on pages 130 to 238 form an integral part of these financial statements.

Consolidated and Company statements of other comprehensive income

For the year ended 31 December 2025

	Notes	Group		Company	
		2025 KShs '000	2024 KShs '000	2025 KShs '000	2024 KShs '000
Profit for the year		12,436,571	20,060,587	12,628,768	20,061,531
Other comprehensive income/(loss):					
Items that will not be reclassified to income statement:					
Actuarial (loss)/gain on retirement benefit obligations	34	75,842	(39,797)	75,842	(39,797)
Revaluation surplus	28	(22,753)	11,939	(22,753)	11,939
		53,089	(27,858)	53,089	(27,858)
Items that may be reclassified subsequently to income statement:					
Movement in fair value reserves on investment securities held at FVOCI					
Valuation (losses)/gains through OCI	20	(1,131,956)	1,911,651	(1,131,956)	1,911,651
Related deferred tax		339,586	(573,495)	339,586	(573,495)
Reclassified to income statement	20	(10,825)	1,252,258	(10,825)	1,252,258
Related deferred tax		3,248	(375,677)	3,248	(375,677)
Movement in expected credit loss on investment securities at FVOCI					
Net remeasurement	4a(ii)	64,971	(247,109)	64,971	(247,109)
Reclassified to income statement	4a(ii)		–		–
Related deferred tax		(19,491)	74,133	(19,491)	74,133
		(754,467)	2,041,761	(754,467)	2,041,761
Other comprehensive (loss)/income for the year		(701,378)	2,013,903	(701,378)	2,013,903
Total comprehensive income for the year		11,735,193	22,074,490	11,927,390	22,075,434

The notes set out on pages 130 to 238 form an integral part of these financial statements.

Financial statements

Consolidated and Company statements of financial position

At 31 December 2025

	Notes	Group		Company	
		2025 KShs '000	2024 KShs '000	2025 KShs '000	2024 KShs '000
Assets					
Cash and balances with Central Bank of Kenya	16	11,571,042	32,339,549	11,571,042	32,339,549
Government and other securities held at FVPTL	17	10,485,170	818,815	10,485,170	818,815
Derivative financial instruments	18	565,052	3,231,435	565,052	3,231,435
Loans and advances to banks	19	740,884	1,157,643	740,884	1,157,643
Loans and advances to customers amortised cost	19	148,607,362	151,647,379	148,607,362	151,647,379
Loans and advances to customers FVTPL	19	5,699,677	-	5,699,677	-
Government securities held at FVOCI	20	96,901,825	98,002,713	96,901,825	98,002,713
Current tax assets	13	846,187	1,080,212	714,383	961,104
Other assets	21	5,098,465	6,361,410	4,939,192	6,209,627
Amounts due from group companies and other related parties	22	71,345,065	78,564,954	72,496,753	79,428,275
Investment in subsidiary undertakings	23	-	-	145,243	145,243
Non-current assets held for sale	25	1,411,120	215,280	1,411,120	215,280
Property, equipment and right of use assets	26	1,997,689	3,256,272	1,997,689	3,256,272
Goodwill and intangible assets	27	5,243,688	5,516,312	5,243,688	5,516,312
Deferred tax assets	28	2,978,330	2,382,115	2,950,311	2,276,221
Total assets		363,491,556	384,574,089	364,469,391	385,205,868
Liabilities and Shareholders' Equity					
Liabilities					
Deposits from banks	29	1,280,365	306,862	1,280,365	306,862
Deposits from customers	30	283,451,830	295,690,089	283,451,830	295,690,089
Derivative financial instruments	18	1,178,207	1,164,920	1,178,207	1,164,920
Other liabilities	31	6,959,865	5,771,847	6,913,709	5,745,405
Amounts due to group companies and other related parties	22	4,272,683	8,087,854	5,405,917	9,174,388
Current tax liabilities	13	28,425	1,742,437	-	1,587,139
Retirement benefit obligations	34	-	33,960	-	33,960
Total liabilities		297,171,375	312,797,969	298,230,028	313,702,763
Shareholders' equity					
Share capital and share premium	35	9,961,680	9,961,680	9,961,680	9,961,680
Other reserves	35(a)	3,125,455	4,061,220	3,125,455	4,061,220
Retained earnings	35(f)	44,457,792	43,688,518	44,376,974	43,415,503
Proposed dividends	15	8,775,254	14,064,702	8,775,254	14,064,702
Total shareholders' equity		66,320,181	71,776,120	66,239,363	71,503,105
Total liabilities and shareholders' equity		363,491,556	384,574,089	364,469,391	385,205,868

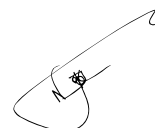
The financial statements set out on pages 124 to 238 were approved and authorised for issue by the Board of Directors on 18 March 2026



K. Kariuki
Director



C. Murgor
Director



K. Ngari
Director

The notes set out on pages 130 to 238 form an integral part of these financial statements.

Financial statements

Consolidated statement of changes in equity

For the year ended 31 December 2025

	Notes	Ordinary share capital and share premium KShs '000	Preference share capital and share premium KShs '000	Capital contribution reserve KShs '000	Other reserves			Proposed dividends KShs '000	Total KShs '000
					Fair value reserve KShs '000	Revaluation reserve KShs '000	Retained earnings KShs '000		
At 1 January 2024		7,161,680	2,800,000	2,000,055	(753,453)	730,082	40,818,649	8,775,254	61,532,267
Profit for the year		-	-	-	-	-	20,060,587	-	20,060,587
Other comprehensive income/(loss)		-	-	-	2,041,761	-	(27,858)	-	2,013,903
Total comprehensive income/(loss)		-	-	-	2,041,761	-	20,032,729	-	22,074,490
Excess depreciation transfer net of deferred tax ¹		-	-	-	-	(8,417)	8,417	-	-
Share option expense • 2023 paid		-	-	(176,382)	-	-	-	-	(176,382)
• 2024 accrued		-	-	227,574	-	-	-	-	227,574
Dividends paid		-	-	-	-	-	-	(8,690,564)	(8,690,564)
• Ordinary shares - Final 2023	15	-	-	-	-	-	-	(8,690,564)	(8,690,564)
• Preference shares - Final 2023	15	-	-	-	-	-	-	(84,690)	(84,690)
• Ordinary shares - Interim 2024	15	-	-	-	-	-	(3,022,805)	-	(3,022,805)
• Preference shares - Interim 2024	15	-	-	-	-	-	(83,770)	-	(83,770)
Proposed dividend		-	-	-	-	-	(13,980,472)	13,980,472	-
• Ordinary shares - Final 2024	15	-	-	-	-	-	(13,980,472)	13,980,472	-
• Preference shares - Final 2024	15	-	-	-	-	-	(84,230)	84,230	-
At 31 December 2024		7,161,680	2,800,000	2,051,247	1,288,308	721,665	43,688,518	14,064,702	71,776,120
Profit for the year		-	-	-	-	-	12,436,571	-	12,436,571
Other comprehensive income/(loss)		-	-	-	(754,467)	-	53,089	-	(701,378)
Total comprehensive income/(loss)		-	-	-	(754,467)	-	12,489,660	-	11,735,193
Excess depreciation transfer net of deferred tax ¹		-	-	-	-	(3,763)	3,763	-	-
Revaluation release on disposal of non-current assets held for sale		-	-	-	-	(157,220)	157,220	-	-
Share option expense • 2024 paid		-	-	(227,574)	-	-	-	-	(227,574)
• 2025 accrued		-	-	207,259	-	-	-	-	207,259
Dividends paid		-	-	-	-	-	-	(13,980,472)	(13,980,472)
• Ordinary shares - Final 2024	15	-	-	-	-	-	-	(13,980,472)	(13,980,472)
• Preference shares - Final 2024	15	-	-	-	-	-	-	(84,230)	(84,230)
• Ordinary shares - Interim 2025	15	-	-	-	-	-	(3,022,805)	-	(3,022,805)
• Preference shares - Interim 2025	15	-	-	-	-	-	(83,310)	-	(83,310)
Proposed dividend		-	-	-	-	-	(8,690,564)	8,690,564	-
• Ordinary shares - Final 2025	15	-	-	-	-	-	(8,690,564)	8,690,564	-
• Preference shares - Final 2025	15	-	-	-	-	-	(84,690)	84,690	-
As at 31 December 2025		7,161,680	2,800,000	2,030,932	533,841	560,682	44,457,792	8,775,254	66,320,181

The notes set out on pages 130 to 238 form an integral part of these financial statements.

¹Comprises excess depreciation transfer KShs 5,375,000 net of deferred tax KShs 1,612,000 (KShs 12,025,000 excess depreciation transfer net of deferred tax KShs 3,608,000 for the year ended 31 December 2024).

Financial statements

Company statement of changes in equity

For the year ended 31 December 2025

	Notes	Other reserves						Total KShs '000	
		Ordinary share capital and share premium KShs '000	Preference share capital and share premium KShs '000	Capital contribution reserve KShs '000	Fair value reserve KShs '000	Revaluation reserve KShs '000	Retained earnings KShs '000		Proposed dividends KShs '000
At 1 January 2024		7,161,680	2,800,000	2,000,055	(753,453)	730,082	40,544,690	8,775,254	61,258,308
Profit for the year		-	-	-	-	-	20,061,531	-	20,061,531
Other comprehensive income/(loss)		-	-	-	2,041,761	-	(27,858)	-	2,013,903
Total comprehensive income/(loss)		-	-	-	2,041,761	-	20,033,673	-	22,075,434
Excess depreciation transfer net of deferred tax ¹		-	-	-	-	(8,417)	8,417	-	-
Share option expense • 2023 paid		-	-	(176,382)	-	-	-	-	(176,382)
• 2024 accrued		-	-	227,574	-	-	-	-	227,574
Dividends paid	15	-	-	-	-	-	-	(8,690,564)	(8,690,564)
• Preference shares - Final 2023	15	-	-	-	-	-	-	(84,690)	(84,690)
• Ordinary shares - Interim 2024	15	-	-	-	-	-	(3,022,805)	-	(3,022,805)
• Preference shares - Interim 2024	15	-	-	-	-	-	(83,770)	-	(83,770)
Proposed dividend	15	-	-	-	-	-	(13,980,472)	13,980,472	-
• Ordinary shares - Final 2024	15	-	-	-	-	-	(84,230)	84,230	-
• Preference shares - Final 2024	15	-	-	-	-	-	-	-	-
At 31 December 2024		7,161,680	2,800,000	2,051,247	1,288,308	721,665	43,415,503	14,064,702	71,503,105
Profit for the year		-	-	-	-	-	12,628,768	-	12,628,768
Other comprehensive income/(loss)		-	-	-	(754,467)	-	53,089	-	(701,378)
Total comprehensive income/(loss)		-	-	-	(754,467)	-	12,681,857	-	11,927,390
Excess depreciation transfer net of deferred tax ¹		-	-	-	-	(3,763)	3,763	-	-
Revaluation release on disposal of non-current assets held for sale		-	-	-	-	(157,220)	157,220	-	-
Share option expense • 2023 paid		-	-	(227,574)	-	-	-	-	(227,574)
• 2024 accrued		-	-	207,259	-	-	-	-	207,259
Dividends paid	15	-	-	-	-	-	-	(13,980,472)	(13,980,472)
• Preference shares - Final 2024	15	-	-	-	-	-	-	(84,230)	(84,230)
• Ordinary shares - Final 2024	15	-	-	-	-	-	-	(3,022,805)	(3,022,805)
• Preference shares - Interim 2025	15	-	-	-	-	-	(83,310)	-	(83,310)
Proposed dividend	15	-	-	-	-	-	(8,690,564)	8,690,564	-
• Ordinary shares - Final 2025	15	-	-	-	-	-	(84,690)	84,690	-
• Preference shares - Final 2025	15	-	-	-	-	-	-	-	-
At 31 December 2025		7,161,680	2,800,000	2,030,932	533,841	560,682	44,376,974	8,775,254	66,239,363

The notes set out on pages 130 to 238 form an integral part of these financial statements.

¹Comprises excess depreciation transfer KShs 5,375,000 net of deferred tax KShs 1,612,000 (KShs 12,025,000 excess depreciation transfer net of deferred tax KShs 3,608,000 for the year ended 31 December 2024).

Financial statements

Consolidated and Company statements of cash flows

For the year ended 31 December 2025

	Notes	Group		Company	
		2025 KShs '000	2024 KShs '000	2025 KShs '000	2024 KShs '000
Cash flows from operating activities:					
Profit before tax	12	16,836,694	28,208,236	16,414,028	27,849,144
Adjustments for non-cash items and other adjustments included within income statement	36(a)	(6,764,856)	(7,428,445)	(6,764,856)	(7,428,445)
Change in operating assets	36(b)	(4,818,794)	13,380,270	(4,811,304)	13,454,477
Change in operating liabilities	36(c)	(17,630,619)	(52,404,561)	(17,603,631)	(51,934,829)
Cash used in operating activities		(12,377,575)	(18,244,500)	(12,765,763)	(18,059,653)
Income taxes paid	13	(6,175,734)	(5,880,569)	(5,499,178)	(5,623,888)
Net cash used operating activities		(18,553,309)	(24,125,069)	(18,264,941)	(23,683,541)
Cash flows from investing activities					
Purchase of property and equipment		(315,454)	(678,385)	(315,454)	(678,385)
Proceeds from sale of non current assets held for sale		230,000	23,160	230,000	23,160
Proceeds from sale of property and equipment		4,200	-	4,200	-
Purchase of intangible assets		(824,243)	(1,779,219)	(824,243)	(1,779,219)
Net cash used in investing activities		(905,497)	(2,434,444)	(905,497)	(2,434,444)
Cash flows from financing activities					
Lease liability payments- principal	33	(123,841)	(101,763)	(123,841)	(101,763)
Share based payments:					
• 2024/2023 settled		(227,574)	(176,382)	(227,574)	(176,382)
Dividends paid on ordinary shares:					
• Final 2024/2023	15	(13,980,472)	(8,690,564)	(13,980,472)	(8,690,564)
• Interim 2025/2024	15	(3,022,805)	(3,022,805)	(3,022,805)	(3,022,805)
Dividends paid on preference shares:					
• Final 2024/2023	15	(84,230)	(84,690)	(84,230)	(84,690)
• Interim 2025/2024	15	(83,310)	(83,770)	(83,310)	(83,770)
Net cash used in financing activities		(17,522,232)	(12,159,974)	(17,522,232)	(12,159,974)
Decrease in cash and cash equivalents		(36,981,038)	(38,719,487)	(36,692,670)	(38,277,959)
Cash and cash equivalents at 1 January	36(d)	72,658,953	111,378,440	73,522,275	111,800,234
Cash and cash equivalents at 31 December		35,677,915	72,658,953	36,829,605	73,522,275
Interest received		33,190,052	38,912,554	33,190,052	38,912,554
Interest paid		(3,933,610)	(5,636,626)	(3,936,477)	(5,659,121)
Dividend received		-	-	938,766	530,000

The notes set out on pages 130 to 238 form an integral part of these financial statements.

Notes to the financial statements

1. Reporting Entity

Standard Chartered Bank Kenya Limited is incorporated as a limited company in Kenya under the Kenyan Companies Act, 2015, and is domiciled in Kenya. The Company is regulated by the Central Bank of Kenya. The address of its registered office is as follows:

StandardChartered@Chiromo
48 Westlands Road
P.O. Box 30003
00100 Nairobi GPO.

2. Accounting Policies

The accounting policies used by the Group are detailed in the relevant notes to the financial statements, except those set out below. Except as explained in Note 2(d)(i), all accounting policies have been applied consistently across the Group and to all the years presented in these financial statements.

(a) Statement of compliance

The Group financial statements consolidate, Standard Chartered Bank Kenya Limited (the Company) and its subsidiaries (together referred to as the Group).

The Group financial statements have been prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board (IASB) and in the manner required by the Kenyan Companies Act, 2015. For the Kenyan Companies Act, 2015 reporting purposes, in these financial statements, the balance sheet is represented by the statement of financial position, and the profit and loss account is presented by the income statement.

(b) Basis of preparation

The Group and Company financial statements set out on pages 124 to 238 have been prepared under the historical cost convention, as modified by the revaluation of the following items:

- derivative financial instruments are measured at fair value;
- financial instruments at fair value through profit or loss are measured at fair value;
- financial instruments at fair value through other comprehensive income are measured at fair value;
- share-based payments are measured at fair value;
- the liability for defined benefit obligations is recognised as the present value of the defined benefit obligation less the net total of the plan assets, plus unrecognised actuarial gains, less unrecognised past service costs and unrecognised actuarial losses subject to the International Financial Reporting Interpretations Committee (IFRIC) 14 restrictions; and
- land and buildings are measured at revalued amounts.

The consolidated and separate financial statements are presented in Kenya shillings (KShs), and all values are rounded to the nearest thousand - KShs'000, except when otherwise indicated.

(c) Significant accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The estimates and assumptions are based on the Directors' best knowledge of current events, actions, historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the financial statements

2. Accounting Policies continued

(c) Significant accounting estimates and judgments continued

Further information about key assumptions concerning the future, and other key sources of estimation uncertainty are set out in the relevant disclosure notes for the following areas:

- credit impairment (note 4)
- effective interest rate (EIR) (note 4a)
- fair value and impairment of financial instruments (note 3)
- tax (note 13)
- goodwill impairment (notes 24, 27)
- retirement benefit obligations (note 34)
- determination of lease term for lease contract with renewal/termination options (note 33)
- estimating incremental borrowing rate (note 33)
- Revaluation of land and buildings (note 26)

(d) New standards, amendments, and interpretations

The material accounting policies adopted in the preparation of these financial statements are set out below:

(i) New accounting standards adopted by the Group

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025. The new and amended standards and interpretations effective as of 1 January 2025 are listed and discussed below. The adoption of the standard and amendments did not have an impact on the financial statements of the Group.

New standard or amendments	Effective for annual periods beginning on or after
Lack of exchangeability – Amendments to IAS 21	1 Jan 2025

(ii) New accounting standards in issue but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements which are relevant to the Group are discussed below. The Group intends to adopt these standards, if applicable, when they become effective. Except for IFRS 18 – Presentation and Disclosure in Financial Statements, these standards are not expected to have a material impact on the financial performance and position of the Group.

New standard or amendments	Effective for annual periods beginning on or after
Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 Jan 2026
Annual Improvements to IFRS Accounting Standards—Volume 11	1 Jan 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 Jan 2026
IFRS 18- Presentation and Disclosure in Financial Statements	1 Jan 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	1 Jan 2027
Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21	1 Jan 2027
<i>Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37</i>	Note 1
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Note 2

Note 1: The amendments do not have an effective date or transition requirements. Entities are entitled to sufficient time to implement any changes as a result of illustrative examples.

Note 2: In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

Notes to the financial statements

2. Accounting Policies continued

(d) New standards, amendments, and interpretations continued

(ii) New accounting standards in issue but not yet effective continued

The standards and interpretation that are issued but not yet effective up to the date of issuance of the Group's financial statements which are relevant to the Group are discussed below. The Group intends to adopt these standards if applicable when they become effective

IFRS 18 Presentation and Disclosure in Financial Statements

The new standard IFRS 18 was issued in April 2024 and is effective for annual reporting periods beginning on or after 1 January 2027 but earlier application is permitted. This new standard replaces IAS 1 Presentation of Financial Statements and amends IAS 7 Statement of Cash Flows. IFRS 18 introduces three defined categories for income and expenses – operating, investing and financing – to improve the structure of the income statement, and requires all companies to provide new defined subtotals, including operating profit. IFRS 18 will require disclosure of explanations of company-specific measures that are related to the income statement, referred to as management-defined performance measures. IFRS 18 sets out enhanced guidance on how to organise information and whether to provide it in the primary financial statements or in the notes.

The Group is currently working to identify the impacts the standard will have on the primary financial statements and notes to the financial statement.

Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments which amended requirements related to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets, including those with environmental, social and governance (ESG)-linked features. The IASB also amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs. The amendments will be effective for annual reporting periods beginning on or after 1 January 2026.

The Group is currently working to identify the impacts the standard will have on the financial statements

(e) Going concern

The directors have assessed the Group's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. In making this assessment, the Group has considered the impact of climate-related matters on their going concern assessment. Furthermore, the directors are not aware of any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Notes to the financial statements

3. Financial assets and liabilities

Classification and measurement

Accounting policy

The Group classifies its financial assets into the following measurement categories:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPTL).

Financial liabilities are classified as either:

- amortised cost, or
- held at fair value through profit or loss.

Management determines the classification of its financial assets and liabilities at initial recognition of the instrument or, where applicable, at the time of reclassification.

Financial assets held at amortised cost or held at fair value through other comprehensive income (FVOCI)

Debt instruments held at amortised cost or held at fair value through other comprehensive income (FVOCI) have contractual terms that give rise to cash flows that are solely payments of principal and interest (SPPI characteristics). The transaction price is the fair value of the financial asset at initial recognition, but this may change over the life of the instrument as amounts are repaid. Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows have SPPI characteristics, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Whether financial assets are held at amortised cost or at FVOCI depend on the objectives of the business models under which the assets are held. A business model refers to how the Group manages financial assets to generate cash flows.

The Group makes an assessment of the objective of a business model in which an asset is held at the individual product business line, and where applicable within business lines depending on the way the business is managed and information is provided to management.

Factors considered include:

- how the performance of the product business line is evaluated and reported to the Group's management;
- how managers of the business model are compensated, including whether management is compensated based on the fair value of assets or the contractual cash flows collected;
- the risks that affect the performance of the business model and how those risks are managed; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets which have SPPI characteristics and that are held within a business model whose objective is to hold financial assets to collect contractual cash flows ("hold to collect") are recorded at amortised cost. Conversely, financial assets which have SPPI characteristics but are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets ("hold to collect and sell") are classified as held at FVOCI.

Both a hold to collect business model and a hold to collect and sell business model involve holding assets to collect the contractual cash flows. However, the business models are distinct by reference to the frequency and significance that asset sales play in meeting the objective under which a particular group of financial assets is managed. Hold to collect business models are characterised by asset sales that are incidental to meeting the objectives under which a group of assets is managed. Sales of assets under a hold to collect business model can be made to manage increases in credit risk of financial assets but sales for other reasons should be infrequent or insignificant.

Notes to the financial statements

3. Financial assets and liabilities continued

Classification and measurement continued

Accounting policy continued

Financial assets held at amortised cost or held at fair value through other comprehensive income (FVOCI) continued

Cash flows from the sale of financial assets under a hold to collect and sell business model by contrast are integral to achieving the objectives under which a particular group of financial assets are managed. This may be the case where frequent sales of financial assets are required to manage the Group's daily liquidity requirements or to meet regulatory requirements to demonstrate liquidity of financial instruments. Sales of assets under hold to collect and sell business models are therefore both more frequent and more significant in value than those under the hold to collect model.

Equity instruments designated as held at FVOCI

Non-trading equity instruments acquired for strategic purposes rather than capital gain may be irrevocably designated at initial recognition as held at FVOCI on an instrument-by-instrument basis. Dividends received are recognised in profit or loss. Gains and losses arising from changes in the fair value of these instruments, including foreign exchange gains and losses, are recognised directly in equity and are never reclassified to profit or loss even on derecognition.

Financial assets and liabilities held at fair value through profit or loss (FVTPL)

Financial assets which are not held at amortised cost or that are not held at FVOCI are held at fair value through profit or loss. Financial assets and liabilities held at fair value through profit or loss are either mandatorily classified as fair value through profit or loss or irrevocably designated at fair value through profit or loss at initial recognition.

Mandatorily classified at fair value through profit or loss

Financial assets and liabilities which are mandatorily held at fair value through profit or loss are split between two subcategories as follows:

Trading, including:

- financial assets and liabilities held for trading, which are those acquired principally for the purpose of selling in the short term; and
- derivatives.

Non-trading, including:

- instruments in a business which has a fair value business model which are not trading or derivatives;
- hybrid financial assets that contain one or more embedded derivatives;
- financial assets that would otherwise be measured at amortised cost or FVOCI, but which do not have SPPI characteristics;
- equity instruments that have not been designated as held at FVOCI; and financial liabilities that constitute contingent consideration in a business combination.

Designated at fair value through profit or loss

Financial assets and liabilities may be designated at fair value through profit or loss when the designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities on a different basis (accounting mismatch).

Interest rate swaps have been acquired by the Group with the intention of significantly reducing interest rate risk on certain debt securities with fixed rates of interest. To significantly reduce the accounting mismatch between assets and liabilities and measurement bases, these debt securities have been designated at fair value through profit or loss.

Similarly, to reduce accounting mismatches, the Group has designated certain financial liabilities at fair value through profit or loss where the liabilities either:

- have fixed rates of interest and interest rate swaps or other interest rate derivatives have been entered with the intention of significantly reducing interest rate risk; or
 - are exposed to foreign currency risk and derivatives have been acquired with the intention of significantly reducing exposure to market changes; or
 - have been acquired to fund trading asset portfolios or assets.
- Financial liabilities may also be designated at fair value through profit or loss where they are managed on a fair value basis or have a bifurcately embedded derivative where the Group is not able to separately value the embedded derivative component.

Notes to the financial statements

3. Financial assets and liabilities continued

Classification and measurement continued

Accounting policy continued

Financial liabilities held at amortised cost

Financial liabilities that are not financial guarantees or undrawn commitments and that are not classified as financial liabilities held at fair value through profit or loss are classified as financial liabilities held at amortised cost.

Financial guarantee contracts and undrawn commitments

The Group issues financial guarantee contracts and loan commitments in return for fees. Financial guarantee contracts and any loan commitments issued at below-market interest rates are initially recognised at their fair value as a financial liability, and subsequently measured at the higher of the initial value less the cumulative amount of income recognised in accordance with the principles of IFRS 15 Revenue from Contracts with Customers and their expected credit losses. Loan commitments may be designated at fair value through profit or loss where that is the business model under which such contracts are held.

Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market for the asset or liability, or in the absence of a principal market, the most advantageous market to which the Group has access at the date. The fair value of a liability includes the risk that the Group will not be able to honour its obligations.

The fair value of financial instruments is generally measured on the basis of the individual financial instrument. However, when a group of financial assets and financial liabilities is managed on the basis of its net exposure to either market risk or credit risk, the fair value of the group of financial instruments is measured on a net basis.

The fair values of quoted financial assets and liabilities in active markets are based on current prices. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If the market for a financial instrument, and for unlisted securities, is not active, the Group establishes fair value by using valuation techniques.

Initial recognition

Purchases and sales of financial assets and liabilities held at fair value through profit or loss, and debt securities classified as financial assets held at fair value through other comprehensive income are initially recognised on the trade date (the date on which the Group commits to purchase or sell the asset). Loans and advances and other financial assets held at amortised cost are recognised on settlement date (the date on which cash is advanced to the borrowers).

All financial instruments are initially recognised at fair value, which is normally the transaction price, plus directly attributable transaction costs for financial assets which are not subsequently measured at fair value through profit or loss.

In certain circumstances, the initial fair value may be based on a valuation technique which may lead to the recognition of profits or losses at the time of initial recognition. However, these profits or losses can only be recognised when the valuation technique used is based solely on observable market data. In those cases where the initially recognised fair value is based on a valuation model that uses unobservable inputs, the difference between the transaction price and the valuation model is not recognised immediately in the income statement but is amortised or released to the income statement as the inputs become observable, or the transaction matures or is terminated.

Subsequent measurement

Financial assets and financial liabilities held at amortised cost

Financial assets and financial liabilities held at amortised cost are subsequently carried at amortised cost using the effective interest method. Foreign exchange gains and losses are recognised in the income statement.

Where a financial instrument carried at amortised cost is the hedged item in a qualifying fair value hedge relationship, its carrying value is adjusted by the fair value gain or loss attributable to the hedged risk.

Notes to the financial statements

3. Financial assets and liabilities continued

Classification and measurement continued

Accounting policy continued

Financial assets held at FVOCI

Debt instruments held at FVOCI are subsequently carried at fair value, with all unrealised gains and losses arising from changes in fair value (including any related foreign exchange gains or losses) recognised in other comprehensive income and accumulated in a separate component of equity. Changes in expected credit losses are recognised in the profit or loss and are accumulated in equity. On derecognition, the cumulative fair value gains or losses, net of the cumulative expected credit loss reserve, are transferred to the profit or loss.

Equity investments designated at FVOCI are subsequently carried at fair value with all unrealised gains and losses arising from changes in fair value (including any related foreign exchange gains or losses) recognised in other comprehensive income and accumulated in a separate component of equity. On derecognition, the cumulative reserve is transferred to retained earnings and is not recycled to profit or loss.

Financial assets and liabilities held at FVTPL

Financial assets and liabilities mandatorily held at fair value through profit or loss and financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the net trading income line in the income statement unless the instrument is part of a cash flow hedging relationship.

Financial liabilities designated at FVTPL

Financial liabilities designated at fair value through profit or loss are held at fair value, with changes in fair value recognised in the net trading income line in the income statement, other than that attributable to changes in own credit risk. Fair value changes attributable to credit risk are recognised in other comprehensive income and recorded in a separate category of reserves unless this is expected to create or enlarge an accounting mismatch, in which case the entire change in fair value of the financial liability designated at fair value through profit or loss is recognised in the income statement.

Derecognition of financial instruments

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially through sale all risks and rewards of ownership. If substantially all the risks and rewards have been neither retained nor transferred and the Group has retained control, the assets continue to be recognised to the extent of the Group's continuing involvement.

Where financial assets have been modified, the modified terms are assessed on a qualitative and quantitative basis to determine whether a fundamental change in the nature of the instrument has occurred, such as whether the derecognition of the pre-existing instrument and the recognition of a new instrument is appropriate.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the income statement except for equity instruments elected FVOCI (see above) and cumulative fair value adjustments attributable to the credit risk of a liability that are held in other comprehensive income.

Financial liabilities are derecognised when they are extinguished. A financial liability is extinguished when the obligation is discharged, cancelled or expires and this is evaluated both qualitatively and quantitatively. However, where a financial liability has been modified, it is derecognised if the difference between the modified cash flows and the original cash flows is more than 10 per cent, or if less than 10 per cent, the Group will perform a qualitative assessment to determine whether the terms of the two instruments are substantially different.

If the Group purchases its own debt, it is derecognised and the difference between the carrying amount of the liability and the consideration paid is included in 'Other income' except for the cumulative fair value adjustments attributable to the credit risk of a liability that are held in other comprehensive income which are never recycled to the income statement.

Notes to the financial statements

3. Financial assets and liabilities continued

Classification and measurement continued

Accounting policy continued

Modified financial instruments

Financial assets and financial liabilities whose original contractual terms have been modified, including those loans subject to forbearance strategies, are modified instruments. Modifications may include changes to the tenor, cash flows and or interest rates among other factors.

Where derecognition of financial assets is appropriate, the newly recognised residual loans are assessed to determine whether the assets should be classified as purchased or originated credit impaired assets (POCI).

Where derecognition is not appropriate, the gross carrying amount of the applicable instruments is recalculated as the present value of the renegotiated or modified contractual cash flows discounted at the original effective interest rate (or credit-adjusted effective interest rate for POCI financial assets). The difference between the recalculated values and the pre-modified gross carrying values of the instruments are recorded as a modification gain or loss in the income statement to the extent that an impairment loss has not already been recorded.

Gains and losses arising from modifications for credit reasons are recorded as part of credit impairment. Modification gains and losses arising for non-credit reasons are recognised either as part of credit impairment or within income depending on whether there has been a change in the credit risk on the financial asset subsequent to the modification. Modification gains and losses arising on financial liabilities are recognised within income.

Reclassifications

Financial liabilities are not reclassified subsequent to initial recognition. Reclassifications of financial assets are made when, and only when, the business model for those assets' changes. Such changes are expected to be infrequent and arise as a result of significant external or internal changes such as the termination of a line of business or the purchase of a subsidiary whose business model is to realise the value of pre-existing held for trading financial assets through a hold to collect model.

Financial assets are reclassified at their fair value on the date of reclassification and previously recognised gains and losses are not restated. Moreover, reclassifications of financial assets between financial assets held at amortised cost and financial assets held at fair value through other comprehensive income do not affect effective interest rate or expected credit loss computations.

Reclassified from amortised cost

Where financial assets held at amortised cost are reclassified to financial assets held at fair value through profit or loss, the difference between the fair value of the assets at the date of reclassification and the previously recognised amortised cost is recognised in the income statement.

For financial assets held at amortised cost that are reclassified to FVOCI, the difference between the fair value of the assets at the date of reclassification and the previously recognised amortised cost is recognised in other comprehensive income. The effective interest rate and the measurement of expected credit losses are not adjusted as a result of the reclassification.

Reclassified from FVOCI

Where financial assets held at FVOCI are reclassified to financial assets held at fair value through profit or loss, the cumulative gain or loss previously recognised in other comprehensive income is transferred to the income statement.

For financial assets held at FVOCI that are reclassified to financial assets held at amortised cost, the cumulative gain or loss previously recognised in other comprehensive income is adjusted against the fair value of the financial asset such that the financial asset is recorded at a value as if it had always been held at amortised cost. In addition, the related cumulative ECL held within other comprehensive income are reversed against the gross carrying value of the reclassified assets at the date of reclassification.

Reclassified from FVTPL

Where financial assets held at fair value through profit or loss are reclassified to financial assets held at FVOCI or financial assets held at amortised cost, the fair value at the date of reclassification is used to determine the effective interest rate on the financial asset going forward. In addition, the date of reclassification is used as the date of initial recognition for the calculation of ECL. Where financial assets held at fair value through profit or loss are reclassified to financial assets held at amortised cost, the fair value at the date of reclassification becomes the gross carrying value of the financial asset.

Notes to the financial statements

3. Financial assets and liabilities continued

Classification and measurement continued

The Group's classification of its financial assets and liabilities as at 31 December 2025 and 2024 is summarised in the following tables

Group Assets	Notes	Assets at fair value						
		Trading KShs '000	Non-trading mandatorily at fair value through profit or loss KShs '000	Designated at fair value through profit or loss KShs '000	Fair value through other comprehensive income KShs '000	Total financial assets at fair value KShs '000	Assets held at amortised cost KShs '000	Total KShs '000
Cash and balances at Central Bank of Kenya	16	-	-	-	-	-	11,571,042	11,571,042
Government and other securities held at FVPTL	17	10,426,958	58,212	-	-	10,485,170	-	10,485,170
Government securities		10,426,958	-	-	-	10,426,958	-	10,426,958
Equity shares		-	58,212	-	-	58,212	-	58,212
Derivative financial instruments	18	565,052	-	-	-	565,052	-	565,052
Loans and advances to banks	19	-	-	-	-	-	740,884	740,884
Loans and advances to customers	19	-	5,699,677	-	-	5,699,677	148,607,362	154,307,039
Government securities held at FVOCI	20	-	-	-	96,901,825	96,901,825	-	96,901,825
Other assets	21	-	-	-	-	-	4,525,417	4,525,417
Due from group companies and other related parties	22	-	-	-	-	-	71,345,065	71,345,065
Total at 31 December 2025		10,992,010	5,757,889	-	96,901,825	113,651,724	236,789,770	350,441,494
31 December 2024								
Cash and balances at Central Bank of Kenya	16	-	-	-	-	-	32,339,549	32,339,549
Government and other securities held at FVPTL	17	774,509	44,306	-	-	818,815	-	818,815
Government securities		774,509	-	-	-	774,509	-	774,509
Equity shares		-	44,306	-	-	44,306	-	44,306
Derivative financial instruments	18	3,231,435	-	-	-	3,231,435	-	3,231,435
Loans and advances to banks	19	-	-	-	-	-	1,157,643	1,157,643
Loans and advances to customers	19	-	-	-	-	-	151,647,379	151,647,379
Government securities held at FVOCI	20	-	-	-	98,002,713	98,002,713	-	98,002,713
Other assets	21	-	-	-	-	-	5,043,313	5,043,313
Due from group companies and other related parties	22	-	-	-	-	-	78,564,954	78,564,954
Total at 31 December 2024		4,005,944	44,306	-	98,002,713	102,052,963	268,752,838	370,805,801

Financial statements

3. Financial assets and liabilities continued

Classification and measurement continued

Company Assets	Notes	Assets at fair value					Total KShs '000
		Trading KShs '000	Non-trading mandatorily at fair value through profit or loss KShs '000	Fair value through other comprehensive income KShs '000	Total financial assets at fair value KShs '000	Assets held at amortised cost KShs '000	
Cash and balances at Central Bank of Kenya	16	-	-	-	-	11,571,042	11,571,042
Government and other securities held at FVPTL	17	10,426,958	58,212	-	10,485,170	-	10,485,170
Government securities		10,426,958	-	-	10,426,958	-	10,426,958
Equity shares		-	58,212	-	58,212	-	58,212
Derivative financial instruments	18	565,052	-	-	565,052	-	565,052
Loans and advances to banks	19	-	-	-	-	740,884	740,884
Loans and advances to customers	19	-	5,699,677	-	5,699,677	148,607,362	154,307,039
Government securities held at FVOCI	20	-	-	96,901,825	96,901,825	-	96,901,825
Other assets	21	-	-	-	-	4,366,636	4,366,636
Due from group companies and other related parties	22	-	-	-	-	72,496,753	72,496,753
Total at 31 December 2025		10,992,010	5,757,889	96,901,825	113,651,724	237,782,677	351,434,401
31 December 2024							
Cash and balances at Central Bank of Kenya	16	-	-	-	-	32,339,549	32,339,549
Government and other securities held at FVPTL	17	774,509	44,306	-	818,815	-	818,815
Government securities		774,509	-	-	774,509	-	774,509
Equity shares		-	44,306	-	44,306	-	44,306
Derivative financial instruments	18	3,231,435	-	-	3,231,435	-	3,231,435
Loans and advances to banks	19	-	-	-	-	1,157,643	1,157,643
Loans and advances to customers	19	-	-	-	-	151,647,379	151,647,379
Government securities held at FVOCI	20	-	-	98,002,713	98,002,713	-	98,002,713
Other assets	21	-	-	-	-	5,043,314	5,043,314
Due from group companies and other related parties	22	-	-	-	-	79,428,275	79,428,275
Total at 31 December 2024		4,005,944	44,306	98,002,713	102,052,963	269,616,160	371,669,123

Notes to the financial statements

3. Financial assets and liabilities continued

Classification and measurement continued

Liabilities – On balance sheet	Notes	Group			
		Trading KShs '000	Total financial liabilities at fair value KShs '000	Amortised cost KShs '000	Total KShs '000
Derivative financial instruments	18	1,178,207	1,178,207	–	1,178,207
Deposits by banks	29	–	–	1,280,365	1,280,365
Deposits from customers	30	–	–	283,451,830	283,451,830
Other liabilities – bills payable	31	–	–	499,892	499,892
lease liability	31	–	–	426,245	426,245
dividends payable	31	–	–	1,042,923	1,042,923
other payables	31	–	–	455,213	455,213
Amounts due to group companies and other related parties	22	–	–	4,272,683	4,272,683
31 December 2025		1,178,207	1,178,207	291,429,151	292,607,358
Derivative financial instruments	18	1,164,920	1,164,920	–	1,164,920
Deposits by banks	29	–	–	306,862	306,862
Deposits from customers	30	–	–	295,690,089	295,690,089
Other liabilities – bills payable	31	–	–	429,326	429,326
lease liability	31	–	–	229,380	229,380
dividends payable	31	–	–	152,560	152,560
other payables	31	–	–	485,548	485,548
Amounts due to group companies and other related parties	22	–	–	8,087,854	8,087,854
31 December 2024		1,164,920	1,164,920	305,381,619	306,546,539

Liabilities – On balance sheet	Notes	Company			
		Trading KShs '000	Total financial liabilities at fair value KShs '000	Amortised cost KShs '000	Total KShs '000
Derivative financial instruments	18	1,178,207	1,178,207	–	1,178,207
Deposits by banks	29	–	–	1,280,365	1,280,365
Deposits from customers	30	–	–	283,451,830	283,451,830
Other liabilities – bills payable	31	–	–	499,892	499,892
lease liability	31	–	–	426,245	426,245
dividends payable	31	–	–	1,042,923	1,042,923
other payables	31	–	–	439,312	439,312
Amounts due to group companies and other related parties	22	–	–	5,405,917	5,405,917
31 December 2025		1,178,207	1,178,207	292,546,484	293,724,691
Derivative financial instruments	18	1,164,920	1,164,920	–	1,164,920
Deposits by banks	29	–	–	306,862	306,862
Deposits from customers	30	–	–	295,690,089	295,690,089
Other liabilities – bills payable	31	–	–	429,326	429,326
lease liability	31	–	–	229,380	229,380
dividends payable	31	–	–	152,560	152,560
other payables	31	–	–	482,832	482,832
Amounts due to group companies and other related parties	22	–	–	9,174,388	9,174,388
31 December 2024		1,164,920	1,164,920	306,465,437	307,630,357

Notes to the financial statements

3. Financial assets and liabilities continued

Classification and measurement continued

Off - balance sheet assets

Financial guarantee contracts and loan commitments

The Group issues financial guarantee contracts and loan commitments in return for fees. Financial guarantee contracts and any loan commitments issued at below-market interest rates are initially recognised at their fair value as a financial liability, and subsequently measured at the higher of the initial value less the cumulative amount of income recognised in accordance with the principles of IFRS 15 Revenue from Contracts with Customers and their expected credit losses. Loan commitments may be designated at fair value through profit or loss where that is the business model under which such contracts are held.

Liabilities – On balance sheet	Notes	Group and Company			
		Trading KShs '000	Total financial liabilities at fair value KShs '000	Amortised cost KShs '000	Total KShs '000
Undrawn commitments		–	–	42,461,686	42,461,686
Financial guarantees		–	–	73,238,863	73,238,863
31 December 2025		–	–	115,700,549	115,700,549
Liabilities – Off balance sheet					
Undrawn commitments		–	–	45,991,523	45,991,523
Financial guarantees		–	–	64,174,487	64,174,487
31 December 2024		–	–	110,166,010	110,166,010

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets and financial liabilities are generally reported gross in the consolidated and separate statements of financial position except when IFRS netting criteria are met.

Other instruments, primarily over-the-counter derivatives, are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the Group also intends to settle on a net basis in all the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Bank and/or its counterparties.

Valuation of financial instruments

The fair values of quoted financial assets and liabilities in active markets are based on current prices. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Wherever possible, fair values have been calculated using unadjusted quoted market prices in active markets for identical instruments held by the Group. Where quoted market prices are not available, or are unreliable because of poor liquidity, fair values have been determined using valuation techniques which, to the extent possible, use market observable inputs, but in some cases use nonmarket observable inputs. Valuation techniques used include discounted cash flow analysis and pricing models and, where appropriate, comparison with instruments that have characteristics similar to those of the instruments held by the Group.

Notes to the financial statements

3. Financial assets and liabilities continued

Valuation of financial instruments continued

The Valuation Control function is responsible for independent price verification, oversight of fair value and appropriate value adjustments and escalation of valuation issues. Independent price verification is the process of determining that the valuations incorporated into the financial statements are validated independent of the business area responsible for the product. The Valuation Control function has oversight of the fair value adjustments to ensure the financial instruments are priced to exit. These are key controls in ensuring the material accuracy of the valuations incorporated in the financial statements. The market data used for price verification may include data sourced from recent trade data involving external counterparties or third parties such as Bloomberg, Reuters, brokers and consensus pricing providers. Valuation Control performs a semi-annual review of the suitability of the market data used for price testing. Price verification uses independently sourced data that is deemed most representative of the market the instruments trade in. To determine the quality of the market data inputs, factors such as independence, relevance, reliability, availability of multiple data sources and methodology employed by the pricing provider are taken into consideration.

Significant accounting estimates and judgments

The Group evaluates the significance of financial instruments and material accuracy of the valuations incorporated in the financial statements as they involve a high degree of judgment and estimation uncertainty in determining the carrying values of financial assets and liabilities at the reporting date.

- Fair value of financial instruments is determined using valuation techniques and estimates (see below) which, to the extent possible, use market observable inputs, but in some cases use non-market observable inputs. Changes in the observability of significant valuation inputs can materially affect the fair values of financial instruments.
- When establishing the exit price of a financial instrument using a valuation technique, the Group estimates valuation adjustments in determining the fair value.
- In determining the valuation of financial instruments, the Group makes judgments on the amounts reserved to cater for model and valuation risks, which cover both Level 2 and Level 3 assets, and the significant valuation judgments in respect of Level 3 instruments.
- Where the estimated measurement of fair value is more judgmental in respect of Level 3 assets, these are valued based on models that use a significant degree of non-market-based unobservable inputs.

Notes to the financial statements

3. Financial assets and liabilities continued

Value at 31 Dec 2025

	Assets KShs '000	Liabilities KShs '000	Principal Valuation technique	Significant unobservable inputs	Range ¹ in %	Weighted average ²
Equity shares (includes Private Equity Investments)	58,212	0.0	Comparable pricing/Yield	Price*	NA	NA
			Discounted cash flows	Discount rates	NA	NA
			Discounted cash flows	Equity value based on EV/Revenue multiples	NA	NA
			Option pricing model	Equity value based on EV/EBITDA multiples	NA	NA
				Equity value based on volatility	NA	NA
Total	58,212	0.0				

Value at 31 Dec 2024

	Assets KShs '000	Liabilities KShs '000	Principal Valuation technique	Significant unobservable inputs	Range ¹ in %	Weighted average ²
Equity shares (includes Private Equity Investments)	44,306	0.0	Comparable pricing/Yield	Price*	NA	NA
			Discounted cash flows	Discount rates	NA	NA
			Discounted cash flows	Equity value based on EV/Revenue multiples	NA	NA
			Option pricing model	Equity value based on EV/EBITDA multiples	NA	NA
				Equity value based on volatility	NA	NA
Total	44,306	0.0				

- The ranges of values shown in the above table represent the highest and lowest levels used in the valuation of the Bank's level 3 financial instruments during the reporting period ended 31 December 2025. The ranges of values used are reflective of the underlying characteristics of these Level 3 financial instruments based on the market conditions at the balance sheet date. However, these ranges of values may not represent the uncertainty in fair value measurements of the Group's level 3 financial instruments.

¹ For Equity Shares, the range of inputs under 'price' is not disclosed as it is not a meaningful indicator due to bespoke nature of the investments average is not a meaningful indicator.

² Weighted average for non-derivative financial instruments have been calculated by weighting inputs by the relative fair value. Weighted average for derivatives has been provided by weighting inputs by the risk relevant to that variable. N/A has been entered for the cases where weighted average is not a meaningful indicator.

Notes to the financial statements

3. Financial assets and liabilities continued

(a) Valuation techniques

The following sets out the Group's basis of establishing fair value of the financial instruments:

Derivative financial instruments and government securities held at fair value through profit or loss

Derivative financial instruments and government securities held for trading are measured at fair value as set out in Notes 18.

Cash and balances with Central Bank of Kenya

Cash and bank balances are measured at amortised cost. The fair value of cash and bank balances with the Central Bank of Kenya is their carrying amounts.

Loans and advances to banks

The fair value of floating rate placements and overnight deposits approximates their carrying amounts due to their short-term nature. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using the prevailing money market rates for debts with similar credit risk and remaining maturity. The carrying amount approximates their fair value.

Loans and advances to customers at amortised cost

Loans and advances to customers are net of impairment losses. The estimated fair value of loans and advances represents the discounted amount of future cash flows expected to be received, including assumptions relating to prepayment rates. Expected cash flows are discounted at current market rates to determine fair value. A substantial proportion of loans and advances re-price within 12 months and hence the fair value approximates their carrying amounts.

Loans and advances to customers at FVTPL

For loans and advances to customers designated at FVPL and mandatorily required to be measured at FVPL, a discounted cash flow model is used based on various assumptions, including current and expected future credit losses, market rates of interest, prepayment rates and assumptions regarding market liquidity, where relevant. Classification between Level 2 and Level 3 is determined based on whether the assessment of credit quality is based on observable or unobservable data.

Loans at FVPL are recorded in the statement of financial position at fair value and the changes in fair value are recorded in profit and loss.

Government and other securities

Investment securities with observable market prices, including debt and equity securities are fair valued using that information. Debt securities that do not have observable market data are fair valued by either discounting cash flows using prevailing market rates for debts with a similar credit risk and remaining maturity or using quoted market prices for securities with similar credit risk maturity and yield characteristics.

Deposits from banks and customers

The estimated fair value of deposits with no stated maturity is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits without quoted market prices is based on discounting cash flows using the prevailing market rates for debts with a similar credit risk and remaining maturity. A substantial proportion of deposits mature within 6 months and hence the fair value approximates their carrying amounts.

Other assets

Other assets comprise primarily of trades pending settlement. The carrying amount of these financial instruments is considered to be a reasonable approximation of fair value as they are either short-term in nature or re-price to current market rates frequently.

Financial guarantees, letters of credit and undrawn commitments

The financial guarantees, letters of credit and loan commitments are initially recognised in the financial statements (within Provisions) at fair value. These contracts are in the scope of the ECL requirements and the liability under each off-balance sheet is measured at the higher of the amount initially recognised less impairment losses.

Notes to the financial statements

3. Financial assets and liabilities continued

(b) Valuation hierarchy – financial instruments at fair value

Assets and liabilities carried at fair value or for which fair values are disclosed have been classified into three levels according to the observability of the significant inputs used to determine the fair values. Changes in the observability of significant valuation inputs during the reporting period may result in a transfer of assets and liabilities within the fair value hierarchy. The Group recognises transfers between levels of the fair value hierarchy when there is a significant change in either its principal market or the level of observability of the inputs to the valuation techniques as at the end of the reporting period.

- Level 1: Fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Fair value measurements are those with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable; and
- Level 3: Fair value measurements are those where at least one input which could have a significant effect on the instrument's valuation is not based on observable market data.

The tables below show the classification of financial instruments held at fair value into the valuation hierarchy set out above as at 31 December 2025 and 2024:

		Group and Company			
		Level 1	Level 2	Level 3	Level 4
		KShs '000	KShs '000	KShs '000	KShs '000
Assets					
31 December 2025	Notes				
Government and other securities held at FVPTL	17	–	10,426,958	58,212	10,485,170
Government securities		–	10,426,958	–	10,426,958
Equity shares		–	–	58,212	58,212
Derivative financial instruments	18	4,720	560,332	–	565,052
Foreign exchange		4,720	559,282	–	564,002
Interest rate		–	1,050	–	1,050
Government securities held at FVOCI	20	2,578,488	94,323,337	–	96,901,825
Loans to customers at FVTPL	19	–	–	5,699,677	5,699,677
Total assets		2,583,208	105,310,627	5,757,889	113,651,724
Liabilities					
Derivative financial instruments	18	1,039	1,177,168	–	1,178,207
Foreign exchange		1,039	1,175,925	–	1,176,964
Interest rate		–	1,243	–	1,243
Total liabilities		1,039	1,177,168	–	1,178,207
Assets					
31 December 2024					
Government and other securities held at FVPTL	17	–	774,509	44,306	818,815
Government securities		–	774,509	–	774,509
Equity shares		–	–	44,306	44,306
Derivative financial instruments	18	5,722	3,225,713	–	3,231,435
Foreign exchange		5,722	3,221,631	–	3,227,353
Interest rate		–	4,082	–	4,082
Government securities held at FVOCI	20	5,068,525	92,934,188	–	98,002,713
Total assets		5,074,247	96,934,410	44,306	102,052,963
Liabilities					
Derivative financial instruments	18	1,808	1,163,112	–	1,164,920
Foreign exchange		1,808	1,156,115	–	1,157,923
Interest rate		–	6,997	–	6,997
Total liabilities		1,808	1,163,112	–	1,164,920

Notes to the financial statements

3. Financial assets and liabilities continued

(c) Valuation hierarchy – financial instruments measured at amortised cost

The following table shows the carrying amounts and incorporates the Group's estimate of fair values of those financial assets and liabilities not presented on the Group's Statement of financial position at fair value. These fair values may be different from the actual amount that will be received or paid on the settlement or maturity of the financial instrument. For certain instruments, the fair value may be determined using assumptions for which no observable prices are available.

Group		Notes	Fair value				Total KShs '000
			Carrying value KShs '000	Level 1 KShs '000	Level 2 KShs '000	Level 3 KShs '000	
On balance sheet assets							
At 31 December 2025							
Assets							
	Cash and balances at Central bank of Kenya	16	11,571,042	–	11,571,042	–	11,571,042
	Loans and advances to banks	19	740,884	–	740,884	–	740,884
	Loans and advances to customers	19	148,607,362	–	–	148,607,362	148,607,362
	Due from group companies and other related parties	22	71,345,065	–	–	71,345,065	71,345,065
	Other assets	21	4,525,417	–	4,525,417	–	4,525,417
	Total assets		236,789,770	–	16,837,343	219,952,427	236,789,770
Liabilities							
	Deposits by banks	29	1,280,365	–	1,280,365	–	1,280,365
	Customer accounts	30	283,451,830	–	–	283,451,830	283,451,830
	Due to group companies and other related parties	22	4,272,683	–	–	4,272,683	4,272,683
	Other liabilities – bills payable	31	499,892	–	–	499,892	499,892
	lease liability	31	426,245	–	–	426,245	426,245
	dividends payable	31	1,042,923	–	–	1,042,923	1,042,923
	other payables	31	455,213	–	–	455,213	455,213
	Total liabilities		291,429,151	–	1,280,365	290,148,786	291,429,151
At 31 December 2024							
Assets							
	Cash and balances at Central bank of Kenya	16	32,339,549	–	32,339,549	–	32,339,549
	Loans and advances to banks	19	1,157,643	–	1,157,643	–	1,157,643
	Loans and advances to customers	19	151,647,379	–	–	151,647,379	151,647,379
	Due from group companies and other related parties	22	78,564,954	–	–	78,564,954	78,564,954
	Other assets	21	5,043,313	–	5,043,313	–	5,043,313
	Total assets		268,752,838	–	38,540,505	230,212,333	268,752,838
Liabilities							
	Deposits by banks	29	306,862	–	306,862	–	306,862
	Customer accounts	30	295,690,089	–	–	295,690,089	295,690,089
	Due to group companies and other related parties	22	8,087,854	–	–	8,087,854	8,087,854
	Other liabilities – bills payable	31	429,326	–	–	429,326	429,326
	lease liability	31	229,380	–	–	229,380	229,380
	dividends payable	31	152,560	–	–	152,560	152,560
	other payables	31	485,548	–	–	485,548	485,548
	Total liabilities		305,381,619	–	306,862	305,074,757	305,381,619

Notes to the financial statements

3. Financial assets and liabilities continued

(c) Valuation hierarchy – financial instruments measured at amortised cost continued

Company		Notes	Fair value				Total KShs '000
			Carrying value KShs '000	Level 1 KShs '000	Level 2 KShs '000	Level 3 KShs '000	
On balance sheet assets							
At 31 December 2025							
Assets							
	Cash and balances with Central Bank of Kenya	16	11,571,042	-	11,571,042	-	11,571,042
	Loans and advances to banks	19	740,884	-	740,884	-	740,884
	Loans and advances to customers	19	148,607,362	-	-	148,607,362	148,607,362
	Due from group companies and other related parties	22	72,496,753	-	-	72,496,753	72,496,753
	Other assets	21	4,366,636	-	4,366,636	-	4,366,636
	Total assets		237,782,677	-	16,678,562	221,104,115	237,782,677
Liabilities							
	Deposits from banks	29	1,280,365	-	1,280,365	-	1,280,365
	Deposits from customers	30	283,451,830	-	-	283,451,830	283,451,830
	Due to group companies and other related parties	22	5,405,917	-	-	5,405,917	5,405,917
	Other liabilities – bills payable	31	499,892	-	-	499,892	499,892
	lease liability	31	426,245	-	-	426,245	426,245
	dividends payable	31	1,042,923	-	-	1,042,923	1,042,923
	other payables	31	439,312	-	-	439,312	439,312
	Total liabilities		292,546,484	-	1,280,365	291,266,119	292,546,484
At 31 December 2024							
Assets							
	Cash and balances with Central Bank of Kenya	16	32,339,549	-	32,339,549	-	32,339,549
	Loans and advances to banks	19	1,157,643	-	1,157,643	-	1,157,643
	Loans and advances to customers	19	151,647,379	-	-	151,647,379	151,647,379
	Due from group companies and other related parties	22	78,428,275	-	-	78,428,275	78,428,275
	Other assets	21	5,043,314	-	5,043,314	-	5,043,314
	Total assets		268,616,160	-	38,540,506	230,075,654	268,616,160
Liabilities							
	Deposits by banks	29	306,862	-	306,862	-	306,862
	Customer accounts	30	295,690,089	-	-	295,690,089	295,690,089
	Due to group companies and other related parties	22	9,174,388	-	-	9,174,388	9,174,388
	Other liabilities – bills payable	31	429,326	-	-	429,326	429,326
	lease liability	31	229,380	-	-	229,380	229,380
	dividends payable	31	152,560	-	-	152,560	152,560
	other payables	31	482,832	-	-	482,832	482,832
	Total liabilities		306,465,437	-	306,862	306,158,575	306,465,437

Notes to the financial statements

4. Financial risk and capital management review

This section provides details of the Group's and Company's exposure to risk and describes the methods used by management to control risk in respect of financial instruments. The most significant types of financial risks to which the Group and Company are exposed to are credit risk, liquidity risk, market risk and operational risk. This section also provides details on how the Group manages its capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's enterprise risk management framework.

Through its risk management structure, the Group and Company seek to manage efficiently the core risks: credit, liquidity and market risk, which arise directly through the Group's and Company's commercial activities. Compliance and regulatory risk, operational risk and reputational risk are normal consequences of any business undertaking.

The Board is supported by executive level committees which are responsible for developing and monitoring Group and Company risk management policies in their specified areas. The executive level committees include the Asset and Liability Committee (ALCO), Anti-Money Laundering and Financial Crime Risk Committee (FCRC) and the Credit Issues Committee (CIC). The FCRC and CIC report to the Executive Risk Committee (ERC). All committees report regularly to the Board of Directors on their activities.

The Group's and Company's risk management policies are established to identify and analyse the risks faced by the Group and Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group and Company, through their training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Board Risk Committee is responsible for monitoring compliance with the Group's and Company's risk management policies and procedures, and for reviewing the robustness of the risk management framework in relation to the risks faced by the Group and Company. The Board Risk Committee is supported in these functions by the Internal Audit Department, which undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Board Risk Committee.

Stress testing

Stress testing and scenario analysis are important components of the Group's and Company's risk assessment processes and are used to assess the financial management capability of the Group and the Company to continue operating effectively under extreme but plausible trading conditions. Such conditions may arise from economic, legal, political, environmental and social factors which define the context within which the Group and Company operate. It is intended that stress testing and scenario analysis will help to inform management of:

- the nature and dynamics of the risk profile;
- the identification of potential future risks;
- the robustness of risk management systems and controls;
- adequacy of contingency planning; and
- the effectiveness of risk mitigants.

Notes to the financial statements

4. Financial risk and capital management review continued

Details of how the various risks are managed are outlined below:

a) Credit risk

(i) Credit risk overview

Credit risk is the potential for loss due to the failure of a counterparty to meet its obligation to pay the Group and Company. This arises principally from the Group's and Company's loans and advances to customers and other banks and government and other investment securities.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral against loans and advances in the form of mortgage interests over property, other registered securities over assets and guarantees.

The Group and Company structure the levels of credit risk they undertake by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments.

Impairment model

The impairment model recognises expected credit losses (ECL) and it applies to all financial debt instruments held at amortised cost, fair value through other comprehensive income (FVOCI), loan commitments, letters of credit and financial guarantees. The impairment model is discussed in detail in Note 4 a(v)

(ii) Credit quality analysis

For the Corporate and Investment Banking portfolio, exposures are analysed by credit grade (CG), which plays a central role in the quality assessment and monitoring of risk. All loans are assigned a CG, which is reviewed periodically and amended in light of changes in the borrower's circumstances or behaviour. CGs 1 to 12 are assigned to stage 1 and stage 2 (performing) clients or accounts, while CGs 13 and 14 are assigned to stage 3 (defaulted) clients.

Within Wealth and Retail Banking where there are a large number of small value loans in credit cards and personal loans portfolios along with medium size loans to a maximum of KShs 156 million under mortgages and Business Banking, a primary indicator of potential impairment is delinquency. An account is considered to be delinquent when payment is not received on the due date. For delinquency reporting purposes, the Group and Company follow industry standards, measuring delinquency as of 1, 30, 60, 90, 120 and 150 days past due.

Mapping of credit quality

The Group uses the following internal risk mapping to determine the credit quality for loans.

Credit quality description	Corporate and Investment Banking	Wealth and Retail Banking
	Internal grade mapping	Number of days past due
Strong	1A to 5B	Current loans (no past dues nor impaired)
Satisfactory	6A to 11C	Loans past due till 29 days
Higher risk	Grade 12	Past due loans 30 days and over till 90 days
Higher risk	Grade 13 and 14	Past due loans over 90 days

Notes to the financial statements

4. Financial risk and capital management review continued

(a) Credit risk continued

(ii) Credit risk quality analysis continued

Loans and advances by client segment

Group and Company	2025			
	Customers			
Amortised Cost	Banks KShs '000	Corporate and Investment Banking KShs '000	Wealth & Retail Banking KShs '000	Customer Total KShs '000
Stage 1	742,784	80,355,576	61,787,620	142,143,196
- Strong	742,784	66,681,470	53,711,237	120,392,707
- Satisfactory	-	13,674,106	8,076,383	21,750,489
Stage 2	-	5,118,529	1,782,676	6,901,205
- Strong	-	-	863,314	863,314
- Satisfactory	-	5,072,340	104,959	5,177,299
- Higher risk	-	46,189	814,403	860,592
Of which (stage 2):				
- Less than 30 days past due	-	-	104,959	104,959
- More than 30 days past due	-	-	776,386	776,386
Stage 3	-	1,703,466	3,679,485	5,382,951
Gross balance	742,784	87,177,571	67,249,781	154,427,352
Stage 1	(1,900)	(114,526)	(1,136,967)	(1,251,493)
- Strong	(1,900)	(75,139)	(1,089,884)	(1,165,023)
- Satisfactory	-	(39,387)	(47,083)	(86,470)
Stage 2	-	(249,733)	(107,980)	(357,713)
- Strong	-	-	(41,780)	(41,780)
- Satisfactory	-	(209,395)	-	(209,395)
- Higher risk	-	(40,338)	(66,200)	(106,538)
Stage 3	-	(1,639,428)	(2,571,356)	(4,210,784)
Total credit impairment	(1,900)	(2,003,687)	(3,816,303)	(5,819,990)
Net carrying value	740,884	85,173,884	63,433,478	148,607,362
Stage 1	0.3%	0.1%	1.8%	0.9%
- Strong	0.3%	0.1%	2.0%	1.0%
- Satisfactory	0.0%	0.3%	0.6%	0.4%
Stage 2	0.0%	4.9%	6.1%	5.2%
- Strong	0.0%	0.0%	4.8%	4.8%
- Satisfactory	0.0%	4.1%	0.0%	4.0%
- Higher risk	0.0%	87.3%	8.1%	12.4%
Stage 3	0.0%	96.2%	69.9%	78.2%
Cover ratio	0.3%	2.3%	5.7%	3.8%
Net carrying value	740,884	85,173,884	63,433,478	148,607,362

Loans and advances by client segment (FVTPL)

Group and Company FVTPL	Banks KShs '000	Corporate and Investment Banking KShs '000	Wealth & Retail Banking KShs '000	Customer Total KShs '000
Stage 1				
- Strong	-	5,754,001	-	5,754,001
Fair value changes	-	(54,324)	-	(54,324)
Net carrying value	-	5,699,677	-	5,699,677

Notes to the financial statements

4. Financial risk and capital management review continued

(a) Credit risk continued

(ii) Credit risk quality analysis continued

Loans and advances by client segment

Group and Company	2024 Customers			
	Banks KShs '000	Corporate and Investment Banking KShs '000	Wealth & Retail Banking KShs '000	Customer Total KShs '000
Amortised Cost				
Stage 1	1,164,478	84,651,493	60,557,883	145,209,376
- Strong	1,164,478	57,875,196	56,099,044	113,974,240
- Satisfactory	-	26,776,297	4,458,839	31,235,136
Stage 2	-	1,993,654	3,876,780	5,870,434
- Strong	-	-	218,624	218,624
- Satisfactory	-	-	146,212	146,212
- Higher risk	-	1,993,654	3,511,944	5,505,598
Of which (stage 2):				
- Less than 30 days past due	-	-	146,212	146,212
- More than 30 days past due	-	-	1,427,871	1,427,871
Stage 3	-	2,571,455	4,990,085	7,561,540
Gross balance	1,164,478	89,216,602	69,424,748	158,641,350
Stage 1	(6,835)	(44,575)	(1,042,506)	(1,087,081)
- Strong	(6,835)	(22,615)	(888,764)	(911,379)
- Satisfactory	-	(21,960)	(153,742)	(175,702)
Stage 2	-	(495,454)	(112,130)	(607,584)
- Strong	-	-	(70,250)	(70,250)
- Satisfactory	-	-	(6,287)	(6,287)
- Higher risk	-	(495,454)	(35,593)	(531,047)
Stage 3	-	(2,252,268)	(3,047,038)	(5,299,306)
Total credit impairment	(6,835)	(2,792,297)	(4,201,674)	(6,993,971)
Net carrying value	1,157,643	86,424,305	65,223,074	151,647,379
Stage 1	0.6%	0.1%	1.7%	0.7%
- Strong	0.6%	0.0%	1.6%	0.8%
- Satisfactory	0.0%	0.1%	3.4%	0.6%
Stage 2	0.0%	24.9%	2.9%	10.3%
- Strong	0.0%	0.0%	32.1%	32.1%
- Satisfactory	0.0%	0.0%	4.3%	4.3%
- Higher risk	0.0%	24.9%	1.0%	9.6%
Stage 3	0.0%	87.6%	61.1%	70.1%
Cover ratio	0.6%	3.1%	6.1%	4.4%
Net carrying value	1,157,643	86,424,305	65,223,074	151,647,379

Analysis of financial instruments by stage

For balances with central bank of Kenya, loans and advances to banks, government securities held at FVOCI and other financial assets are all in stage 1 and graded as strong category.

The proportion of financial instruments held within stage 1 remained stable at 97 per cent (2024: 96 per cent). Total stage 1 balances increased by KShs 2.6 billion, with loans and advances to customers increasing by 1.4 billion and government securities at FVOCI decreasing by KShs 1.1 billion. Balances due from group companies and other related parties decreased by KShs 7.2 billion.

Notes to the financial statements

4. Financial risk and capital management review continued

(a) Credit risk continued

(ii) Credit risk quality analysis continued

Analysis of financial instruments by stage continued

The tables overleaf show the financial instruments and off-balance sheet commitments by stage with the total credit impairment against each financial instrument class

On balancesheet Group	2025											
	Stage 1			Stage 2			Stage 3			Totals		
	Gross balance KShs '000	Total credit impairment KShs '000	Net carrying value KShs '000	Gross balance KShs '000	Total credit impairment KShs '000	Net carrying value KShs '000	Gross balance KShs '000	Total credit impairment KShs '000	Net carrying value KShs '000	Gross balance KShs '000	Total credit impairment KShs '000	Net carrying value KShs '000
Balances with Central Bank of Kenya	7,788,863	-	7,788,863	-	-	-	-	-	-	-	-	7,788,863
Loans and advances to banks (amortised cost)	742,784	(1,900)	740,884	-	-	-	-	-	-	-	-	740,884
Loans and advances to customers (amortised cost)	142,143,196	(1,251,493)	140,891,703	6,901,205	(357,713)	6,543,492	5,382,951	(4,210,784)	1,172,167	154,427,352	(5,819,990)	148,607,362
Loans and advances to customers (FVTPL)	5,699,677	-	5,699,677	-	-	-	-	-	-	5,699,677	-	5,699,677
Government securities held at FVOCI ¹	96,901,825	-	96,901,825	-	-	-	-	-	-	96,901,825	-	96,901,825
Government securities held at FVTPL	10,426,958	-	10,426,958	-	-	-	-	-	-	10,426,958	-	10,426,958
Due from group companies and other related parties	71,391,192	(46,127)	71,345,065	-	-	-	-	-	-	71,391,192	(46,127)	71,345,065
Other assets	4,525,417	-	4,525,417	-	-	-	-	-	-	4,525,417	-	4,525,417
Total	339,619,912	(1,299,520)	-	6,901,205	(357,713)	-	5,382,951	(4,210,784)	-	351,904,068	(5,868,017)	-

¹These instruments are held at fair value in the Statement of Financial Position. The ECL provision of KShs 262,692,000 (2024; KShs 197,721,000) in respect of government securities measured at FVOCI is held within the OCI reserve.

Financial statements

4. Financial risk and capital management review continued

(a) Credit risk continued

(ii) Credit risk quality analysis continued

Analysis of financial instruments by stage continued

Off balance sheet Group and company	2025											
	Stage 1			Stage 2			Stage 3			Totals		
	Gross balance KShs '000	Total credit impairment KShs '000	Net carrying value KShs '000	Gross balance KShs '000	Total credit impairment KShs '000	Net carrying value KShs '000	Gross balance KShs '000	Total credit impairment KShs '000	Net carrying value KShs '000	Gross balance KShs '000	Total credit impairment KShs '000	Net carrying value KShs '000
Undrawn commitments ¹	36,811,600	(21,255)	5,650,086	5,650,086	(275,535)	-	-	-	42,461,686	(296,790)		
Financial guarantees ¹	70,797,861	(42,295)	2,185,967	2,185,967	(59,041)	255,035	255,035	(397)	73,238,863	(101,733)		
Total	107,609,461	(63,550)	7,836,053	7,836,053	(334,576)	255,035	255,035	(231,934)	115,700,549	(398,523)		

¹These are off-balance sheet instruments. Only the ECL is recorded in the Statement of Financial position as a financial liability and therefore there is no "net carrying amount".

Notes to the financial statements

4. Financial risk and capital management review continued

(a) Credit risk continued

(ii) Credit risk quality analysis continued

Analysis of financial instruments by stage continued

Group	2024								
	Stage 1		Stage 2		Stage 3		Totals		
	Gross balance KShs '000	Total credit impairment KShs '000	Net carrying value KShs '000	Gross balance KShs '000	Total credit impairment KShs '000	Net carrying value KShs '000	Gross balance KShs '000	Total credit impairment KShs '000	Net carrying value KShs '000
Balances with Central Bank of Kenya	28,173,143	-	28,173,143	-	-	-	28,173,143	-	28,173,143
Loans and advances to banks (amortised cost)	1,164,478	(6,835)	1,157,643	-	-	-	1,164,478	(6,835)	1,157,643
Loans and advances to customers (amortised cost)	145,209,376	(1,087,081)	144,122,295	5,870,434	(607,584)	5,262,850	7,561,540	(5,299,306)	2,262,234
Government securities held at FVOCI ¹	98,002,713	-	98,002,713	-	-	-	-	-	98,002,713
Government securities held at FVTPL	774,509	-	774,509	-	-	-	774,509	-	774,509
Due from group companies and other related parties	78,608,857	(43,903)	78,564,954	-	-	-	78,608,857	(43,903)	78,564,954
Other assets	5,043,313	-	5,043,313	-	-	-	5,043,313	-	5,043,313
Total	356,976,389	(1,137,819)	355,838,570	5,870,434	(607,584)	5,262,850	7,561,540	(5,299,306)	7,044,709

¹These instruments are held at fair value in the Statement of Financial Position. The ECL provision of KShs 262,692,000 (2024: KShs 197,721,000) in respect of government securities measured at FVOCI is held within the OCI reserve.

Financial statements

4. Financial risk and capital management review continued

(a) Credit risk continued

(ii) Credit risk quality analysis continued

Analysis of financial instruments by stage continued

Offbalance sheet

2024

Group and company	Stage 1			Stage 2			Stage 3			Totals		
	Gross balance KShs '000	Total credit impairment KShs '000	Net carrying value KShs '000	Gross balance KShs '000	Total credit impairment KShs '000	Net carrying value KShs '000	Gross balance KShs '000	Total credit impairment KShs '000	Net carrying value KShs '000	Gross balance KShs '000	Total credit impairment KShs '000	Net carrying value KShs '000
Undrawn commitments ¹	42,679,706	(33,402)	3,311,817	3,311,817	(77,943)	–	–	–	45,991,523	–	(111,345)	
Financial guarantees ¹	61,025,567	(13,642)	2,697,847	2,697,847	(7,722)	451,073	451,073	(225,246)	64,174,487	(246,610)	–	
Total	103,705,273	(47,044)	6,009,664	6,009,664	(85,665)	451,073	451,073	(225,246)	110,166,010	(357,955)	–	

¹These are off-balance sheet instruments. Only the ECL is recorded in the Statement of Financial position as a financial liability and therefore there is no "net carrying amount".

Notes to the financial statements

4. Financial risk and capital management review continued

(a) Credit risk continued

(ii) Credit risk quality analysis continued

Analysis of financial instruments by stage continued

Company	2025											
	Stage 1			Stage 2			Stage 3			Totals		
	Gross balance KSh's '000	Total credit impairment KSh's '000	Net carrying value KSh's '000	Gross balance KSh's '000	Total credit impairment KSh's '000	Net carrying value KSh's '000	Gross balance KSh's '000	Total credit impairment KSh's '000	Net carrying value KSh's '000	Gross balance KSh's '000	Total credit impairment KSh's '000	Net carrying value KSh's '000
Balances with Central Bank of Kenya	7,788,863	-	7,788,863	-	-	-	-	-	-	-	-	7,788,863
Loans and advances to banks (amortised cost)	742,784	(1,900)	740,884	-	-	-	-	-	-	-	-	740,884
Loans and advances to customers (amortised cost)	142,143,196	(1,251,493)	140,891,703	6,901,205	(357,713)	6,543,492	5,382,951	(4,210,784)	1,172,167	154,427,352	(5,819,990)	148,607,362
Loans and advances to customers (FVTPL)	5,699,677	-	5,699,677	-	-	-	-	-	-	5,699,677	-	5,699,677
Government securities held at FVOCI	96,901,825	-	96,901,825	-	-	-	-	-	-	96,901,825	-	96,901,825
Government securities held at FVTPL	10,426,958	-	10,426,958	-	-	-	-	-	-	10,426,958	-	10,426,958
Due from group companies and other related parties	72,542,880	(46,127)	72,496,753	-	-	-	-	-	-	72,542,880	(46,127)	72,496,753
Other assets	4,366,636	-	4,366,636	-	-	-	-	-	-	4,366,636	-	4,366,636
Total	340,612,819	(1,299,520)	339,313,299	6,901,205	(357,713)	6,543,492	5,382,951	(4,210,784)	1,172,167	352,896,975	(5,868,017)	347,028,958

*These instruments are held at fair value in the Statement of Financial Position. The ECL provision of KSh's 262,692,000 (2024: KSh's 197,721,000) in respect of government securities measured at FVOCI is held within the OCI reserve.

Notes to the financial statements

4. Financial risk and capital management review continued

(a) Credit risk continued

(ii) Credit risk quality analysis continued

Analysis of financial instruments by stage continued

Company	Stage 1			Stage 2			Stage 3			Totals		
	Gross balance KShs '000	Total credit impairment KShs '000	Net carrying value KShs '000	Gross balance KShs '000	Total credit impairment KShs '000	Net carrying value KShs '000	Gross balance KShs '000	Total credit impairment KShs '000	Net carrying value KShs '000	Gross balance KShs '000	Total credit impairment KShs '000	Net carrying value KShs '000
Balances with Central Bank of Kenya	28,173,143	-	28,173,143	-	-	-	28,173,143	-	-	28,173,143	-	28,173,143
Loans and advances to banks (amortised cost)	1,164,478	(6,835)	1,157,643	-	-	-	1,164,478	-	-	1,164,478	(6,835)	1,157,643
Loans and advances to customers (amortised cost)	145,209,376	(1,087,081)	144,122,295	5,870,434	(607,584)	5,262,850	7,561,540	(5,299,306)	2,262,234	158,641,350	(6,993,971)	151,647,379
Government securities held at FVOCI ¹	98,002,713	-	98,002,713	-	-	-	98,002,713	-	-	98,002,713	-	98,002,713
Government securities held at FVTPL	774,509	-	774,509	-	-	-	774,509	-	-	774,509	-	774,509
Due from group companies and other related parties	79,472,178	(43,903)	79,428,275	-	-	-	79,472,178	(43,903)	-	79,428,275	(43,903)	79,428,275
Other assets	5,043,314	-	5,043,314	-	-	-	5,043,314	-	-	5,043,314	-	5,043,314
Total	357,839,711	(1,137,819)	-	5,870,434	(607,584)	7,561,540	371,271,685	(5,299,306)	-	371,271,685	(7,044,709)	371,271,685

¹These instruments are held at fair value in the Statement of Financial Position. The ECL provision in respect of government securities measured at FVOCI is held within the OCI reserve.

Notes to the financial statements

4. Financial risk and capital management review continued

(a) Credit risk continued

(ii) Credit risk quality analysis continued

Analysis of financial instruments by stage continued

To meet the financial needs of customers, the Company enters into various irrevocable commitments and contingent liabilities which consist of financial guarantees and other commitments to lend. Even though these obligations may not be recognised on the statement of financial position, they contain credit risk and therefore form part of the overall risk for the Group and Company.

The table shows the credit risk quality of the off- balance sheet financial assets.

Group and Company	2025			2024		
	Undrawn commitments KShs '000	Financial Guarantees KShs '000	Total off balance sheet KShs '000	Undrawn commitments KShs '000	Financial Guarantees KShs '000	Total off balance sheet KShs '000
Amortised cost						
Stage 1	36,811,600	70,797,861	107,609,461	42,679,707	30,119,283	72,798,990
• Strong4	23,992,155	60,636,167	84,628,322	31,426,633	18,601,166	50,027,799
• Satisfactory4	12,819,445	10,161,694	22,981,139	11,253,073	11,518,117	22,771,190
Stage 2	5,650,086	2,185,967	7,836,053	3,311,816	2,697,847	6,009,663
• Strong	1,724,225	306,010	2,030,235	100,958	1,864,089	1,965,047
• Satisfactory	2,241,922	1,446,751	3,688,673	2,296,539	445,107	2,741,646
• Higher risk	1,683,939	433,206	433,206	914,320	388,651	1,302,971
Stage 3, credit-impaired financial assets	-	255,035	255,035	-	451,073	451,073
Gross balance	42,461,686	73,238,863	115,700,549	45,991,523	33,268,203	79,259,726
Stage 1	(21,255)	(42,295)	(63,550)	(33,402)	(13,642)	(47,044)
• Strong	(16,754)	(10,999)	(27,753)	(13,367)	(2,083)	(15,450)
• Satisfactory	(4,501)	(31,296)	(35,797)	(20,035)	(11,559)	(31,594)
Stage 2	(275,535)	(59,041)	(334,576)	(77,942)	(7,723)	(85,665)
• Strong	(84)	(106)	(190)	(532)	(117)	(649)
• Satisfactory	(25,805)	(52,259)	(78,064)	(43,977)	(2,203)	(46,180)
• Higher risk	(249,646)	(6,676)	(256,322)	(33,434)	(5,402)	(38,836)
Stage 3, credit-impaired financial assets	-	(398)	(398)	-	(225,246)	(225,246)
Total credit impairment	(296,790)	(101,734)	(398,524)	(111,345)	(246,611)	(357,956)

Notes to the financial statements

4. Financial risk and capital management review continued

(a) Credit risk continued

(ii) Credit risk quality analysis continued

Analysis of loans and advances concentration by sector

Credit concentration risk in Corporate and Investment Banking segment is managed through the use of various concentration dimensions that include industry sector, geographic spread, credit rating, customer segment and exposure to single counterparties or groups of related counterparties.

Credit concentration risk in Wealth and Retail Banking segment is managed within exposure limits set for each product segment. These limits are reviewed at least annually and are approved by the responsible business and risk officer and ultimately by the Board in accordance with their delegated authority level.

Loans and advances to customers (amortised cost)

On balance sheet	2025				2024			
	Stage 1 KShs '000	Stage 2 KShs '000	Stage 3 KShs '000	Total KShs '000	Stage 1 KShs '000	Stage 2 KShs '000	Stage 3 KShs '000	Total KShs '000
Business services	42,234,659	99,933	375	42,334,967	24,121,569	-	232	24,121,801
Manufacturing	14,791,514	13,795	1,570,632	16,375,941	12,856,693	1,079,510	2,034,076	15,970,279
Wholesale and retail	8,855,951	111,581	511,006	9,478,538	7,597,877	926,896	1,141,689	9,666,462
Transport and communication	16,489,313	48,974	120,553	16,658,840	28,924,683	72,966	133,352	29,131,001
Real estate	537,144	132,411	165,253	834,808	667,515	62,391	181,911	911,817
Agriculture	1,886,121	2,934	66,750	1,955,805	2,112,412	70,922	371,312	2,554,646
Energy and water	3,032,568	4,160	167	3,036,895	12,185,229	4,510	-	12,189,739
Others	54,315,926	6,487,417	2,948,215	63,751,558	56,743,398	3,653,239	3,698,968	64,095,605
Total	142,143,196	6,901,205	5,382,951	154,427,352	145,209,376	5,870,434	7,561,540	158,641,350
Expected credit loss	(1,251,493)	(357,713)	(4,210,784)	(5,819,990)	(1,087,081)	(607,584)	(5,299,306)	(6,993,971)
Carrying amount as at 31 December	140,891,703	6,543,492	1,172,167	148,607,362	144,122,295	5,262,850	2,262,234	151,647,379

Loans and advances to customers (FVTPL)

On balance sheet	2025				2024			
	Stage 1 KShs '000	Stage 2 KShs '000	Stage 3 KShs '000	Total KShs '000	Stage 1 KShs '000	Stage 2 KShs '000	Stage 3 KShs '000	Total KShs '000
Business services	5,754,001	-	-	5,754,001	-	-	-	-
Fair value changes	(54,324)	-	-	(54,324)	-	-	-	-
Carrying amount as at 31 December	5,699,677	-	-	5,699,677	-	-	-	-

Gross Loans and advances to customers (amortised cost)

On balance sheet	2025				2024			
	Stage 1 KShs '000	Stage 2 KShs '000	Stage 3 KShs '000	Total KShs '000	Stage 1 KShs '000	Stage 2 KShs '000	Stage 3 KShs '000	Total KShs '000
Corporate and Investment Banking	80,355,576	5,118,529	1,703,466	87,177,571	84,651,493	1,993,654	2,571,455	89,216,602
Wealth & Retail Banking	61,787,620	1,782,676	3,679,485	67,249,781	60,557,883	3,876,780	4,990,085	69,424,748
Total	142,143,196	6,901,205	5,382,951	154,427,352	145,209,376	5,870,434	7,561,540	158,641,350

Gross Loans and advances to customers (FVTPL)

On balance sheet	2025				2024			
	Stage 1 KShs '000	Stage 2 KShs '000	Stage 3 KShs '000	Total KShs '000	Stage 1 KShs '000	Stage 2 KShs '000	Stage 3 KShs '000	Total KShs '000
Corporate and Investment Banking	5,699,677	-	-	5,699,677	-	-	-	-
Total	5,699,677	-	-	5,699,677	-	-	-	-

Notes to the financial statements

4. Financial risk and capital management review continued

(a) Credit risk continued

(ii) Credit risk quality analysis continued

Movement of Government securities held at FVOCI

Group and Company	Stage 1	
	Gross balance KShs '000	Impairment KShs '000
As at 1 January 2025	98,002,713	(197,721)
Additions	42,164,166	1,146,546
Disposals and maturities	(53,078,929)	(1,211,517)
Changes in fair value	(1,153,606)	-
Fair value recycled through income statement	10,825	-
Movement in accrued interest	(22,982)	-
Amortisation of discounts and premiums	10,979,638	-
As at 31 December 2025	96,901,825	(262,692)
Income statement ECL charge	-	(64,971)
As at 1 January 2024	63,834,200	(444,830)
Additions	110,460,753	(1,123,078)
Disposals and maturities	(87,964,000)	1,370,187
Changes in fair value	1,911,651	-
Fair value recycled through income statement	1,252,258	-
Movement in accrued interest	(643,123)	-
Amortisation of discounts and premiums	9,150,974	-
As at 31 December 2024	98,002,713	(197,721)
Income statement ECL charge	-	247,109

Government securities are held at fair value in the statement of financial position. Therefore, there is no "net carrying amount". The ECL provision of KShs 262m (2024: KShs 247m) in respect of government securities measured at FVOCI is held within the OCI reserve.

Movement of loans and advances to banks

Group and Company	Stage 1		
	Gross balance KShs '000	Impairment KShs '000	Net KShs '000
As at 1 January 2024	3,963,423	(5,645)	3,957,778
Additions	54,146,177	(1,514)	54,144,663
Repayments	(57,024,524)	(1,235)	(57,025,759)
Exchange translation differences	79,402	1,559	80,961
As at 31 December 2024	1,164,478	(6,835)	1,157,643
Income statement ECL charge	-	(2,749)	-
As at 1 January 2025	1,164,478	(6,835)	1,157,643
Additions	54,208,963	8,651	54,217,614
Repayments	(54,710,060)	(3,010)	(54,713,070)
Exchange translation differences	79,403	(706)	78,697
As at 31 December 2025	742,784	(1,900)	740,884
Income statement ECL charge	-	5,641	-

Financial statements

4. Financial risk and capital management review continued

(a) Credit risk continued

(ii) Credit risk quality analysis continued

Movement in gross exposures and credit impairment loans and advances to customers at amortised cost

Group and Company	2025									
	Stage 1	Stage 2	Stage 3	Total						
	Gross balance KSh's '000	Net carrying value KSh's '000	Total credit impairment KSh's '000	Net carrying value KSh's '000						
As at 1 January 2024	154,242,459	153,572,203	6,871,063	5,494,835	11,823,094	(7,728,355)	4,094,739	172,936,616	(9,774,839)	163,161,777
Transfers to stage 1	10,407,178	(1,372,336)	9,034,842	(10,407,178)	1,372,336	(9,034,842)	-	-	-	-
Transfers to stage 2	(28,811,821)	464,857	(28,346,964)	31,302,073	(990,837)	(990,837)	30,311,236	(2,490,252)	525,980	(1,964,272)
Transfers to stage 3	-	-	-	(4,467,754)	896,272	(896,272)	4,467,754	-	-	3,571,482
Newly originated	248,258,573	247,474,354	-	-	-	-	-	248,258,573	(784,219)	247,474,354
Repayments	(241,468,009)	(241,443,665)	(16,655,426)	(16,655,426)	26,719	(993,278)	(16,628,707)	(259,116,713)	963,813	(258,152,900)
Net remeasurement from stage changes	-	217,089	-	(277,832)	(277,832)	-	(3,222,970)	-	(3,283,713)	(3,283,713)
Changes in models	-	1,012,106	-	(270,061)	(270,061)	-	(277,832)	-	742,045	742,045
Write-offs	-	-	-	-	-	(1,586,122)	(1,586,122)	-	(1,586,122)	1,586,122
Exchange translation differences	2,580,996	21,334	2,602,330	(772,344)	12,047	(3,659,656)	3,523,439	(1,851,004)	3,556,820	1,705,816
As at 31 December 2024	145,209,376	(1,087,081)	144,122,295	5,870,434	(607,584)	(607,584)	(5,299,306)	158,641,350	(6,993,971)	151,647,379
Income statement ECL	-	469,320	-	(521,174)	(521,174)	-	(2,310,220)	-	(2,362,074)	-
Recoveries of amounts	-	-	-	-	-	-	409,907	-	409,907	-
Total credit impairment charge	-	469,320	-	(521,174)	(521,174)	-	(1,900,313)	-	(1,952,167)	-
As at 1 January 2025	145,209,376	(1,087,081)	144,122,295	5,870,434	(607,584)	(607,584)	(5,299,306)	158,641,350	(6,993,971)	151,647,379
Transfers to stage 1	4,332,082	(349,416)	3,982,666	(4,332,082)	349,416	(3,982,666)	-	-	-	-
Transfers to stage 2	(17,380,335)	1,405,329	(15,975,006)	19,321,499	(1,429,770)	(1,429,770)	17,891,729	(1,941,164)	24,441	(1,916,723)
Transfers to stage 3	-	-	-	(3,427,627)	1,569,557	(1,858,070)	3,427,627	-	-	1,858,070
Newly originated	284,731,050	(1,990,706)	282,740,344	(10,873,036)	20,471	(10,852,565)	(3,019,753)	892,402	(2,127,351)	270,838,261
Repayments	(275,257,750)	387,574	(274,870,176)	-	(553,275)	-	(283,810)	(275,257,750)	387,574	(274,870,176)
Net remeasurement from stage changes	-	58,104	-	(58,104)	(58,104)	-	(283,810)	-	(778,981)	(778,981)
Changes in models	-	35,650	-	35,650	12,184	-	(633,354)	-	(585,520)	(585,520)
Write-offs	-	-	-	-	-	(1,652,705)	1,652,705	-	(1,652,705)	1,652,705
Exchange translation	508,773	289,053	797,826	342,017	281,288	1,007,406	1,005,695	1,858,196	1,576,036	3,434,232
As at 31 December 2025	142,143,196	(1,251,493)	140,891,703	6,901,205	(357,713)	5,382,951	(4,210,784)	154,427,352	(5,819,990)	148,607,362
Income statement ECL	-	(1,509,378)	-	(520,620)	(520,620)	-	(2,054,760)	-	(2,054,760)	-
Recoveries of amounts previously written off	-	-	-	-	-	-	414,954	-	414,954	-
Total credit impairment	-	(1,509,378)	-	(520,620)	(520,620)	-	390,192	-	(1,639,806)	-

Notes to the financial statements

4. Financial risk and capital management review continued

(a) Credit risk continued

(ii) Credit risk quality analysis continued

The contractual amount of financial assets that have been written off by the Group and Company as at 31 December 2025 and that were still subject to enforcement activity was KShs 1,652,705 (2024: 1,586,122)

Movement in gross exposures and credit impairment loans and advances to customers at FVTPL

Group and Company	Stage 1		
	Gross balance KShs '000	Total fair value changes KShs '000	Net KShs '000
As at 1 January 2025	-	-	-
Newly originated	5,754,001	(54,324)	5,699,677
As at 31 December 2025	5,754,001	(54,324)	5,699,677
Income statement ECL (charge)/release	-	-	-
Recoveries of amounts previously written off	-	-	-
Total credit impairment charge	-	-	-

Movement in gross exposures and credit impairment on balances due from group companies and other related parties

Group	Stage 1		
	Gross balance KShs '000	Total fair value loss KShs '000	Net KShs '000
As at 1 January 2024	129,281,610	(28,000)	129,253,610
Additions	62,876,945	(44,925)	62,832,020
Repayments	(113,549,698)	29,022	(113,520,676)
As at 31 December 2024	78,608,857	(43,903)	78,564,954
Income statement ECL charge	-	(15,903)	-
As at 1 January 2025	78,608,857	(43,903)	78,564,954
Additions	62,752,611	-	62,752,611
Repayments	(69,970,276)	(2,224)	(69,972,500)
As at 31 December 2025	71,391,192	(46,127)	71,345,065
Income statement ECL release	-	(2,224)	-

Company	Stage 1		
	Gross balance KShs '000	Total fair value loss KShs '000	Net KShs '000
As at 1 January 2024	129,703,405	(28,000)	129,675,405
Net change in exposures	62,876,945	(44,925)	62,832,020
Net remeasurement from stage changes	(113,108,172)	29,022	(113,079,150)
As at 31 December 2024	79,472,178	(43,903)	79,428,275
Income statement ECL charge	-	(15,903)	-
As at 1 January 2025	79,472,178	(43,903)	79,428,275
Net change in exposures	62,752,611	-	62,752,611
Net remeasurement from stage changes	(69,681,909)	(2,224)	(69,684,133)
As at 31 December 2025	72,542,880	(46,127)	72,496,753
Income statement ECL release	-	(2,224)	-

Notes to the financial statements

4. Financial risk and capital management review continued

(a) Credit risk continued

(ii) Credit risk quality analysis continued

Movement in gross exposures and credit impairment on undrawn commitments, financial guarantees and letters of credit

	Stage 1		Stage 2		Stage 3		Total	
	Gross balance KShs '000	Credit impairment KShs '000	Gross balance KShs '000	Credit impairment KShs '000	Gross balance KShs '000	Credit impairment KShs '000	Gross balance KShs '000	Credit impairment KShs '000
As at 1 January 2024	103,494,634	(35,274)	5,264,691	(76,236)	279,713	(77)	109,039,038	(111,587)
Transfers to stage 1	4,359,308	(14,015)	(4,333,899)	14,015	(25,409)	-	-	-
Transfers to stage 2	(13,295,450)	7,463	13,324,150	(7,463)	(28,700)	-	-	-
Transfers to stage 3	-	-	(642,475)	3,903	642,475	(3,903)	-	-
Newly originated during the period	79,495,968	(29,143)	-	-	-	-	79,495,968	(29,143)
Applied during the period	(66,155,505)	19,638	(7,353,880)	34,455	(386,639)	218	(73,896,024)	54,311
Net remeasurement from stage changes	-	-	-	(60,881)	209,994	(4,187)	209,994	(65,068)
Exchange translation differences	(4,193,678)	4,287	(248,927)	6,542	(240,360)	(217,297)	(4,682,965)	(206,468)
As at 31 December 2024	103,705,277	(47,044)	6,009,660	(85,665)	451,074	(225,246)	110,166,011	(357,955)
Income statement ECL (charge)/release	(9,505)	(9,505)	(26,426)	(26,426)	(3,969)	(3,969)	(39,900)	(39,900)
Total credit impairment (charge)/release								
As at 1 January 2025	103,705,277	(47,044)	6,009,660	(85,665)	451,074	(225,246)	110,166,011	(357,955)
Transfers to stage 1	1,477,922	(5,458)	(1,477,922)	5,458	-	-	-	-
Transfers to stage 2	(18,020,698)	2,456	18,023,098	(2,456)	(2,400)	-	-	-
Transfers to stage 3	(10,768)	5	(26,336)	(225,251)	37,104	225,246	-	-
Newly originated during the period	119,038,294	(40,164)	-	-	-	-	119,038,294	-
Applied during the period	(104,468,364)	-	(14,703,406)	-	(228,778)	-	(119,400,548)	(40,164)
Net remeasurement from stage changes	-	-	-	-	-	-	-	-
Exchange translation differences	5,887,798	26,655	10,959	(26,662)	(1,965)	(398)	5,896,792	(405)
As at 31 December 2025	107,609,461	(63,550)	7,836,053	(334,576)	255,035	(398)	115,700,549	(398,524)
Income statement ECL (charge)/release	(40,164)	(40,164)	-	-	-	-	-	(40,164)
Total credit impairment (charge)/release								

These are off-balance sheet instruments. Only the ECL is recorded in the statement of financial position as a liability and therefore there is no "net carrying amount". ECL allowances on off-balance sheet instruments are held as liability provisions to the extent that the drawn and undrawn components of loan exposures can be separately identified. Otherwise, they will be reported against the drawn component.

4. Financial risk and capital management review continued

(a) Credit risk continued

(iii) Collateral held and other credit enhancements

The Group and Company hold collateral against loans and advances to customers in the form of cash, residential, commercial and industrial property, fixed assets such as plant and machinery, marketable securities, bank guarantees and letters of credit.

The Group and Company also enter into collateralised reverse purchase agreements. Risk mitigation policies control the approval of collateral types. Collateral is valued in accordance with the Group's and Company's risk mitigation policy, which prescribes the frequency of valuation for different collateral types. The valuation frequency is driven by the level of price volatility of each type of collateral.

Collateral generally is not held over loans and advances to banks, except when securities are held as part of reverse purchase and securities borrowing activity. Collateral usually is not held against investment securities, and no such collateral was held as at 31 December 2025 and 2024.

No collateral or credit enhancement is held for other assets (bank balances, government securities, loans and advances to banks , other financial assets due from group companies and other related parties)

The table below details collateral held against exposures, showing separately stage 1, stage 2 and stage 3 exposures and corresponding collateral.

Collateral held

Group and Company	2025						Total Net	
	Stage 1		Stage 2		Stage 3		Loans and advances to customer KShs '000	Total Collaterals KShs '000
	Loans and advances to customers KShs '000	Collateral KShs '000	Net exposure KShs '000	Loans and advances to customers KShs '000	Collateral KShs '000	Net surplus KShs '000	Loans and advances to customer KShs '000	Total Collaterals KShs '000
Corporate and Investment Banking	80,241,050	68,536,420	11,704,630	4,868,796	7,814,787	(2,945,991)	85,173,884	76,681,741
Wealth & Retail Banking	60,650,653	59,515,378	1,135,275	1,674,696	1,680,577	(5,881)	63,433,478	65,223,075
Total	140,891,703	128,051,798	12,839,905	6,543,492	9,495,364	(2,951,872)	148,607,362	141,904,816
	2024							
Corporate and Investment Banking	84,606,918	68,536,420	16,070,498	1,498,200	1,680,577	(182,377)	319,187	86,424,305
Wealth & Retail Banking	59,515,377	59,515,377	-	3,764,650	7,814,787	(4,065,486)	1,943,047	65,223,074
Total	144,122,295	128,051,797	16,070,498	5,262,850	9,495,364	(4,247,863)	2,262,234	151,647,379

Problem credit management

Accounts or portfolios are placed on an early alert report and regularly reviewed by the Credit Issues Committee when they display signs of weakness or financial deterioration for example where there is a rapid decline in the client's position within the industry, a breach of covenants, non-performance of an obligation, or there are issues relating to ownership or management. Such accounts and portfolios are subjected to a dedicated process with oversight involving the Chief Executive Officer, Chief Risk Officer, Senior Credit Officer and Special Asset Group ("SAG"). Account plans are re-evaluated, and remedial actions are agreed and monitored until completed. Remedial actions include, but are not limited to, reviewing structure of facilities, exposure reduction, security enhancement, exit of the accounts or immediate movement of the accounts into the control of SAG, the specialist recovery unit.

For Wealth and Retail Banking facilities, Business banking accounts are placed on Stressed Accounts Monitoring when they become delinquent or when their credit turnovers show a declining trend. The accounts are then transferred to collections team upon further deterioration. On reaching 90 days past due (dpd), the accounts are managed through a foreclosure process. The accounts are and regularly reviewed by the Credit Issues Committee with oversight involving the Chief Executive Officer, Chief Risk Officer and Country Credit Head.

Notes to the financial statements

4. Financial risk and capital management review continued

(a) Credit risk continued

(iv) Expected credit loss measurement

Staging of financial instruments

Financial instruments that are not already credit-impaired are originated into stage 1 and a 12-month ECL is recognised. Instruments will remain in stage 1 until they are repaid, unless they experience significant credit deterioration (stage 2) or they become credit-impaired (stage 3).

ECL for financial assets will transfer from a 12-month basis to lifetime when there is significant increase in credit risk (SICR) compared with what was expected at origination or when they become credit impaired. On transfer to a lifetime basis, the ECL for those assets will reflect the impact of a default event expected to occur over the remaining lifetime of the instrument rather than just over the 12 months from the reporting date.

SICR is assessed by comparing the risk of default of an exposure at the reporting date with the risk of default at origination (after considering the passage of time). 'Significant' does not mean statistically significant nor is it reflective of the extent of the impact on the Group's and Company's financial statements. Whether a change in the risk of default is significant or not is assessed using quantitative and qualitative criteria, the weight of which will depend on the type of product and counterparty.

Instruments are classified as stage 3 when they become credit impaired. Lifetime ECL is recognised for stage 3 assets.

Stage 1	Stage 2	Stage 3
<ul style="list-style-type: none"> • 12-month expected credit loss • Performing 	<ul style="list-style-type: none"> • Lifetime expected credit loss • Performing but significant increase in credit risk (SICR) 	<ul style="list-style-type: none"> • Credit impaired • Non-performing

Transfers between stages

Assets will transfer from stage 3 to stage 2 when they are no longer considered to be credit impaired. Assets will not be considered to be credit-impaired only if the customer makes payments such that all arrears have been cleared in line with the original contractual terms.

In addition:

- loans that were subject to forbearance measures must remain current for 12 months before they can be transferred to stage 2 or stage 1 when they are no longer considered to have significant increase in credit risk; and
- Wealth and Retail Banking loans that were not subject to forbearance measures must remain current for 180 days before they can be transferred to stage 2 or stage 1.

Assets may transfer to stage 1 if they are no longer considered to have experienced a SICR. This will be immediate when the original probability of default (PD) based transfer criteria are no longer met (and as long as none of the other transfer criteria apply). Where assets were transferred using other measures, the assets will only transfer back to stage 1 when the condition that caused the significant increase in credit risk no longer applies (and as long as none of the other transfer criteria apply).

Notes to the financial statements

4. Financial risk and capital management review continued

(a) Credit risk continued

(iv) Expected credit loss measurement continued

Approach to determining ECL – inputs, assumptions and estimation techniques

ECL is the discounted product of the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) defined as follows:

- PD is the probability at a point in time that a counterparty will default, calibrated over up to 12 months from the reporting date (stage 1) or over the lifetime of the asset (stage 2) and incorporating the impact of forward-looking economic assumptions that have an effect on credit risk, such as interest rates, unemployment rates and GDP forecasts. PD is estimated at a point in time, that means it will fluctuate in line with the economic cycle.
- LGD refers to the loss that is expected to arise on default, incorporating the impact of forward-looking economic assumptions where relevant, which represents the difference between the contractual cash flows due and those that the Bank expects to receive. The Group and Company estimate LGD based on the history of recovery rates and consider the recovery of any collateral that is integral to the financial asset, taking into account forward-looking economic assumptions where relevant.
- EAD refers to the expected reporting date exposure at the time of default, taking into account the expected change in exposure over the lifetime of the exposure. This incorporates the impact of drawdowns of committed facilities, repayments of principal and interest, amortisation and prepayments, together with the impact of forward-looking economic assumptions where relevant.

ECL is determined by projecting the PD, LGD and EAD for each future month for each exposure or segment. These three components are multiplied together and adjusted for survival (i.e. the exposure has not prepaid or defaulted in an earlier month) effectively calculating ECL for a future month. This is then discounted to the reporting date using the effective interest rate.

For portfolios within Corporate and Investment Banking, and material WRB portfolios that do not have objective evidence of impairment (Stages 1 and 2), ECLs are determined by estimating the expected cash shortfalls by multiplying the PD with the LGD and the EAD. The ECL is discounted to the reporting date using a rate that approximates the effective interest rate (EIR) of the asset. Where insufficient information is available for certain small WRB portfolios for the Group and Company to assess lifetime ECL at individual instrument level, ECL may be measured on a collective basis that considers credit risk information on instrument groups that share similar credit risk characteristics. For smaller, less complex WRB portfolios, simplified models are used to determine ECL. These use a combination of roll rate and loss rate models.

ECL is estimated based on the shorter of the expected life and the maximum contractual period for which the Group and Company are exposed to credit risk. For Wealth and Retail Banking credit cards and Corporate and Investment Banking overdraft facilities, however, the Group and Company do not typically enforce the contractual period. As a result, for these instruments, the lifetime of the exposure is based on the period the Group and Company are exposed to credit risk. This period has been determined by reference to the extent to which credit risk management actions curtail the period of exposure. For credit cards, this has resulted in an average life of 12 months. Overdraft facilities have a 22-month lifetime.

The lifetime of drawn and undrawn committed revolving facilities in the Corporate and Investment Banking segments, is set at the residual tenor of the respective facilities. With the exception of overdraft facilities, drawn and undrawn revolving facilities in these client segments do not give rise to credit risk and hence no ECL because the Group and Company have a legal right to revoke the facilities at short notice and has a practice of doing so in response to a SICR.

Forward looking economic information is also included in determining the 12-month and lifetime PD, LGD and EAD as detailed below.

The assumptions underlying the ECL calculation such as the maturity profile of the PDs and how collateral values change etc, are monitored and reviewed on a quarterly basis.

Notes to the financial statements

4. Financial risk and capital management review continued

(a) Credit risk continued

(iv) Expected credit loss measurement continued

Incorporation of forward-looking information

Multiple forward-looking economic scenarios are incorporated into the range of reasonably possible outcomes, both in respect of determining the PD (and where relevant, the LGD and EAD) and in determining the overall ECL amounts to address the non-linearity characteristic of credit losses. These scenarios are conditioned internal macroeconomic views of the Group and Company.

Monte Carlo Simulation generates scenarios of macroeconomic variables relevant for IFRS 9 models.

The Multiple Scenario solution consists of three integrated components:

- (i) A set of point forecasts, generated by the Scenario Design Team (“SDT”), that sets the internal view of the future macroeconomic environment;
- (ii) A set of simulation models, calibrated on historical data, to generate “un-weighted” alternative scenarios; and
- (iii) A procedure to ensure that the simulations (component (ii) above) are plausible given the internal view (component (i) above). The procedure yields probability weights that are attached to the alternative scenarios.

The Multiple Scenario solution generates 50 random scenarios to ensure non-linearity is appropriately reflected. To ensure these scenarios remain plausible, simulated macroeconomic variables have to fall within defined ceilings or floors, which are set by SDT to enable a wide range of reasonably possible scenarios while excluding extreme or implausible scenarios.

The reported ECL is therefore the equally weighted average of the ECL of the 50 simulated scenarios, whose average scenario coincides closely with the central economic scenario. In this way, the methodology both orients the ECL to management view of the economic outlook and incorporates significant dispersion around the management view to account for unforeseen eventualities.

The review and challenge of the macroeconomic forecasts is primarily driven through the activities of the IFRS 9 Expert Panel and the IFRS 9 Impairment Committee.

The table below sets out a representative summary of the economic variables and asset prices that the Group and Company considered most important in the determination of ECL.

Group	2025			2024		
	Base forecast	Low	High	Base forecast	Low	High
GDP Growth (YoY%)	4.82	4.33	5.30	5.03	4.53	5.53
FX rate (KShs)	131	118	144	134	121	147
Government spending (KShs Billions)	4,106	3,695	4,517	3,752	3,377	4,127
Household income (KShs Billions)	3,580	3,222	3,938	3,359	3,023	3,695
Imports (KShs Billions)	659	593	724	590	531	649
Interest rate – 91 Day TB rate (%)	8.50	7.65	9.35	11.0	9.90	12.10
Consumer price index	148	133	163	144	129	158
Equity index	2,824	2,541	3,106	1,716	1,544	1,887

Credit impaired assets managed by the Stressed Assets Group (SAG) department incorporate forward looking economic assumptions in respect of recovery outcomes identified and are assigned individual probability weightings. These assumptions are not based on Monte Carlo simulation but are informed by the base case.

Sensitivity of expected credit loss calculation to macroeconomic variables

The ECL calculation relies on multiple variables and is inherently non-linear and portfolio-dependent, which implies that no single analysis can fully demonstrate the sensitivity of the ECL to changes in the macroeconomic variables. The Group has conducted a series of analyses with the aim of identifying the macroeconomic variables that might have the greatest impact on overall ECL. These encompassed single variable and multi-variable exercises, using simple up/ down variation and extracts from actual calculation data, as well as bespoke scenario design and assessments. The primary conclusion of these exercises is that no individual macroeconomic variable is materially influential. The Group believes this is plausible as the number of variables used in the ECL calculation is large. This does not mean that macroeconomic variables are unimportant; rather, that the Group believes that consideration of macroeconomics should involve whole scenarios, as this aligns with the multi-variable nature of the calculation.

Notes to the financial statements

4. Financial risk and capital management review continued

(a) Credit risk continued

(iv) Expected credit loss measurement continued

Significant increase in credit risk

Significant deterioration is assessed by comparing the risk of default at the reporting date to the risk of default at origination. Whether a change in the risk of default is significant or not is assessed using quantitative and qualitative criteria. These quantitative significant deterioration thresholds have been separately defined for each business segment and where meaningful, are consistently applied across business lines.

Corporate and Investment Banking segment

- Quantitative criteria: exposures are assessed based on both the absolute and the relative movement in the PD from origination to the reporting date. The relative threshold is a 100 per cent increase in PD and the absolute change in PD is between 50 – 100 basis points.
- Qualitative criteria: all accounts that have been placed on Early Alert (for non-purely precautionary reasons) are deemed to have experienced a significant increase in credit risk. An account is placed on Early Alert on a non-purely precautionary basis if it exhibits risk or potential weaknesses of a material nature requiring closer monitoring, supervision or attention by management. Weaknesses in such a borrower's account, if left uncorrected, could result in deterioration of repayment prospects and the likelihood of being downgraded. Indicators could include a rapid erosion of position within the industry, concerns over management's ability to manage operations, weak/deteriorating operating results, liquidity strain and overdue balances among other factors.

All accounts that have been assigned a CG12 rating, equivalent to 'Higher Risk', are deemed to have experienced a significant increase in credit risk (SICR). Accounts rated CG12 are managed by the Special Asset unit. The only exception to this is for accounts under USD 5m/KShs 649m in Corporate and Investment Banking where business Relationship Managers (RMs) will retain responsibility for managing CG12-14 client groups with exposures of less than or equal to USD 5m. The Business RMs will continue managing these accounts with the approvals from credit (when client is in CG12) or country business heads via SAG delegated authority (when client is in CG13/14).

All Corporate and Investment Banking clients are placed on CG12 when they are 30 days past due (dpd) unless they are granted a waiver through a strict governance process.

Wealth and Retail Banking segment

- Quantitative criteria: exposures are assessed based on both the absolute and the relative movement in the PD from origination to the reporting date. The relative threshold is a 100 per cent increase in PD and the absolute change in PD is between 50 – 100 basis points.
- Qualitative criteria: accounts that are 30 dpd that have not been captured by the quantitative criteria are considered to have experienced a SICR. For medium and small sized portfolios, which are modelled based on a roll-rate or loss-rate approach, SICR is primarily assessed through the 30 dpd trigger.

Backstop

Across all portfolios, accounts that are 30 or more dpd on contractual payments of principal and/or interest that have not been captured by the criteria above are considered to have experienced a SICR.

Expert credit judgment may be applied in assessing SICR to the extent that certain risks may not have been captured by the models or through the above criteria. Such instances are expected to be rare, for example due to events arising close to the reporting date.

Notes to the financial statements

4. Financial risk and capital management review continued

(a) Credit risk continued

(iv) Expected credit loss measurement continued

Assessment of credit-impaired assets

Credit-impaired financial assets comprise those assets that have experienced an observed credit event and are in default. Default is the failure to meet the legal obligations of a loan. Default occurs when the obligor is unlikely to pay its credit obligations in full, including where the obligor:

- is more than 90 days past due on payments on any material debt;
- has filed for, or is in the process of filing, or has asked to be placed into bankruptcy; and
- has asked for credit-related modifications of contractual cash flows due to significant financial difficulty (forbearance) where the Bank has granted concessions that it would not ordinarily consider.

The Bank has aligned the definition of default for accounting purposes, to the Central Bank of Kenya prudential guidelines.

Corporate and Investment Banking segment

Credit-impaired accounts are managed by the Group's specialist recovery unit, SAG which is independent of its main businesses. Where any amount is considered irrecoverable, a stage 3 credit-impairment provision is raised. This stage 3 provision is the difference between the loan carrying amount and the probability weighted present value of estimated future cash flows, reflecting a range of scenarios (typically the best, worst and most likely recovery outcomes). Where the cash flows include realisable collateral, the values used will incorporate the impact of forward-looking economic information.

The individual circumstances of each client are considered when SAG estimates future cash flows and timing of future recoveries which involve significant judgment. All available sources, such as cash flows arising from operations, selling assets or subsidiaries, realising collateral or payments under guarantees, are considered.

Wealth and Retail Banking segment

The core components in determining credit impaired ECL provisions are the value of gross charge off and recoveries. Gross charge off for unsecured facilities occurs when dpd reaches the specified levels for product type e.g. personal loans, credit cards, auto loans and overdrafts at 150dpd, excess and DRPs at 90 dpd.

Grouping of instruments for losses measured on a collective basis

In any decision relating to the raising of provisions, the Group and Company attempt to balance economic conditions, local knowledge and experience, and the results of independent asset reviews.

Secured facilities.

For Secured facilities upon credit impairment: -

- Provision is raised for the shortfall between the facilities carrying amount and the discounted forced sale value (FSV) of the collateral for loans or,
- Provision equivalent to the entire outstanding amount is recognised on credit impairment if the title document for the collateral is deficient and the collateral value cannot be realised
- Provision equivalent to the entire outstanding amount is recognised if the foreclosure and property disposal process for loan has not been completed by 720 dpd.

Un-secured facilities

Recovery of unsecured debt post credit-impairment is recognised based on actual cash collected, either directly from clients or through the sale of defaulted loans to third-party institutions. Release of credit-impairment provisions for secured loans is recognised if the loan outstanding is paid in full (release of full provision), or the provision is higher than the loan outstanding (release of the excess provision).

If the loan is paid to current and remains in current for more than 180 days (1 year for forbore loans) the account will be transferred to stage 2. Where insufficient information is available for certain small Wealth and Retail Banking portfolios for the Group and Company to assess lifetime ECL at individual instrument level, ECL may be measured on a collective basis that considers credit risk information on instrument groups that share similar credit risk characteristics.

Notes to the financial statements

4. Financial risk and capital management review continued

(a) Credit risk continued

(iv) Expected credit loss measurement continued

Write-offs

To the extent a financial debt instrument is considered irrecoverable, the applicable portion of the gross carrying value is written off against the related loan provision. Such loans are written off after all the necessary procedures have been completed, it is decided that there is no realistic probability of recovery and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for credit impairment in the income statement.

The following events represent examples of circumstances which could lead to a full or partial write-off:

- The borrower is declared bankrupt or insolvent.
- Taking into account collateral realised and if no further source of recovery is apparent, the portion of a debt which is not expected to be recovered should be written off

Modified financial assets

Where the contractual terms of a financial instrument have been modified, and this does not result in the instrument being derecognised, a modification gain or loss is recognised in the income statement representing the difference between the original cash flows and the modified cash flows, discounted at the effective interest rate. The modification gain/loss is directly applied to the gross carrying amount of the instrument.

If the modification is credit related, such as forbearance or where the Group and Company have granted concessions that it would not ordinarily consider, then it will be considered credit-impaired. Modifications that are not credit related will be subject to an assessment of whether the asset's credit risk has increased significantly since origination by comparing the remaining lifetime PD based on the modified terms with the remaining lifetime PD based on the original contractual terms.

The table below shows the gross carrying amount of previously modified financial assets for which loss allowance has changed to 12mECL measurement during the period as well as stage 2 and 3 assets that were modified and, therefore, treated as forborne during the period.

	2025 KShs '000	2024 KShs '000
Modified as at 31 December	Gross carrying amount	Gross carrying amount
Total Facilities that have been modified (Cumulative)	4,236,653	6,701,996
Facilities that reverted to (Stage 3)	442,229	469,870

Once an asset is forborne or modified due to financial difficulties of the borrower, the Bank stressed assets group and WRB credit risk teams continues to monitor the exposure until it exits forbearance, i.e., it is either cured or completely and ultimately derecognised.

Amounts arising from ECL

Loss allowance

The credit impairment recognised in the period is impacted by a variety of factors:

- transfers between stages 1, 2 and 3 due to financial instruments experiencing significant increases in or decreases in credit risk or becoming credit impaired in the period;
- additional impairment for new instruments recognised during the period, as well as releases for financial instruments derecognised in the period;
- impact of measurement of ECL due to changes in PD, LGD and EAD arising from refresh of inputs to the model;
- impacts of measurement arising from changes to model and assumptions;
- discount unwind due to passage of time;
- foreign exchange retranslation for assets held in foreign currency; and
- financial assets derecognised during the period and write-offs of impairment allowances related to assets written-off in the period

Notes to the financial statements

4. Financial risk and capital management review continued

(a) Credit risk continued

(iv) Expected credit loss measurement continued

Methodology

The movement lines within the tables are an aggregation of monthly movements over the year and will therefore reflect the accumulation of multiple trades during the year. The credit impairment charge in the income statement comprises the amounts within the boxes in the table below less recoveries of amounts previously written off. Discount unwind is reported in net interest income and related to stage 3 financial instruments only.

The approach for determining the key line items in the tables is set out below.

- Transfers – transfers between stages are deemed to occur at the beginning of a month based on prior month closing balances;
- Net remeasurement from stage changes – the remeasurement of credit impairment provisions arising from a change in stage is reported within the stage that the assets are transferred to. For example, assets transferred into stage 2 are remeasured from a 12 month to a lifetime expected credit loss, with the effect of remeasurement reported in stage 2. For stage 3, this represents the initial remeasurement from specific provisions recognised on individual assets transferred into stage 3 in the year;
- Net changes in exposures – new business written less repayments in the year. Within stage 1, new business written will attract up to 12 months of expected credit loss charges. Repayments of non-amortising loans (primarily within Corporate and Investment Banking) will have low amounts of expected credit loss provisions attributed to them, due to the release of provisions over the term to maturity. In stages 2 and 3, the amounts principally reflect repayments although stage 2 may include new business written where clients are on non-purely precautionary early alert, are a credit grade 12, or when non-investment grade debt securities are acquired;
- Changes in risk parameters – for stages 1 and 2, this reflects changes in the probability of default (PD), loss given default (LGD) and exposure at default (EAD) of assets during the year, which includes the impact of releasing provisions over the term to maturity. It also includes the effect of changes in forecasts of macroeconomic variables during the year. In stage 3, this line represents additional specific provisions recognised on exposures held within stage 3; and

Changes to ECL models, which incorporates changes to model approaches and methodologies, is not reported as a separate line item as it has an impact over a number of lines and stages.

Other financial assets

Certain financial assets do not share the same characteristics as typical loan portfolios, hence specific ECL models' considerations apply to the following:

Cash and other assets

Cash balances and other assets will attract immaterial ECL due to the immaterial risk of impairment and short dated maturity of the respective amounts.

Debt securities

Debt securities consist of corporate and government bonds, certificates of deposit, convertible bonds, credit and structured notes and debt securities. ECL on these positions are calculated in a manner consistent with loans as set out above with the exception of debt securities.

PDs on debt securities are determined using both external credit ratings as published by ratings agencies and internally generated PDs. Ratings agencies credit ratings typically already take into account the loss characteristics of a portfolio and hence LGDs on debt securities portfolios are assumed to be 100%. Like other assets EADs on debt securities are the full amortised cost amount of the respective instruments at the reporting date. SICR is also assessed in a similar way to Corporate and Investment Banking exposures.

Notes to the financial statements

4. Financial risk and capital management review continued

(a) Credit risk continued

(v) Expected credit loss measurement continued

Other financial assets continued

Derivatives

The credit risk arising from derivatives is managed as part of the overall lending limits to banks and customers. The amount of credit risk is the current positive fair value of the underlying contract together with potential exposures from future market movements. The Group and Company further limit their exposures to credit losses in the event of default by entering into master netting agreements with certain market counterparties. Exposures are not presented net in the financial statements as in the ordinary course of business they are not intended to be settled net.

Where appropriate, derivatives are used to reduce credit risks in the portfolio. Due to their potential impact on income volatility, derivatives are only used in a controlled manner and within a pre-defined volatility expectation.

The table below shows other financial assets that attract immaterial ECL due to the immaterial risk of impairment and short dated maturity of the respective amounts.

Group and Company	2025 KShs '000	2024 KShs '000
Balances with Central Bank of Kenya	7,788,863	28,173,143
Derivative financial instruments	565,052	3,231,435

The table below shows other financial assets that do not attract ECL.

Group and Company	2025 KShs '000	2024 KShs '000
Government and other securities held at FVTPL	10,485,170	818,815

(b) Settlement risk

The Group's and Company's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For certain types of transactions, the Group and Company mitigate this risk by conducting settlements through a settlement/clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval/limit monitoring process described earlier. Acceptance of settlement risk on free settlement trades requires transaction specific or counterparty specific approvals from Traded Credit Risk (TCR).

Notes to the financial statements

4. Financial risk and capital management review continued

(c) Liquidity risk

Liquidity risk is the risk that the Group and Company do not have sufficient financial resources to meet their obligations and commitments as they fall due, or can only access these financial resources at excessive cost. The Group's and Company's approach to managing liquidity risk is to ensure, as far as possible, that they will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's and Company's reputation.

Liquidity risk arises in the general funding of the Group's and Company's activities and in the management of positions. It includes both the risk of being unable to fund assets at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time-frame.

The Group and Company have access to a diverse funding base. Funds are raised using a broad range of instruments including deposits, other liabilities evidenced by paper and share capital. This enhances funding flexibility, limits dependence on any one source of funds and generally lowers the cost of funds. The Group and Company strive to maintain a balance between continuity of funding and flexibility through the use of liabilities with a range of maturities.

The Group and Company manage liquidity risk both on a short-term and medium-term basis. In the short-term, the focus is on ensuring that the cash flow demands can be met through asset maturities, customer deposits and wholesale funding where required. In the medium-term, the focus is on ensuring the statement of financial position remains structurally sound.

The Group and Company continually assess liquidity risk by identifying and monitoring changes in funding required to meet business goals and targets set in terms of the overall Group and Company strategy.

ALCO is responsible for ensuring that the Group and Company are self-sufficient and are able to meet all their obligations to make payments as they fall due by operating within the set liquidity limits. It also has primary responsibility for compliance with regulations and Group policy, and maintaining a Country Recovery Plan (CRP) which addresses both Liquidity and Capital Crisis.

The Group liquidity risk management framework requires limits to be set for prudent liquidity management. These limits are on:

- the mismatch in local and foreign currency behavioural cash flows;
- the level of wholesale borrowing to ensure that the size of this funding is proportional to the local market and the Group's operations;
- commitments, both on and off the statement of financial position, to ensure there are sufficient funds available in the event of drawdown on these commitments;
- the advances to deposits ratio to ensure that commercial advances are funded by stable sources;
- the amount of medium term funding to support the asset portfolio; and
- the amount of local currency funding sourced from foreign currency sources.

In addition, the Group prescribes a liquidity stress scenario that assumes accelerated withdrawal of deposits over a period of time. The Group has to ensure that cash inflows exceed outflows under such a scenario.

All limits are reviewed at least annually, and more frequently if required, to ensure that they are relevant given market conditions and business strategy. Compliance with limits is monitored independently by Treasury Risk (TR). Limit excesses are escalated and approved under a delegated authority structure and reviewed by ALCO.

Notes to the financial statements

4. Financial risk and capital management review continued

(c) Liquidity risk continued

In addition, regular reports to the ALCO include the following:

- information on the concentration and profile of debt maturities; and depositor concentration report to monitor reliance on large depositor

The Group and Company maintain a portfolio of High Quality Liquid Assets (HQLA), principally government securities, which can be realised, repurchased or used as collateral in the event that there is a need for liquidity in a crisis. In addition, liquidity and solvency crisis management plans (CRP) are maintained by the Group and Company and are reviewed and approved annually. The liquidity and capital/solvency crisis management plan lays out trigger points and actions in the event of a liquidity and/or capital crisis to ensure that there is an effective response by senior management. The matching and controlled recognizing of the maturities and interest rates of assets and liabilities is fundamental to the management of liquidity risk. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest bearing liabilities as they mature are important factors in assessing the liquidity of the Group and Company and their exposure to changes in interest rates and exchange rates.

A substantial portion of the Group's and Company's assets are funded by customer deposits made up of current and savings accounts and other deposits. These customer deposits, which are widely diversified by type and maturity, represent a stable source of funds. Lending is normally funded by liabilities in the same currency. ALCO monitors trends in the statement of financial position and ensures that any concerns that might impact the stability of these deposits are addressed effectively. ALCO also reviews financial position plans to ensure that asset growth plans are matched by growth in the relevant funding base.

The Group and Company also maintain significant levels of marketable 174 ecognties either for compliance with statutory requirements or as prudential investments of surplus funds.

A key measure of liquidity risk is the ratio of net liquid assets to deposit liabilities. The Central Bank of Kenya requires banks to maintain a statutory minimum ratio of 20% of liquid assets to all its deposit liabilities.

For this purpose, liquid assets comprise cash and balances with Central Bank of Kenya, net loans and advances with banks and government securities. Deposit liabilities comprise deposits from customers and other liabilities that have matured or maturing within 91 days. Customer deposits up to three months represent current, savings and call deposit account balances, which past experience has shown to be stable and of a long-term nature.

The liquidity ratios at the reporting date and during the reporting period (based on month end ratios) were as follows:

Company	2025 %	2024 %
At 31 December	64.4	67.6
Average for the year	68.2	65.6
Highest for the year	73.9	68.5
Lowest for the year	64.4	63.2

The Group and Company also monitor on a regular basis the advances to deposits ratio. This is defined as the ratio of total loans and advances to customers relative to total customer deposits. A low advances to deposit ratio (less than 1) demonstrates that customer deposits exceed customer loans resulting from the emphasis placed on generating a high level of stable funding from customers.

The advances to deposits ratio at the end of the reporting period was as follows:

Group and Company	2025 KShs '000	2024 KShs '000
Total loans and advances to customers	154,307,039	151,647,379
Total customer accounts	283,451,830	295,690,089
Advances-to-deposits ratio	54.4%	51.3%

Notes to the financial statements

4. Financial risk and capital management review continued

(c) Liquidity risk continued

Liquidity risk is defined as the risk that the Bank does not have sufficient liquid financial resources to meet obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Bank might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

Such scenarios could occur when funding needed for illiquid asset positions is not available to the Bank on acceptable terms. Funding risk arises when the Bank does not maintain a diversified and stable funding base, while minimising its cost.

To limit these risks, management has arranged for diversified funding sources in addition to its core deposit base, and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis. The Bank has developed internal control processes and contingency plans for managing liquidity risk.

The ALCO is responsible for managing the Bank's liquidity risk through comprehensive policies, governance and review procedures, stress testing, monitoring of limit sets to ensure these are in line with the overall liquidity risk appetite and strategy of the Bank. The treasury department of the Bank is responsible for working with other departments within the Bank to ensure the liquidity risk strategy is executed.

The Bank maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The Bank also has lines of credit that it can access to meet liquidity needs. Net liquid assets consist of cash, short-term bank deposits and liquid debt securities available for immediate sale, less deposit for banks and other issued securities and borrowings due to mature within the next month.

Financial statements

4. Financial risk and capital management review continued

(c) Liquidity risk continued

The table below analyses the on balance sheet financial asset and liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. These financial instruments are presented on undiscounted basis.

Group	On Demand KShs '000	2025								Total KShs '000	
		One month or less KShs '000	Between one month and three months KShs '000	Between three months and six months KShs '000	Between six months and nine months KShs '000	Between nine months and one year KShs '000	Between one year and two years KShs '000	Between two years and five years KShs '000	More than five years and undated KShs '000		
Assets											
Cash and balances with Central Bank of Kenya	5,329,874	6,241,168	-	-	-	-	-	-	-	-	11,571,042
Derivative financial instruments	-	108,831	95,054	178,556	28,539	80,285	55,631	18,156	-	-	565,052
Loans and advances to banks	740,884	-	-	-	-	-	-	-	-	-	740,884
Loans and advances to customers ¹	-	41,325,223	8,409,425	16,187,853	844,547	462,944	2,547,647	64,173,040	69,483,858	203,434,537	
Investment securities ²	-	6,539,142	30,101,445	29,303,084	7,336,379	23,752,670	9,481	232,117	10,180,177	107,454,495	
Other assets	-	4,525,417	-	-	-	-	-	-	-	-	4,525,417
Amounts due from group companies and other related parties	4,618,618	20,030,165	-	-	3,456,940	-	47,595,792	-	-	-	75,701,515
Total assets	10,689,376	78,769,946	38,605,924	45,669,493	11,666,405	24,295,899	50,208,551	64,423,313	79,664,035	403,992,942	
Liabilities											
Deposits from banks	280,121	1,000,732	-	-	-	-	-	-	-	-	1,280,853
Deposits from customers	224,657,580	43,499,164	2,447,388	8,962,610	1,933,309	1,475,202	289,025	337,689	-	-	283,601,967
Derivative financial instruments	-	86,748	64,936	52,143	116,219	74,370	45,468	738,323	-	-	1,178,207
Amounts due to group companies and other related parties	4,272,683	-	-	-	-	-	-	-	-	-	4,272,683
Other liabilities – bills payable	-	499,892	-	-	-	-	-	-	-	-	499,892
- lease liability	-	-	-	-	-	-	-	-	-	-	-
- dividend payable	-	1,042,923	-	-	-	-	115,455	10,552	216,173	126,689	468,869
- Other payables	-	455,213	-	-	-	-	-	-	-	-	1,042,923
Total liabilities	229,210,384	46,584,672	2,512,324	9,014,753	2,049,528	1,665,027	345,045	1,292,185	126,689	292,800,607	
Net liquidity gap	(218,521,008)	32,185,274	36,093,600	36,654,740	9,616,877	22,630,872	49,863,506	63,131,128	79,537,346	111,192,335	

¹ Loans and advances to customers include loans at amortised cost and FVPTL.

² Investment securities include government and other securities at FVOCI and FVPTL.

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4. Financial risk and capital management review continued

(c) Liquidity risk continued

The table below analyses the on balance sheet financial asset and liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. These financial instruments are presented on undiscounted basis.

Group	2024								Total KShs '000
	On Demand KShs '000	One month or less KShs '000	Between one month and three months KShs '000	Between three months and six months KShs '000	Between six months and nine months KShs '000	Between nine months and one year KShs '000	Between one year and two years KShs '000	Between two years and five years KShs '000	
Assets									
Cash and balances with Central Bank of Kenya	19,991,915	12,347,634	-	-	-	-	-	-	32,339,549
Derivative financial instruments	-	1,896,568	1,145,818	63,963	11,949	-	61,468	51,669	3,231,435
Loans and advances to banks	500,151	657,492	-	-	-	-	-	-	1,157,643
Loans and advances to customers	-	39,815,983	29,258,866	12,289,190	544,589	503,332	4,996,202	34,115,702	86,501,706
Investment securities ¹	-	1,362,474	33,433,944	29,207,285	7,302,492	24,210,649	2,743,086	44,219	208,025,570
Other assets	-	-	-	-	-	-	-	-	98,977,746
Amounts due from subsidiary undertakings and other related parties	-	5,043,313	-	-	-	-	-	-	5,043,313
Due from group companies and other related parties	39,452,752	19,034	-	8,776,043	20,244,078	912,697	10,869,601	2,647,932	82,922,137
Total assets	59,944,818	61,142,498	63,838,628	50,336,481	28,103,108	25,626,678	18,670,357	36,859,522	431,697,393
Liabilities									
Deposits from banks	244,195	64,683	-	-	-	-	-	-	308,878
Deposits from customers	217,369,131	70,652,744	2,172,855	3,190,738	1,200,580	1,019,329	148,883	100,477	295,862,535
Derivative financial instruments	-	209,096	386,116	84,486	219,976	-	41,710	223,536	1,164,920
Amounts due to parent companies and other related undertakings	8,087,854	-	-	-	-	-	-	-	8,087,854
Other liabilities – bills payable	-	429,326	-	-	-	-	-	-	429,326
- lease liability	-	-	-	-	-	39,303	35,676	161,274	16,065
- dividend payable	-	152,560	-	-	-	-	-	-	152,560
- other payable	-	485,548	-	-	-	-	-	-	485,548
Total liabilities	225,701,180	71,993,957	2,558,971	3,275,224	1,420,556	1,058,632	226,269	485,287	306,743,939
Net liquidity gap	(165,756,362)	(10,851,459)	61,279,657	47,061,257	26,682,552	24,568,046	18,444,088	36,374,235	87,151,440

¹Investment securities include government and other securities at FVOCI and FVPL.

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4. Financial risk and capital management review continued

(c) Liquidity risk continued

The table below analyses the on balance sheet financial asset and liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. These financial instruments are presented on undiscounted basis.

Company	2025								Total KShs '000	
	On Demand KShs '000	One month or less KShs '000	Between one month and three months KShs '000	Between three months and six months KShs '000	Between six months and nine months KShs '000	Between nine months and one year KShs '000	Between one year and two years KShs '000	Between two years and five years KShs '000		More than five years and undated KShs '000
Assets										
Cash and balances with Central Bank of Kenya	5,329,874	6,241,168	-	-	-	-	-	-	-	11,571,042
Derivative financial instruments	-	108,831	95,054	178,556	28,539	80,285	55,631	18,156	-	565,052
Loans and advances to banks	740,884	-	-	-	-	-	-	-	-	740,884
Loans and advances to customers ¹	-	41,325,223	8,409,425	16,187,853	844,547	462,944	2,547,647	64,173,040	69,483,858	203,434,537
Investment securities ²	-	6,539,142	30,101,445	29,303,084	7,336,379	23,752,670	9,481	232,117	10,180,177	107,454,495
Other assets	-	4,366,636	-	-	-	-	-	-	-	4,366,636
Amounts due from group companies and other related parties	5,770,306	20,030,165	-	-	3,327,803	-	45,957,363	-	-	75,085,637
Total assets	11,841,064	78,611,165	38,605,924	45,669,493	11,537,268	24,295,899	48,570,122	64,423,313	79,664,035	403,218,283
Liabilities										
Deposits from banks	280,121	1,000,732	-	-	-	-	-	-	-	1,280,853
Deposits from customers	224,657,580	43,499,164	2,447,388	8,962,610	1,933,309	1,475,202	289,025	337,689	-	283,601,967
Derivative financial instruments	-	86,748	64,936	52,143	116,219	74,370	45,468	738,323	-	1,178,207
Amounts due to group companies and other related parties	5,405,917	-	-	-	-	-	-	-	-	5,405,917
Other liabilities – bills payable	-	499,892	-	-	-	-	-	-	-	499,892
- lease liability	-	-	-	-	-	-	-	-	-	-
- dividend payable	-	1,042,923	-	-	-	115,455	10,552	216,173	126,689	468,869
- Other payables	-	439,312	-	-	-	-	-	-	-	1,042,923
Total liabilities	230,343,618	46,568,771	2,512,324	9,014,753	2,049,528	1,665,027	345,045	1,292,185	126,689	293,917,940
Net liquidity gap	(218,502,554)	32,042,394	36,093,600	36,654,740	9,487,740	22,630,872	48,225,077	63,131,128	79,537,346	109,300,343

¹Loans and advances to customers include loans at amortised cost and FVPTL.

²Investment securities include government and other securities at FVOCI and FVPTL.

Notes to the financial statements

4. Financial risk and capital management review continued

(c) Liquidity risk continued

The table below analyses the on balance sheet financial asset and liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. These financial instruments are presented on undiscounted basis.

Company	2024										Total KShs '000
	On Demand KShs '000	One month or less KShs '000	Between one month and three months KShs '000	Between three months and six months KShs '000	Between six months and nine months KShs '000	Between nine months and one year KShs '000	Between one year and two years KShs '000	Between two years and five years KShs '000	More than five years and undated KShs '000		
Assets											
Cash and balances with Central Bank of Kenya	19,991,915	12,347,634	-	-	-	-	-	-	-	-	32,339,549
Derivative financial instruments	-	1,896,568	1,145,818	63,963	11,949	-	61,468	51,669	-	-	3,231,435
Loans and advances to banks	500,151	657,492	-	-	-	-	-	-	-	-	1,157,643
Loans and advances to customers	-	39,815,983	29,258,866	12,289,190	544,589	503,332	4,996,202	34,115,702	86,501,706	208,025,570	
Investment securities ¹	-	1,362,474	33,433,944	29,207,285	7,302,492	24,210,649	2,743,086	44,219	673,597	98,977,746	
Other assets	-	5,043,314	-	-	-	-	-	-	-	-	5,043,314
Due from group companies and other related parties	40,316,073	19,034	-	8,776,043	20,244,078	912,697	10,869,601	2,647,932	-	-	83,785,458
Total assets	60,808,139	61,142,499	63,838,628	50,336,481	28,103,108	25,626,678	18,670,357	36,859,522	87,175,303	432,560,715	
Liabilities											
Deposits from banks	244,195	64,683	-	-	-	-	-	-	-	-	308,878
Deposits from customers	217,369,131	70,652,744	2,172,855	3,190,738	1,200,580	1,019,329	148,883	100,477	7,798	295,862,535	
Derivative financial instruments	-	209,096	386,116	84,486	219,976	-	41,710	223,536	-	-	1,164,920
Due to group companies and other related parties	9,174,388	-	-	-	-	-	-	-	-	-	9,174,388
Other liabilities – bills payable	-	429,326	-	-	-	-	-	-	-	-	429,326
- lease liability	-	-	-	-	-	-	-	-	-	-	-
- dividend payable	-	152,560	-	-	-	39,303	35,676	161,274	16,065	-	252,318
- Other payables	-	482,832	-	-	-	-	-	-	-	-	152,560
Total liabilities	226,787,714	71,991,241	2,558,971	3,275,224	1,420,556	1,058,632	226,269	485,287	23,863	307,827,757	
Net liquidity gap	(165,979,575)	(10,848,742)	61,279,657	47,061,257	26,682,552	24,568,046	18,444,088	36,374,235	87,151,440	124,732,958	

¹Investment securities include government and other securities at FVOCI and FVPTL.

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4. Financial risk and capital management review continued

(c) Liquidity risk continued

The table below shows the contractual expiry by maturity of the Group's and Company's contingent liabilities and commitments. Each undrawn undrawn commitment is included in the time band containing the earliest date it can be drawn down. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee can be called. These financial instruments are presented on undiscounted basis.

Group and Company	2025							Total KSh's '000		
	On Demand KSh's '000	One month or less KSh's '000	Between one month and three months KSh's '000	Between three months and six month KSh's '000	Between six months and nine months KSh's '000	Between nine months and one year KSh's '000	Between one year and two years KSh's '000		Between two years and five years KSh's '000	More than five years and undated KSh's '000
Undrawn commitments	-	10,389	5,836	62,760	284,209	75,550	100,007	36,752,069	5,170,866	42,461,686
Financial guarantees	-	6,778,866	9,587,321	9,373,401	4,651,080	6,269,715	25,877,819	10,700,561	100	73,238,863
Group and Company	2024							Total KSh's '000		
	On Demand KSh's '000	One month or less KSh's '000	Between one month and three months KSh's '000	Between three months and six month KSh's '000	Between six months and nine months KSh's '000	Between nine months and one year KSh's '000	Between one year and two years KSh's '000		Between two years and five years KSh's '000	More than five years and undated KSh's '000
Undrawn commitments	-	34,615,309	-	-	12,702	354,099	1,032,533	600,396	9,376,484	45,991,523
Financial guarantees	-	-	15,835,268	11,312,730	5,952,649	5,722,413	6,791,245	18,016,652	543,530	64,174,487

(d) Market risk

The Bank recognise market risk as the risk of loss arising from adverse moves in financial market prices and rates. The Bank's exposure to market risk arises predominantly from the following sources;

Trading book:

- The Bank provides clients with access to markets, facilitation of which entails the Bank taking moderate Market Risk positions. All trading teams support client activity. There are no proprietary trading teams. Hence, income earned from Market Risk-related activities is primarily driven by the volume of client activity.

Non-trading book:

- Treasury is required to hold a liquid assets buffer, much of which is held in high-quality marketable debt securities
- The Bank underwrites and sells down loans, and invests in select investment grade debt securities with no trading intent
- The Bank has capital invested and related income streams denominated in currencies other than Kenya Shillings (KSh's). To the extent that these income streams are not hedged, the Group is subject to Structural Foreign Exchange Risk which is reflected in reserves.
- trading and non-trading book portfolio exposures. The objective of the Bank's market risk policies and processes is to control its trading and banking book portfolio and activities to ensure that market and traded risk losses (financial or reputational) do not cause material damage to the bank and the risks are managed and controlled within acceptable parameters, while optimising returns on risk.

Notes to the financial statements

4. Financial risk and capital management review continued

(d) Market risk continued

The primary categories of market risk for the Bank are:

- Interest rate risk: arising from changes in yield curves, credit spreads and implied volatilities
- Foreign Exchange Rate Risk: arising from changes in currency exchange rates and implied volatilities
- Commodity Risk: arising from changes in commodity prices and implied volatilities on commodities; covering energy, precious metals, base metals and agriculture as well as commodity baskets
- Credit Spread Risk: arising from changes in the price of debt instruments and credit-linked derivatives and driven by factors other than the level of risk-free interest rates

Mitigation

Traded Risk limits are defined at country level aims to ensure that the Bank remains within Risk Appetite (RA). The Traded Risk Policy sets the principles that must be followed for the end-to-end traded risk management process including limit setting, risk capture and measurement, limit monitoring and escalation, risk mitigation and stress testing.

Market Risk measurement

The Bank uses a VaR model to measure the risk of losses arising from future potential adverse movements in market rates, prices, and volatilities. VaR is a quantitative measure of Market Risk that applies recent historical market conditions to estimate the potential future loss in market value that will not be exceeded in a set time period at a set statistical confidence level.

VaR provides a consistent measure that can be applied across trading businesses and products over time and can be set against actual daily trading profit and loss outcomes.

For day-to-day risk management, VaR is calculated as at the close of business, for expected market movements over one business day and to a confidence level of 97.5 per cent.

The Bank applies two VaR methodologies:

- Historical simulation: this involves the revaluation of all existing positions to reflect the effect of historically observed changes in Market Risk factors on the valuation of the current portfolio. This approach is applied for general Market Risk factors and the majority of specific (credit spread) risk factors. The enhanced Volatility Scaling VaR (VSV) model went live in January 2025, where risk factors' returns are scaled to reflect historical volatility. The VSV model is more responsive to volatility changes observed in the market.
- Monte Carlo simulation: this methodology is similar to historical simulation but with considerably more input risk factor observations. These are generated by random sampling techniques, but the results retain the essential variability and correlations of historically observed risk factor changes. This approach is applied for capturing the idiosyncratic credit spread risk factors.

However, VaR heavily relies on historical data that may not predict future market crises and may not quantify the magnitude of losses beyond the confidence threshold. As well it assumes normal market conditions.

Notes to the financial statements

4. Financial risk and capital management review continued

(d) Market risk continued**Market Risk movement**

Value at Risk (VaR) allows the Group to manage Market Risk across the trading book and most of the fair valued nontrading books.

The average level of total trading and non-trading VaR in 2025 was KShs. 85 million, 43 per cent lower than 2024 (KShs. 149 million). The year end level of total trading and nontrading VaR in 2025 was KShs.141 million, 45 per cent higher than 2024 KShs. 98 million), due to increase in KShs. fair valued positions by KShs. 107k/bp PV01. For the trading book, the average level of VaR in 2025 was KShs. 10 million, 71 per cent lower than in 2024 (KShs. 34 million). Trading activities reduced year-on-year and were mainly client driven.

Group and Company	2025				2024			
	Average KShs '000	High KShs '000	Low KShs '000	Year End KShs '000	Average KShs '000	High KShs '000	Low KShs '000	Year End KShs '000
Trading and Non-trading								
Interest Rate Risk	86,827	243,181	24,933	142,811	151,788	247,907	67,765	105,785
Credit spread risk	1,926	3,270	822	2,331	4,997	9,100	314	2,064
Foreign exchange risk	9,784	25,594	3,709	5,106	30,197	65,774	7,111	21,430
Totals	85,366	240,556	26,497	141,096	148,597	249,500	66,290	97,616
Trading								
Interest rate risk	17,920	94,314	5,413	10,080	58,379	223,264	14,737	18,585
Credit spread risk	1,926	3,270	822	2,331	4,997	9,100	314	2,064
Foreign exchange risk	9,784	25,594	3,709	5,106	30,197	65,774	7,111	21,430
Commodity risk	-	-	-	-	-	-	-	-
Totals	22,995	98,329	9,690	9,960	72,516	223,580	17,706	34,085
Non-trading								
Interest rate risk	86,752	241,330	22,282	131,553	133,428	225,955	52,492	107,965
Credit spread risk	-	-	-	-	-	-	-	-
Equity risk	-	-	-	-	-	-	-	-
Totals	86,752	241,330	22,282	131,553	133,428	225,955	52,492	107,965

Notes to the financial statements

4. Financial risk and capital management review continued

(d) Market risk continued

Interest Rate Risk in the Banking Book

The following table provides the estimated impact to a hypothetical base case projection of SCB Kenya's earnings under the following scenarios:

- A 50 basis point parallel interest rate shock (up and down) to the current market-implied path of rates, across all yield curves
- A 100 basis point parallel interest rate shock (up and down) to the current market-implied path of rates, across all yield curves

These interest rate shock scenarios assume all other economic variables remain constant. The assessment assumes that the size and mix of the balance sheet remain constant and that there are no specific management actions in response to the change in rates.

No assumptions are made in relation to the impact on credit spreads in a changing rate environment. Significant modelling and behavioural assumptions are made regarding scenario simplification, market competition, pass-through rates, asset and liability re-pricing tenors, and price flooring. In particular, the assumption that interest rates of all currencies and maturities shift by the same amount concurrently, and that no actions are taken to mitigate the impacts arising from this are considered unlikely. Reported sensitivities will vary over time due to a number of factors including changes in balance sheet composition, market conditions, customer behaviour and risk management strategy. Therefore, while the NII sensitivities are a relevant measure of SCB Kenya's interest rate exposure, they should not be considered an income or profit forecast.

Estimated one year impact to earnings from a parallel shift in yield curves

In KShs. million	2025			
	LCY	USD	OCY	Total
+50 basis points	774	516	129	1,418
-50 basis points	(774)	(516)	(129)	(1,418)
+100 basis points	1,418	902	129	2,449
-100 basis points	(1,418)	(902)	(129)	(2,449)

In KShs. million	2024			
	LCY	USD	OCY	Total
+50 basis points	646	388	130	1,164
-50 basis points	(646)	(388)	(130)	(1,164)
+100 basis points	1,422	646	130	2,198
-100 basis points	(1,422)	(646)	(130)	(2,198)

As at 31 December 2025, SCB Kenya estimates the one-year impact of an instantaneous, parallel increase across all yield curves of 50 basis points to increase or decrease in projected profit before tax by KShs 1,418 million (2024: KShs 1,164 million). The equivalent impact on equity will an increase or decrease by KShs 993 million (2024: KShs 812 million).

As at 31 December 2025, SCB Kenya estimates the one-year impact of an instantaneous, parallel increase across all yield curves of 100 basis points to increase or decrease in projected profit before tax by KShs 2,449 million (2024: KShs 2,198 million). The equivalent impact on equity will an increase or decrease by KShs 1,714 million (2024: KShs 1,534 million).

The benefit from rising interest rates is primarily from reinvesting at higher yields and from assets re-pricing faster and to a greater extent than deposits.

The increase in sensitivity is driven by roll over of securities in short tenor buckets and deploying USD liquidity in short term with Group.

A 100 and 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Notes to the financial statements

4. Financial risk and capital management review continued

e) Interest rate risk

The Group and Company are exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on their financial position and cash flows. The table below summarises the exposure to interest rate risks. Included in the table below are the Group's and Company's assets and liabilities at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

*The balances above excludes the non-interest bearing and fixed interest rate financial assets and liabilities.

Group and Company	2025							
	Weighted average effective interest rate (%) KShs'000	On Demand KShs'000	Up to 1 month KShs'000	1-3 months KShs'000	3-12 months KShs'000	1-5 years KShs'000	Over 5 years KShs'000	Total KShs'000
Assets								
Government and other securities held at FVTPL	12.30%	-	58,719	327	13,830	559,279	9,853,015	10,485,170
Loans and advances to banks	0.01%	740,884	-	-	-	-	-	740,884
Loans and advances to customers at amortised cost	15.40%	-	25,102,547	184,670	3,839,671	50,061,769	37,550,326	116,738,983
Loans and advances to customers at FVTPL	5.40%	-	-	5,699,677	-	-	-	5,699,677
Government securities held at FVOCI	10.10%	-	6,480,930	30,100,938	60,319,957	-	-	96,901,825
Due from group companies and other related parties	3.7%	-	19,286,853	-	3,239,515	43,459,196	-	65,985,564
		740,884	50,929,049	35,985,612	67,412,973	94,080,244	47,403,341	296,552,103
Liabilities								
Deposits from banks	9.80%	-	1,000,244	-	-	-	-	1,000,244
Deposits from customers	1.30%	42,636,612	860,790	2,430,097	12,258,971	607,780	-	58,794,250
		42,636,612	1,861,034	2,430,097	12,258,971	607,780	-	59,794,494
Interest rate sensitivity position		(41,895,728)	49,068,015	33,555,515	55,154,002	93,472,464	47,403,341	236,757,609
2024								
Assets								
Loans and advances to banks	0.01%	500,151	657,492	-	-	-	-	1,157,643
Loans and advances to customers	15.30%	-	25,637,211	6,205,285	174,539	25,813,981	44,649,021	102,480,037
Due from group companies and other related parties	4.60%	-	17,875,326	-	8,607,273	42,424,871	-	68,907,470
		500,151	44,170,029	6,205,285	8,781,812	68,238,852	44,649,021	172,545,150
Liabilities								
Deposits from banks	2.30%	-	242,179	-	-	-	-	242,179
Deposits from customers	4.70%	69,082,858	1,567,902	2,159,379	5,261,410	241,611	7,798	78,320,958
		69,082,858	1,810,081	2,159,379	5,261,410	241,611	7,798	78,563,137
Interest rate sensitivity position		(68,582,707)	42,359,948	4,045,906	3,520,402	67,997,241	44,641,223	93,982,013

Notes to the financial statements

4. Financial risk and capital management review continued

(F) Currency rate risk

The Group and Company operate wholly within Kenya and its assets and liabilities are translated to the local currency. The Group and Company maintain trade with the main shareholder and other correspondent banks.

The various foreign currencies to which the Group and Company are exposed to are summarised below:

Group and Company	2025				
	USD KSh's'000	Euro KSh's'000	GBP KSh's'000	Other KSh's'000	Total KSh's'000
Assets					
Cash, deposits and advances to banks	1,206,473	183,709	183,540	77,490	1,651,212
Investment Securities	2,578,488	58,212	-	-	2,636,700
Loans and advances to customers	43,604,456	20,495,980	295,298	752,171	65,147,905
Other assets	3,909,148	39,326	-	110,286	4,058,760
Amounts due from group companies	58,343,456	7,608,840	4,864,734	315,508	71,132,538
	109,642,021	28,386,067	5,343,572	1,255,455	144,627,115
Liabilities					
Deposits from banks	54,087	6,689	25,176	2,747	88,699
Deposits from customers	99,691,711	14,092,592	5,457,795	394,469	119,636,567
Other liabilities	2,032,730	30,214	33,676	523,682	2,620,302
Amounts due to group companies	4,025,544	-	-	37,807	4,063,351
	105,804,072	14,129,495	5,516,647	958,705	126,408,919
Net statement of financial position exposure	3,837,949	14,256,572	(173,075)	296,750	18,218,196
Group and Company	2024				
Assets					
Cash, deposits and advances to banks	566,201	161,646	241,512	533,287	1,502,646
Loans and advances to customers	27,514,301	15,407,377	257,045	-	43,178,723
Other assets	2,877,820	629,480	157,447	2,483	3,667,230
Amounts due from group companies	60,712,530	8,919,154	3,644,560	3,390,375	76,666,619
	91,670,852	25,117,657	4,300,564	3,926,145	125,015,218
Liabilities					
Deposits from banks	71,568	3,124	-	-	74,692
Deposits from customers	94,316,677	10,946,273	4,287,110	397,215	109,947,275
Other liabilities	296,135	3,428	5,944	-	305,508
Amounts due to group companies	3,907,058	-	-	3,138,252	7,045,310
	99,221,657	10,958,815	4,307,838	3,909,719	118,398,029
Net statement of financial position exposure	(7,550,805)	14,158,842	(7,274)	16,426	6,617,189

The table below indicates the effect of a reasonably possible movement of the currency rate for the currencies to which the Group had significant exposure at the end of the reported periods on the income statement and equity. An equivalent decrease in each of the currencies below against the net open positions would have resulted in an equivalent but opposite impact. A 100 and 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Currency	2025			2024	
	Change in currency rate %	Effect on profit before tax	Effect on equity	Effect on profit before tax KSh's '000	Effect on equity KSh's '000
USD	100 bps	20,294	14,206	(26,813)	(18,769)
EUR	100 bps	(4,367)	(3,057)	(4,356)	(3,049)
GBP	100 bps	(1,651)	(1,156)	(1,590)	(1,113)

Notes to the financial statements

4. Financial risk and capital management review continued

(g) Operational risk

The Group and Company define operational risk as the “potential for loss resulting from inadequate or failed internal processes and systems, human error, or from the impact of external events (including legal risks)”. It is inherent in the Group carrying out business and can be impacted from a range of operational risks.

Operational risks arise from the broad scope of activities carried out across the Group and Company. To address this, we aim to achieve effective control design standards for all activities and benchmark practices against industry standards and regulatory requirements.

Operational risk profile

In 2024, the Group implemented a refreshed Framework to continue to enhance the management of operational risk, ensuring risk is managed within Risk Appetite as we continue to deliver services to our clients.

The Group continued to provide a stable level of service to clients throughout the year 2025 despite the challenges brought in by a tough business environment characterized by increase in cost of living. This was brought in by rise in petroleum prices, increase in foreign exchange rates, changing country tax regime and the war between Russia and Ukraine as well as the Middle East conflict. Following the macroeconomic challenges, particular areas of focus in risk are Information & Cyber Security, Fraud, Data Privacy, AML, Third Party, Conduct and Operational Resilience.

Operational Risk events and losses

The operational risk profile is the Group’s and Company’s overall exposure to operational risk, at a given point in time, covering all applicable operational risk sub-types. The operational risk profile comprises both operational risk events and losses that have already occurred and the current exposures to operational risks.

The significant losses recorded during the year were financial crime risk related due to mobile, cards (debit & credit) and internet banking external fraud events.

The Group’s and Company’s profile of operational loss events in 2025 and 2024 is also summarised in the table below. It shows the percentage distribution of gross operational losses by Basel event type.

	2025 % Loss	2024 % Loss
Distribution of Operational Losses by Basel business line		
Agency services	9.4	-
Commercial Banking	-	-
Corporate Finance	-	6.0
Corporate Items	-	-
Payment and Settlements	17.2	3.8
Wealth and Retail Banking	73.4	90.2
Retail Brokerage	-	-
Trading and Sales	-	-
	100.0	100.0
Distribution of Operational Losses by Basel event type		
Business disruption and system failures	7.1	0.6
Clients products and business practices	6.6	10.4
Damage to physical assets	-	-
Employment practices and workplace safety	6.9	0.2
Execution delivery and process management	20.7	55.0
External fraud	58.7	33.8
Internal fraud	-	-
	100.0	100.0

Other principal risks

Losses arising from our other principal risks (Compliance, Reputational, Information and Cyber Security and Financial Crime) would be captured under operational losses.

Notes to the financial statements

4. Financial risk and capital management review continued

(g) Operational risk continued

Operational risk management principles

The Group and Company allocates responsibilities for the management of operational risk and this is outlined in the Operational Risk Type Framework (ORTF). The ORTF is built on a risk-based approach which requires that risk management plans, processes, activities, and resource allocations are determined in accordance with the level of risk. Existing and future levels of operational risks must be maintained within the approved risk appetite of the Group and Company. Business strategy and planning must consider and address operational risks at the point of strategic choices and/or decision making. This should also include consideration of the impact of decisions on the design and operational effectiveness of the related system of controls.

Roles and Responsibilities

The ORTF considers processes and tools that are forward-looking – they should be repeatable, sustainable and anticipate future needs. The first line, when formulating business strategy and planning, must consider and address Operational Risk at the point of strategic choices and / or decision making. This should also include consideration of the impact of decisions on the design and operational effectiveness of the related system of controls. The ORTF reinforces clear accountability for managing risk throughout the Group and Company, and delegates second line of defence responsibilities to identified subject matter experts. For each Operational Risk sub-type, the expert sets policies for the organisation to comply with, and provides guidance, oversight and challenge over the activities of the Group and Company. They ensure that key risk decisions are only taken by individuals with the requisite skills, judgment, and perspective to ensure that the risk/return objectives of the Group and Company are met.

The ORTF is periodically reviewed, at a minimum annually, or earlier if triggered by any material change in circumstances.

Mitigation

The ORTF sets out the Group and Company overall approach to the management of Operational Risk in line with the Operational Risk Appetite of the Group and Company. Risk appetite and scenarios are forward looking and are used strategically to help planning and business management. This is supported by Risk and Control Self-Assessment (RCSA) which is a top-down, complete and consistent approach to risks and controls management process.

The RCSA process involves objective assessments of risks based on client impact and likelihood, more focus on material risks, more thinking on control design rather than simply testing, and tools to allow the Company to prioritise actions. When an operational risk event occurs, rapid escalation and root-cause reviews are tracked to completion. People are skilled and rewarded for good risk management behaviour. The data and system encourage good risk management behaviour. Second line independent review is risk-based and proportionate.

Operational risk governance

The Executive Risk Committee (ERC) provides oversight of operational risk management across the Group and Company. It is supported by the Financial Crime Risk Committee, Information and Cyber Security Working Group and the Business and Function Operational Risk Forums, which oversee risks arising from Financial Crime, Information and Cyber Security, Businesses and Functions respectively. ERC and the business and function operational risk forums receive regular reports on the respective operational risk profiles.

Monitoring

To deliver services to clients and to participate in the financial services sector, the organisation runs processes which are exposed to operational risks. It prioritises and manages risks which are significant to clients and to the financial services sectors. Control indicators are regularly monitored to determine the residual risk the Group and Company is exposed to. The residual risk assessments and reporting of events form the Operational Risk profile of the Group and Company. The completeness of the Operational Risk profiles ensures appropriate prioritisation and timeliness of risk decisions, including risk acceptances with treatment plans for risks that exceed acceptable thresholds. The Board is informed on adherence to the Operational Risk Appetite through metrics reported for selected risks. These metrics are monitored, and escalation thresholds are devised based on the materiality and significance of the risk. These Operational Risk Appetite metrics are consolidated on a regular basis and reported at relevant Group and Company committees. This provides senior management with the relevant information to inform their risk taking decisions.

Notes to the financial statements

4. Financial risk and capital management review continued

(g) Operational risk continued**Stress testing**

Stress testing and scenario analysis are used to assess capital requirements for operational risks. This approach considers the impact of extreme but plausible scenarios on the Operational Risk profile of the Group and Company. Several scenarios have been identified to test the robustness of the Group and Company's processes and assess the potential impact on the Group and Company. These scenarios include anti-money laundering, sanctions, information and cyber security and external fraud.

Capital review

The Company defines capital risk as the potential of insufficient level or composition of capital to support our normal activities. The capital review provides an analysis of the Company's capital position and requirements.

Capital summary

The Company's capital position is managed within the Board approved risk appetite. This requires that the Company should maintain a strong capital position including the maintenance of management buffers sufficient to support its strategic aims.

Regulatory capital

The Central Bank of Kenya sets and monitors capital requirements for all banks.

The objective of the Central Bank of Kenya is to ensure that a bank maintains a level of capital which:

- is adequate to protect its depositors and creditors;
- is commensurate with the risks associated with its activities and profile; and
- promotes public confidence in the bank.

In implementing current capital requirements, the Central Bank of Kenya requires a bank to maintain at all times:

- a core capital of not less than 8.00% of its total deposit liabilities;
- a core capital of not less than 10.50% of total risk weighted assets, plus risk weighted off-balance sheet items; and
- a total capital of not less than 14.50% of its total risk weighted assets, plus risk weighted off-balance sheet items.

In addition, a bank must maintain a minimum core capital of KShs 3,000 million by 31 December 2025.

Capital is segregated into core capital (Tier 1) and supplementary capital (Tier 2).

Core capital includes ordinary share capital, irredeemable preference share capital, capital contribution reserve, share premium and retained earnings after deductions for goodwill and intangible assets.

Supplementary capital includes 25% of revaluation reserves of property and equipment and the statutory credit risk reserve.

Risk weighted assets are arrived at using a framework of four weights applied to both on-balance sheet and off-balance sheet items to reflect the relative risk of each asset and counterparty.

Company	2025 KShs '000	2024 KShs '000
Core (Tier 1) capital instruments and reserves		
Share capital and share premium	9,961,680	9,961,680
Retained earnings	44,376,974	43,415,503
Capital contribution reserve	1,823,673	1,823,673
	56,162,327	55,200,856
Tier 1 regulatory adjustments		
Goodwill on acquired intangible (Note 27)	(1,112,111)	(1,112,111)
Core (Tier 1) capital	55,050,216	54,088,745
Supplementary (Tier 2) capital		
Revaluation reserves (25%)	140,171	180,416
Statutory credit risk reserve	-	-
Subordinated debt	-	-
	140,171	180,416
Total capital	55,190,387	54,269,161

Notes to the financial statements

4. Financial risk and capital management review continued

Capital review continued

Company	2025 KShs '000	2024 KShs '000
Risk weighted assets		
Credit risk	164,021,695	183,825,544
Market risk	16,886,076	14,535,889
Operational risk	89,536,988	79,251,346
Total risk weighted assets	270,444,759	277,612,779
Deposits from customers	283,451,830	295,690,089

Company	CBK %	2025 %	2024 %
Capital ratios			
Tier 1 capital	10.50	10.50	19.48
Total capital	14.50	14.50	19.55
Tier 1 to total deposits	8.00	8.00	18.29

Capital planning

On an annual basis, strategic business and capital plans are drawn up covering a five-year horizon and are approved by the Board. The capital plan ensures that adequate levels of capital and an efficient mix of the different components of capital are maintained to support our strategy and business plans.

Capital planning takes the following into account:

- current regulatory capital requirements;
- demand for capital due to business growth, and potential market shocks or stresses;
- available supply of capital and capital raising options; and
- internal controls and governance for managing the Company's risk, performance and capital.

The allocation of capital between specific operations and activities is largely driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation, by TRM and Credit, and is subject to review by the ALCO.

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Group and Company to particular operations or activities, it is not the sole basis used for decision-making. Account is also taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Group's and Company's longer term strategic objectives. The Company's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

The Business Laws (Amendment) Act, 2024 mandates a phased increase in minimum core capital for Kenyan commercial banks from KShs. 3 billion to KShs. 10 billion by December 2029, in a bid to strengthen financial stability and improve resilience against economic shocks.

Central Bank of Kenya (CBK) has continued to undertake regulatory reforms to ensure the Banking sector remains Stable, Resilient and Efficient. CBK issued draft guidelines on Liquidity Coverage Ratio which seeks to promote banks short term resilience by ensuring they maintain sufficient high quality liquid assets (HQLA) to survive acute stress lasting 30 calendar days.

The leverage ratio is the capital measure (the numerator) divided by the exposure measure (the denominator), with this ratio expressed as a percentage i.e

$$\text{Leverage ratio} = \text{Capital measure (core capital)} / \text{Exposure measure}$$

Standard Chartered Bank Kenya Ltd core capital and Leverage ratios remains well above the requirements.

Notes to the financial statements

5. Segmental information

The Group's segmental reporting is in accordance with IFRS 8 Operating Segments and is reported consistently with the internal performance framework and as presented to the Group's Management Team.

The two client segments are:

- Corporate and Investment Banking and Commercial Banking have been combined to form Corporate and Investment Banking serving large corporate institutions. The segment is led by the Head of Corporate and Investment Banking who is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.
- Retail Banking is now Wealth and Retail Banking serving individual and Business Banking Clients. The segment is led by the Head of Wealth and Retail Banking who is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Activities not directly related to a client segment are included in Central and other items. These mainly include treasury activities and Corporate Centre costs. Corporate Centre costs represent stewardship and central management services roles and activities that are not directly attributable to business operations.

The Group allocates central costs (excluding Corporate Centre costs) relating to client segments using appropriate business drivers and these are reported within operating expenses. The Group evaluates segmental performance on the basis of profit or loss before tax.

The analysis below reflects how the client segments are managed internally. This is described as the Management view

Group	2025			
	Corporate and Investment Banking KShs '000	Wealth and Retail Banking KShs '000	Central & Other items KShs '000	Total KShs '000
Net interest income	11,924,081	16,784,828	182,933	28,891,842
Non funded income	5,730,191	7,525,876	(261,127)	12,994,940
Operating income	17,654,272	24,310,704	(78,194)	41,886,782
Operating expenses	(9,645,074)	(10,831,357)	(2,793,772)	(23,270,203)
Operating profit before impairment losses	8,009,198	13,479,347	(2,871,966)	18,616,579
Impairment losses on financial instruments	256,569	(2,129,244)	131,150	(1,741,525)
impairment losses on intangible assets	(13,012)	(21,692)	(3,656)	(38,360)
Profit before tax	8,252,755	11,328,411	(2,744,472)	16,836,694
Group	2024			
Net interest income	13,511,712	16,596,143	3,157,448	33,265,303
Non funded income	12,106,165	6,461,909	(1,566,199)	17,001,875
Operating income	25,617,877	23,058,052	1,591,249	50,267,178
Operating expenses	(8,384,115)	(10,829,801)	(780,172)	(19,994,088)
Operating profit before impairment losses	17,233,762	12,228,251	811,077	30,273,090
Impairment losses on financial instruments	(635,481)	(1,110,646)	(17,483)	(1,763,610)
impairment losses on intangible assets	(112,230)	(136,198)	(52,816)	(301,244)
Profit before tax	16,486,051	10,981,407	740,778	28,208,236

Notes to the financial statements

5. Segmental information continued

Company	2025			
	Corporate and Investment Banking KShs '000	Wealth and Retail Banking KShs '000	Central & Other items KShs '000	Total KShs '000
Net interest income	11,924,081	16,767,755	182,933	28,874,769
Non funded income	5,730,191	6,570,809	(261,127)	12,039,873
Operating income	17,654,272	23,338,564	(78,194)	40,914,642
Operating expenses	(9,645,074)	(10,281,883)	(2,793,772)	(22,720,729)
Operating profit before impairment losses	8,009,198	13,056,681	(2,871,966)	18,193,913
Impairment losses on financial instruments	256,569	(2,129,244)	131,150	(1,741,525)
impairment losses on intangible assets	(13,012)	(21,692)	(3,656)	(38,360)
Profit before tax	8,252,755	10,905,745	(2,744,472)	16,414,028
Company	2024			
Net interest income	13,511,712	16,596,143	3,134,952	33,242,807
Non funded income	12,106,165	6,461,909	(2,498,620)	16,069,454
Operating income	25,617,877	23,058,052	636,332	49,312,261
Operating expenses	(8,384,115)	(10,829,801)	(184,347)	(19,398,263)
Operating profit before impairment losses	17,233,762	12,228,251	451,985	29,913,998
Impairment losses on financial instruments	(635,481)	(1,110,646)	(17,483)	(1,763,610)
impairment losses on intangible assets	(112,230)	(136,198)	(52,816)	(301,244)
Profit before tax	16,486,051	10,981,407	381,686	27,849,144

Group	2025			
	Corporate and Investment Banking KShs '000	Wealth and Retail Banking KShs '000	Central & Other items KShs '000	Total KShs '000
Total assets employed	111,265,895	63,593,415	188,632,246	363,491,556
Of which: loans and advances to customers	90,736,255	63,570,784	-	154,307,039
Total liabilities employed	131,792,416	155,234,625	10,144,334	297,171,375
Of which: customer deposits	129,562,865	153,888,965	-	283,451,830
Other segment items:				
Depreciation and amortisation	666,515	513,358	329,250	1,509,123
Capital expenditure	579,689	609,529	312,518	1,501,736
Group	2024			
Total assets employed	94,090,653	65,249,221	225,234,215	384,574,089
Of which: loans and advances to customers	86,424,305	65,223,074	-	151,647,379
Total liabilities employed	152,400,491	146,359,694	14,037,784	312,797,969
Of which: customer deposits	149,697,089	145,993,000	-	295,690,089
Other segment items:				
Depreciation and amortisation	355,518	815,411	249,697	1,420,626
Capital expenditure	912,150	1,144,009	300,634	2,356,793

Notes to the financial statements

5. Segmental information continued

Company	2025			
	Corporate and Investment Banking KShs '000	Wealth and Retail Banking KShs '000	Central & Other Items KShs '000	Total KShs '000
Total assets employed	111,265,895	63,593,415	189,610,081	364,469,391
Of which: loans and advances to customers	90,736,255	63,570,784	–	154,307,039
Total liabilities employed	131,792,416	155,234,625	11,202,987	298,230,028
Of which: customer deposits	129,562,865	153,888,965	–	283,451,830
Other segment items:				
Depreciation and amortisation	666,515	513,358	329,250	1,509,123
Capital expenditure	579,689	609,529	312,518	1,501,736
Company	2024			
Total assets employed	94,090,653	65,249,221	225,865,994	385,205,868
Of which: loans and advances to customers	86,424,305	65,223,074	–	151,647,379
Total liabilities employed	152,400,491	146,359,694	14,942,578	313,702,763
Of which: customer deposits	149,697,089	145,993,000	–	295,690,089
Other segment items:				
Depreciation and amortisation	355,518	815,411	249,697	1,420,626
Capital expenditure	912,150	1,144,009	242,742	2,298,901

Notes to the financial statements

6. Net interest income

Accounting policy

Interest income for financial assets held at either FVOCI or amortised cost, and interest expense on all financial liabilities held at amortised cost is recognised in the income statement using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the expected life of the instrument. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of a financial liability. When calculating the effective interest rate for financial instruments other than credit impaired assets, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs that are directly attributable to the acquisition, issue or disposal of the financial asset or financial liability, expected credit losses (for stage 3 instruments) and all other premiums or discounts.

For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Where the Group is a lessee and the contract gives it the right to use a specified underlying physical asset for a lease term greater than 12 months, it recognises a liability equal to the present value of lease payments over the lease term, discounted using the incremental borrowing rate applicable. Interest expense on the lease liability is recognised in net interest income.

	Group		Company	
	2025 KShs '000	2024 KShs '000	2025 KShs '000	2024 KShs '000
Loans and advances to banks	4,759,847	6,231,011	4,759,847	6,231,011
Loans and advances to customers ¹	16,847,900	22,703,558	16,847,900	22,703,558
Government securities at FVOCI	11,149,076	9,755,403	11,149,076	9,755,403
Accrued on impaired assets	70,260	125,712	70,260	125,712
Interest income	32,827,083	38,815,684	32,827,083	38,815,684
Deposits from banks	221,198	984,972	221,198	984,972
Deposits from customers	3,637,487	4,531,170	3,654,560	4,553,666
Interest expense on lease liabilities	76,556	34,239	76,556	34,239
Interest expense	3,935,241	5,550,381	3,952,314	5,572,877
Net interest income	28,891,842	33,265,303	28,874,769	33,242,807

¹The interest income from loans and advances to customers at amortised cost and FVTPL

Notes to the financial statements

7. Net fee and commission income

Accounting policy

Fees and commissions charged for services provided by the Group are recognised as or when the service is completed, or significant act performed.

Fee and commission income and expenses that are integral to the effective interest rate of a financial asset or financial liability are included in the measurement of the effective interest rate.

Loan syndication fees are recognised as revenue when the syndication has been completed and the Group retained no part of the loan package for itself or retained a part at the same effective interest rate as for the other participants. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts as the related services are performed.

Other fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

The Group can act as trustee or in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. The assets and income arising thereon are excluded from these financial statements, as they are not assets and income of the Group.

The Group applies the following practical expedients:

- information on amounts of transaction price allocated to unsatisfied (or partially unsatisfied) performance obligations at the end of the reporting period is not disclosed as almost all fee-earning contracts have an expected duration of less than one year;
- promised consideration is not adjusted for the effects of a significant financing component as the period between the Group providing a service and the customer paying for it is expected to be less than one year; and
- incremental costs of obtaining a fee-earning contract are recognised upfront in 'Fee' and commission expense' rather than amortised, if the expected term of the contract is less than one year.

The determination of the services performed for the customer, the transaction price, and when the services are completed depends on the nature of the product with the customer. The main considerations on income recognition by product are as follows:

Transaction Services

The Group recognises fee income associated with transactional trade and cash management at the point in time the service is provided. The Group recognises income associated with trade contingent risk exposures (such as letters of credit and guarantees) over the period in which the service is provided. Payment of fees is usually received at the same time the service is provided. In some cases, letters of credit and guarantees issued by the Group have annual upfront premiums, which are amortised on a straight-line basis to fee income over the year.

Global Markets and Global Banking

The Group recognises fee income at the point in time the service is provided. Fee income is recognised for a significant non-lending service when the transaction has been completed and the terms of the contract with the customer entitle the Group to the fee. Fees are usually received shortly after the service is provided.

Syndication fees are recognised when the syndication is complete. Fees are generally received before completion of the syndication, or within 12 months of the transaction date.

Securities services include custody services, fund accounting and administration, and broker clearing. Fees are recognised over the period the custody or fund management services are provided, or as and when broker services are requested.

Wealth Solutions

Upfront consideration on bancassurance agreements is amortised straight-line over the contractual term. Commissions for bancassurance activities are recorded as they are earned through sales of third-party insurance products to customers. These commissions are received within a short time frame of the commission being earned. Target-linked fees are accrued based on percentage of the target achieved, provided it is assessed as highly probable that the target will be met. Cash payment is received at a contractually specified date after achievement of a target has been confirmed. Upfront and trailing commissions for managed investment placements are recorded as they are confirmed. Income from these activities is relatively even throughout the period, and cash is usually received within a short time frame after the commission is earned.

Notes to the financial statements

7. Net fee and commission income continued

Accounting policy continued

Retail Products

The Group recognises most income at the point in time the Group is entitled to the fee, since most services are provided at the time of the customer's request. Credit card annual fees are recognised at the time the fee is received since there are contractual circumstances under which fees are waived, so income recognition is constrained until the uncertainties associated with the annual fee are resolved. The Group defers the fair value of reward points on its credit card reward programme, and recognises income and costs associated with fulfilling the reward at the time of redemption.

	Group		Company	
	2025 KShs '000	2024 KShs '000	2025 KShs '000	2024 KShs '000
Fee and commissions income	10,196,132	9,193,627	7,477,288	7,374,939
Fee and commissions expense	(3,464,230)	(2,530,268)	(3,464,230)	(2,530,268)
Net fee and commission income	6,731,902	6,663,359	4,013,058	4,844,671

Group	2025			2024		
	Corporate and Investment Banking KShs '000	Wealth and Retail Banking KShs '000	Total KShs '000	Corporate and Investment Banking KShs '000	Wealth and Retail Banking KShs '000	Total KShs '000
Transaction Services	654,405	35,691	690,096	2,004,252	34,934	2,039,186
Trade and Working Capital	421,825	35,639	457,464	381,757	34,787	416,544
Payments and Liquidity	232,580	52	232,632	1,622,495	147	1,622,642
Global Markets	1,343,591	-	1,343,591	1,221,722	-	1,221,722
Mortgages and Other Secured Lending	37,832	-	37,832	166,498	-	166,498
Wealth Solutions	-	2,718,844	2,718,844	-	1,818,688	1,818,688
Retail products	-	1,748,881	1,748,881	-	1,338,912	1,338,912
Treasury	74,649	-	74,649	57,981	-	57,981
Other Products	118,009	-	118,009	20,372	-	20,372
Net fee and commission income	2,228,486	4,503,416	6,731,902	3,470,825	3,192,534	6,663,359

Company	2025			2024		
	Corporate and Investment Banking KShs '000	Wealth and Retail Banking KShs '000	Total KShs '000	Corporate and Investment Banking KShs '000	Wealth and Retail Banking KShs '000	Total KShs '000
Transaction Services	654,405	35,691	690,096	2,004,252	34,934	2,039,186
Trade and Working Capital	421,825	35,639	457,464	381,757	34,787	416,544
Payments and Liquidity	232,580	52	232,632	1,622,495	147	1,622,642
Global Markets	1,343,591	-	1,343,591	1,221,722	-	1,221,722
Mortgages and Other Secured Lending	37,832	-	37,832	166,498	-	166,498
Wealth Solutions	-	-	-	-	-	-
Retail products	-	1,748,881	1,748,881	-	1,338,912	1,338,912
Treasury	74,649	-	74,649	57,981	-	57,981
Other Products	118,009	-	118,009	20,372	-	20,372
Net fee and commission income	2,228,486	1,784,572	4,013,058	3,470,825	1,373,846	4,844,671

Notes to the financial statements

8. Net trading income

Accounting policy

Gains and losses arising from changes in the fair value of financial instruments held at fair value through profit or loss are recorded in net trading income in the period in which they arise. This includes contractual interest receivable or payable.

Income is recognised from the sale and purchase of trading positions, margins on market making and customer business and fair value changes. When the initial fair value of a financial instrument held at fair value through profit or loss relies on unobservable inputs, the difference between the initial valuation and the transaction price is amortised to net trading income as the inputs become observable or over the life of the instrument, whichever is shorter. Any unamortised 'day one' gain is released to net trading income if the transaction is terminated.

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All foreign exchange differences arising on non-trading activities are taken to other operating income/expense in the income statement. These differences are recognised in OCI until the disposal of the net investment, at which time, they are recognised in the income statement. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition. Foreign exchange gains and losses on monetary items are recognised in net trading income.

	Group and Company	
	2025 KShs '000	2024 KShs '000
Net gains on foreign exchange transactions	3,420,248	8,266,151
Other trading profits – FVTPL	2,721,071	3,246,460
Net trading income	6,141,319	11,512,611

9. Dividend income

Accounting policy

Dividends are recognised in profit or loss as other operating income when the right of the payment has been established.

	Company	
	2025 KShs '000	2024 KShs '000
Standard Chartered Investment Services Limited	1,458,282	770,912
Standard Chartered Bancassurance Intermediary Limited	106,854	115,355
Standard Chartered Financial Services Limited	198,641	–
	1,763,777	886,267

	Company	
	2025 KShs '000	2024 KShs '000
Interim dividend (received)	582,501	530,000
Final dividend (accrued)	1,181,276	356,267
	1,763,777	886,267

Notes to the financial statements

10. Other operating income /(loss)

Accounting policy

Operating lease income is recognised on a straight-line basis over the period of the lease unless another systematic basis is more appropriate.

On disposal of financial instrument held at fair value through other comprehensive income, the cumulative fair value gains or losses are recycled to the profit or loss in other operating income/expense.

On disposal of property and equipment, the difference between the consideration and the carrying amount of the asset is recognised as a gain or loss on the sale of the asset.

	Group and Company	
	2025 KShs '000	2024 KShs '000
Other operating income/(loss) includes:		
Rental income from operating lease assets	107,156	111,611
Net gain/ (loss) on disposal of FVOCI debt instruments	10,825	(1,252,258)
Other	3,738	(33,448)
Other operating income/(loss)	121,719	(1,174,095)

Other includes profit from disposal of property and equipment and other miscellaneous income.

Notes to the financial statements

11. Operating expenses

Accounting policy

Short-term employee benefits: Salaries are recognised over the period in which the employees provide the service. A liability is recognised for the amount expected to be paid if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Variable compensation is included within share-based payments costs and wages and salaries.

Pension costs: Contributions to the defined contribution pension scheme are recognised in the income statement when payable. For the defined benefit plan, net interest expense, service costs and expenses are recognised in the income statement. Further details are provided in note 34.

Share-based compensation: The Group's employees participate in equity-settled and cash-settled share-based payment compensation plans operated by Standard Chartered PLC, the ultimate holding company of Standard Chartered Bank Kenya Limited and its subsidiaries. Participating employees are awarded ordinary shares in Standard Chartered PLC in accordance with the terms and conditions of the relevant scheme. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. For deferred share awards granted as part of an annual performance award, the expense is recognised over the period from the start of the performance period to the vesting date. For example, the expense for awards granted in 2025 in respect of 2024 performance, which vest in 2025-2027, is recognised as an expense over the period from 1 January 2024 to the vesting dates in 2025-2027. For all other awards, the expense is recognised over the period from the date of grant to the vesting date.

In addition, employees have the choice of opening a three-year or five-year savings contract under the All Employee Share Save plan. Within a period of six months after the third or fifth anniversary, as appropriate, employees may purchase ordinary shares of Standard Chartered PLC.

The price at which they may purchase shares is at a discount of up to twenty per cent on the share price at the date of invitation. There are no performance conditions attached to options granted under the All Employee Share Save plan.

For equity-settled awards, the total amount to be expensed over the vesting period is determined by reference to the fair value of the options at the date of the grant, which excludes the impact of any non-market vesting conditions (for example, profitability and growth targets). The fair value of equity instruments granted is based on market prices, if available, at the date of grant. In the absence of market prices, the fair value of the instruments is estimated using an appropriate valuation technique, such as binomial option pricing model. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest.

At each reporting date, the estimate of the number of options that are expected to vest is revised. The impact of the revision of original estimates, if any, is recognised in the income statement, and a corresponding adjustment to equity over the remaining vesting period. Forfeitures prior to vesting attributable to factors other than the failure to satisfy a non-market vesting condition are treated as a cancellation and the remaining unamortised charge is debited to the income statement at the time of cancellation.

Deferred cash awards: Cash-settled awards are revalued at each reporting date and a liability recognised on the statement of financial position for all unpaid amounts, with any changes in fair value charged or credited to staff costs in the income statement until the awards are exercised. Where forfeitures occur prior to vesting that are attributable to factors other than a failure to satisfy a market-based performance condition, the cumulative charge incurred up to the date of forfeiture is credited to the income statement.

Termination benefits: Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

Provisions: A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to that liability.

Depreciation: The accounting policy on depreciation is as disclosed in note 26.

Other expenses: Other expenses are recognised in the income statement where no future economic benefits are expected.

Notes to the financial statements

11. Operating expenses continued

Accounting policy continued

Significant accounting estimates and judgments

The fair value of equity-settled share options is estimated through the use of option valuation models; which require inputs such as risk-free interest rate, expected dividends, expected volatility and the expected option life and is expensed over the vesting period. Some of the inputs used, such as the expected option life, are not market observable and are based on estimates derived from available data, such as employee exercise behaviour. The models utilised, such as the binomial option pricing model, are intended to value options traded in active markets. The share options issued by Standard Chartered PLC however have a number of features that make them incomparable to such trade options. Using different input estimates or models could produce different option values, which would result in the recognition of higher or lower expense.

	Group		Company	
	2025 KShs '000	2024 KShs '000	2025 KShs '000	2024 KShs '000
Staff costs				
Salaries and wages	6,528,598	6,218,277	6,429,724	6,124,340
Contributions to defined contribution plan	710,241	667,647	699,982	658,271
Increase in retirement benefit obligations (Note 34)	2,646,314	34,571	2,646,314	34,571
Redundancy costs	112,274	580,103	112,274	580,103
Employee share-based payments expenses	85,598	87,016	85,556	87,016
Deferred cash awards	27,857	66,691	27,857	66,691
Other staff costs	1,366,988	1,779,312	1,349,501	1,761,753
	11,477,870	9,433,617	11,351,208	9,312,745

	Group and Company	
	2025 No.	2024 No.
The number of employees at the year-end was:		
Management	832	861
Unionisable	75	91
Other	35	49
	942	1,001

	Group		Company	
	2025 KShs '000	2024 KShs '000	2025 KShs '000	2024 KShs '000
Premises and equipment expenses				
Rental of premises	109,668	142,068	109,668	142,068
Rental of computers and equipment	182,380	186,017	182,380	186,017
Electricity	79,424	77,894	79,424	77,894
Other premises and equipment expenses	564,256	460,148	561,360	457,409
	935,728	866,127	932,832	863,388

Premises and equipment expenses relate to costs incurred on premises and equipment that do not qualify for capitalisation under the Group policy and are expensed as they are incurred.

General administrative expenses mainly include recharges as disclosed in Note 39 on related party transactions, and other miscellaneous general and administrative expenses.

	Group and Company	
	2025 KShs '000	2024 KShs '000
Depreciation on property and equipment (Note 26)	450,616	384,485
Amortisation of intangible assets (Note 27)	1,058,507	1,036,141
	1,509,123	1,420,626

Notes to the financial statements

12. Profit before tax

	Group		Company	
	2025 KShs '000	2024 KShs '000	2025 KShs '000	2024 KShs '000
Profit before tax is arrived at after charging:				
Depreciation on property and equipment (Note 26)	450,616	384,485	450,616	384,485
Amortisation of intangible assets (Note 27)	1,058,507	1,036,141	1,058,507	1,036,141
Impairment charge on software	27	301,244	38,360	301,244
Loss on lease modification (Note 33)	4,402	490	4,402	490
Loss on sale of property and equipment	14,697	–	14,697	–
Directors' emoluments: • Fees	25,802	25,034	25,802	25,034
• Other	341,305	352,952	341,305	352,952
Auditors' remuneration				
• Statutory audit	27,141	26,024	25,122	24,088
• Information Systems and Technology audit	19,832	19,016	19,832	19,016
And after crediting:				
Gain on sale of property and equipment	4,200	12,332	4,200	12,332

13. Tax

Accounting policy

Income tax expense comprises current and change in deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income. The Group has determined that interest and penalties related to income taxes do not meet the definition of income taxes and therefore has accounted for them under IFRIC 23 Uncertainty of Income Tax Treatments and has recognised the related expenses in operating expenses.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received having considered the uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Notes to the financial statements

13. Tax continued

Accounting policy continued

(ii) Deferred tax continued

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Significant accounting estimates and judgments

- determining the Group's tax charge for the year involves estimation and judgment on the potential outcome, which includes an interpretation of tax laws. These judgments take account of external advice where appropriate;
- the Group provides for current tax liabilities at the best estimate of the amount that is expected to be paid to the tax authority where an outflow is probable; and
- the recoverability of the Group's deferred tax asset is based on management's judgment of the availability of future taxable profits against which the deferred tax assets will be utilised.

(iii) Income tax

	Group		Company	
	2025 KShs '000	2024 KShs '000	2025 KShs '000	2024 KShs '000
Current year's tax at 30%	4,727,217	7,722,532	4,191,044	7,243,590
Adjustment in respect of current income tax of prior years	(31,469)	5,589	(32,284)	59,176
	4,695,748	7,728,121	4,158,760	7,302,766
Deferred tax prior year (Note 28)	(319,907)	16,475	(312,348)	16,475
Deferred tax (credit)/charge at 30% (Note 28)	24,282	403,053	(61,152)	468,372
Income tax expense	4,400,123	8,147,649	3,785,260	7,787,613

The tax on the accounting profit before tax differs from the theoretical amount using the basic tax rate as follows:

	Group		Company	
	2025 KShs '000	2024 KShs '000	2025 KShs '000	2024 KShs '000
Accounting profit before tax	16,836,694	28,208,236	16,414,028	27,849,144
Computed tax using the applicable corporation tax rate at 30%	5,051,008	8,462,471	4,924,208	8,354,743
Tax exempt income	(507,822)	(662,095)	(1,036,955)	(927,975)
Non-deductible expenses	208,313	325,209	242,639	285,194
Adjustment in respect of:				
current income tax of prior years	(31,469)	5,589	(32,284)	59,176
deferred tax of prior years	(319,907)	16,475	(312,348)	16,475
Income tax expense	4,400,123	8,147,649	3,785,260	7,787,613

Notes to the financial statements

13. Tax continued

Accounting policy continued

(iii) Income tax continued

The following are the movements in current tax during the year:

	Group		Company	
	2025 KShs '000	2024 KShs '000	2025 KShs '000	2024 KShs '000
Current tax assets at 1 January	1,080,212	1,185,327	961,104	1,052,843
Current tax liabilities at 1 January	(1,742,437)	–	(1,587,139)	–
Net current tax at 1 January	(662,225)	1,185,327	(626,035)	1,052,843
Current tax at 30%	(4,727,217)	(7,722,532)	(4,191,044)	(7,243,590)
Adjustment in respect of prior years' current income tax	31,469	(5,589)	32,284	(59,176)
Taxes paid	6,175,734	5,880,569	5,499,178	5,623,888
Net current tax balance at 31 December	817,761	(662,225)	714,383	(626,035)
Current tax assets at 31 December	846,187	1,080,212	714,383	961,104
Current tax liabilities at 31 December	(28,425)	(1,742,437)	–	(1,587,139)
Total	817,762	(662,225)	714,383	(626,035)

14. Earnings per ordinary share

Accounting policy

Basic earnings per ordinary share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding, excluding own shares held. Diluted earnings per ordinary share is calculated by dividing the basic earnings, which require no adjustment for the effects of dilutive potential ordinary shares, by the weighted average number of ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares, excluding own shares held.

The Group measures earnings per share on the profit or loss attributable to ordinary equity holders. Where the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalisation, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively.

The calculation of Group basic earnings per share at 31 December 2025 and 2024 is based on the profit attributable to ordinary shareholders of KShs 12,268,571,000 (2024: KShs 19,892,587,000) and a weighted average number of ordinary shares outstanding during the year of 377,850,589 (2024: 377,850,589).

The calculation of Company basic earnings per share at 31 December 2025 and 2024 is based on the profit attributable to ordinary shareholders of KShs 12,460,768,000 (2024: KShs 19,893,531,000) and a weighted average number of ordinary shares outstanding during the year of 377,850,589 (2024: 377,850,589).

	Group		Company	
	2025 KShs '000	2024 KShs '000	2025 KShs '000	2024 KShs '000
Profit for the year attributable to equity holders	12,436,571	20,060,587	12,628,768	20,061,531
Dividend on non-redeemable, non-cumulative, non-voting, non-participating and non-convertible preference shares	(168,000)	(168,000)	(168,000)	(168,000)
Profit for the year attributable to ordinary shareholders	12,268,571	19,892,587	12,460,768	19,893,531
Basic and diluted – Weighted average number of shares (thousands)	377,851	377,851	377,851	377,851
Basic and diluted earnings per ordinary share (KShs)	32.47	52.65	32.98	52.65

Notes to the financial statements

15. Dividends

Accounting policy

Dividends on ordinary shares and preference shares classified as equity are recognised in equity in the year in which they are declared, and, in respect of the final dividend, have been approved by the shareholders.

In determining if dividends are distributable, and the level of dividends declared, the Board considers a number of factors which include but are not limited to the:

- amount of distributable reserves;
- capital requirements of the Group (see note 4 (F)); and
- level of cash investment projections to achieve the Group's strategy.

	Group and Company	
	2025 KShs '000	2024 KShs '000
Dividends – Ordinary shares	8,690,564	13,980,472
Dividends – Preference shares	84,690	84,230
	8,775,254	14,064,702
The movement in dividend is as follows:		
At 1 January	14,064,702	8,775,254
Dividend proposed		
Ordinary shares – interim 2025/2024	3,022,805	3,022,805
Preference shares – interim 2025/2024	83,310	83,770
Ordinary shares – final 2025/2024	8,690,564	13,980,472
Preference shares – final 2025/2024	84,690	84,230
Dividend paid		
Ordinary shares – final 2024/2023	(13,980,472)	(8,690,564)
Preference shares – final 2024/2023	(84,230)	(84,690)
Ordinary shares – interim 2025/2024	(3,022,805)	(3,022,805)
Preference shares – interim 2025/2024	(83,310)	(83,770)
At 31 December	8,775,254	14,064,702

Proposed dividends are accounted for as a separate component of equity until they have been ratified at an Annual General Meeting.

At the Annual General Meeting to be held on 21 May 2026 a final dividend in respect of the year ended 31 December 2025 of KShs 23.00 (2024 – KShs 37.00) per ordinary share of KShs 5.00 is to be proposed. One interim dividend of KShs 8.00 (2024 – KShs 8.00) for every ordinary share of KShs 5.00 was declared on 20 August 2025 and paid on 7 October 2025. This will bring the total dividend for the year to KShs 31.00 (2024 – KShs 45.00) per ordinary share of KShs 5.00

At the Annual General Meeting to be held on 21 May 2026, a final dividend in respect of the year ended 31 December 2025 of KShs 84,690,411 (2024 – KShs 84,230,137) for the preference shares is to be proposed.

An interim dividend of KShs 83,309,589 (2024 – KShs 83,769,863) was declared on 20 August 2025 and paid on 7 October 2025. This will bring the total dividend for the year to KShs 168,000,000 (2024: KShs 168,000,000).

Dividends on the preference shares are paid at the rate of 6% per annum on the issue price of KShs 50.00 per share.

Payment of dividends is subject to withholding tax at the rate of 5% for residents and 15% for non-resident shareholders

Notes to the financial statements

16. Cash and balances with Central Bank of Kenya

Accounting policy

Cash and cash equivalents comprise cash on demand and unrestricted balances with the Central Bank of Kenya and balances with less than three months' maturity from the date of acquisition, including treasury bills and other eligible bills and loans and advances to banks.

Cash and cash equivalents are measured at amortised cost in the statement of financial position.

	Group and Company	
	2025 KShs '000	2024 KShs '000
Cash on hand	3,782,179	4,166,406
Balances with Central Bank of Kenya		
• Restricted balances (Cash Reserve Ratio)	6,241,168	12,347,634
• Unrestricted balances	1,547,695	15,825,509
	11,571,042	32,339,549

The Cash Reserve Ratio is non-interest earning and is based on the value of deposits as adjusted for the Central Bank of Kenya requirements. At 31 December 2025, the Cash Reserve Ratio requirement was 3.25% (2024: 4.25%) of all deposits. These funds are available for use by the Company in its day-to-day operations in a limited way provided that on any given day this balance does not fall below the 3.00% requirement and provided that the overall average in the month is at least 3.25% (2024: 4.25%).

17. Government and other securities held at FVTPL

Accounting policy

Securities are treasury bills and bonds, debt securities and equity securities acquired principally for the purpose of selling in the short-term or mandatorily classified. Refer to note 3 Financial assets and liabilities for the accounting policy.

The change in the carrying amount of government and other securities is as shown below:

Group and Company	2025		
	Treasury bonds KShs '000	Equity shares KShs '000	Total KShs '000
At 1 January	774,509	44,306	818,815
Additions	32,383,306	–	32,383,306
Disposals and maturities	(22,959,480)	–	(22,959,480)
Exchange difference	–	2,773	2,773
Amortisation of discount/premium	(410,359)	–	(410,359)
Changes in fair value	638,982	11,133	650,115
At 31 December	10,426,958	58,212	10,485,170

Group and Company	2024		
	Treasury bonds KShs '000	Equity shares KShs '000	Total KShs '000
At 1 January	5,740,496	27,972	5,768,468
Additions	30,021,657	–	30,021,657
Disposals and maturities	(34,966,566)	–	(34,966,566)
Exchange difference	–	(6,301)	(6,301)
Changes in fair value	(21,078)	22,635	1,557
At 31 December	774,509	44,306	818,815

The weighted average effective interest rate on government securities mandatorily held at FVTPL at 31 December 2025 was 12.3% (2024 – 14.6%)

Notes to the financial statements

18. Derivative financial instruments

Accounting policy

Changes in fair value of any derivative instruments not qualifying for hedge accounting are recognised immediately in the income statement. Derivative financial instruments are initially recognised at fair value. Subsequent to initial recognition, derivative financial instruments are measured at fair value. For derivative financial instruments traded in active markets, quoted market prices for identical financial assets or financial liabilities that the entity has access to are used. For all other financial instruments which do not have an observable price in an active market, fair value is measured using valuation techniques. Valuation techniques maximise the use of observable inputs and minimise the use of unobservable inputs. The gain or loss on re-measurement to fair value is recognised immediately in the income statement.

The Group uses the following derivative instruments:

Forward foreign exchange contracts

Forward foreign exchange contracts represent commitments to purchase foreign and domestic currency, including undelivered spot transactions. Foreign currency and interest rate futures are contractual obligations to receive or pay a net amount based on changes in currency rates or to buy or sell foreign currency or a financial instrument at a future date at a specified price, established in an organised financial market.

The credit risk is negligible, as futures contracts are collateralised by cash or marketable securities, and changes in the futures contract value are settled daily with the exchange. Forward rate agreements are individually negotiated interest rate futures that call for a cash settlement at a future date for the difference between a contracted rate of interest and the current market rate, based on a notional principal amount.

Currency swaps and interest rate swaps

Currency swaps and interest rate swaps are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of currencies or interest rates (for example, fixed rate or floating rate) or a combination of all these (i.e. cross-currency interest rate swaps). No exchange of principal takes place, except for certain currency swaps. The Group's credit risk represents the potential cost to replace the swap contracts if counterparties fail to perform their obligation. The risk is monitored on an ongoing basis with reference to the current fair value, a proportion of the notional amount of the contracts and the liquidity of the market. To control the level of credit risk taken, the Group assesses counterparties using the same techniques as for its lending activities.

Foreign currency options and interest rate options

Foreign currency options and interest rate options are contractual agreements under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set period, a specific amount of a foreign currency or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of foreign exchange or interest rate risk. Options may be either exchange-traded or negotiated between the Group and a customer i.e. over-the-counter (OTC). The Group is exposed to credit risk on purchased options only to the extent of their carrying amount, which is their fair value.

The notional amounts of certain types of financial instruments provide a basis for comparison with instruments recognised on the statement of financial position but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Group's exposure to credit or price risks.

The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favourable or unfavourable, and thus the aggregate fair values of derivative financial assets and liabilities, can fluctuate significantly from time to time.

Notes to the financial statements

18. Derivative financial instruments continued

Accounting policy continued

Foreign currency and interest rate options continued

The types of derivatives used by the Group are set out below.

These tables analyse the notional principal amounts and the positive (assets) and negative (liabilities) fair values of the Group's derivative financial instruments. Notional principal amounts are the amount of principal underlying the contract at the reporting date.

	Group and Company					
	2025			2024		
	Notional principal amounts KShs '000	Assets KShs '000	Liabilities KShs '000	Notional principal amounts KShs '000	Assets KShs '000	Liabilities KShs '000
Derivatives						
Foreign exchange derivative contracts:						
Forward foreign exchange contracts	37,718,089	377,290	132,100	30,190,816	2,026,862	1,021,056
Currency swaps and options	18,026,620	186,712	1,044,864	17,125,496	1,200,491	136,867
	55,744,709	564,002	1,176,964	47,316,312	3,227,353	1,157,923
Interest rate derivative contracts:						
Interest rate swaps, forward agreements and options	204,250	1,050	1,243	576,056	4,082	6,997
Total derivatives	55,948,959	565,052	1,178,207	47,892,368	3,231,435	1,164,920

19. Loans and advances to banks and customers

Accounting policy

Refer to note 3 on financial assets and liabilities for the accounting policy.

(a) Loans and advances to banks and customers at amortised cost

	Group and Company	
	2025 KShs '000	2024 KShs '000
Gross loans and advances to banks	742,784	1,164,478
Expected credit loss	(1,900)	(6,835)
	740,884	1,157,643
Gross loans and advances to customers amortised cost	154,427,352	158,641,350
Expected credit loss	(5,819,990)	(6,993,971)
	148,607,362	151,647,379
Total loans and advances to banks and customers	149,348,246	152,805,022

The weighted average effective interest rate on loans and advances to banks at 31 December 2025 was 0.01% (2024 – 0.01%).

The weighted average effective interest rate on loans and advances to customers at 31 December 2025 was 15.4% (2024 – 15.3%).

Notes to the financial statements

19. Loans and advances to banks and customers continued

(b) Loans and advances to customers at FVTPL

During the year the Group acquired a syndicated loan which is mandatorily classified at FVTPL. Refer to note 3 for details.

	Group and Company	
	2025 KShs '000	2024 KShs '000
Loans and advances to customers at FVTPL	5,699,677	–

(c) Net impairment losses on financial instruments:

The table below summarises the net impairment losses to the income statement against the financial instruments subject to impairment:

	Group and Company	
	2025 KShs '000	2024 KShs '000
Loans and advances to banks	(5,641)	2,749
Loans and advances to customers at amortised cost	1,639,808	1,952,167
Amounts due from group companies	2,224	15,903
FVOCI investment securities	64,971	(247,109)
Financial guarantees and undrawn commitments	40,163	39,900
	1,741,525	1,763,610

(d) Maturity term classification

The table below summarises the net impairment losses to the income statement against the financial instruments subject to impairment:

	Group and Company	
	2025 KShs '000	2024 KShs '000
Loans at amortised cost		
Repayable on demand	36,839,130	41,410,509
Less than 3 months	24,270,921	29,991,870
3 months to 1 year	10,181,220	13,372,249
1 to 5 years	44,955,951	27,073,619
5 to 10 years	29,821,115	35,239,435
Over 10 years	8,359,015	11,553,668
Gross loans and advances	154,427,352	158,641,350

	Group and Company	
	2025 KShs '000	2024 KShs '000
Loans and advances to customers at FVTPL		
Less than 3 months	2,254,464	–
3 months to 1 year	3,499,537	–
Gross loans and advances	5,754,001	–

Notes to the financial statements

20. Government securities held at FVOCI

Accounting policy

Refer to note 3 on Financial assets and liabilities for the accounting policy.

	Group and Company	
	2025 KShs '000	2024 KShs '000
Treasury bills – FVOCI	94,300,656	92,911,506
Foreign Treasury bonds – FVOCI	2,601,169	5,091,207
	96,901,825	98,002,713

The change in the carrying amount of Government securities at FVOCI is as shown below:

	Group and Company	
	2025 KShs '000	2024 KShs '000
At 1 January	98,002,713	63,834,200
Additions	42,164,166	110,460,753
Disposals and maturities	(53,078,929)	(87,964,000)
Changes in fair value	(1,131,956)	1,911,651
Net loss on disposal of FVOCI debt instruments	(10,825)	1,252,258
Movement in accrued interest	(22,982)	(643,123)
Amortisation of discounts and premiums	10,979,638	9,150,974
At 31 December	96,901,825	98,002,713

The weighted average effective interest rate on foreign treasury bonds at 31 December 2025 was 3.5% (2024 – 3.5%) and on the Kenya treasury bills was 10.1% (2024 – 16.0%).

There were no treasury bills under repurchase agreements outstanding at 31 December 2025 and 2024. There were no money market bonds as at 31 December 2025 (2024 – nil).

At 31 December 2025, unamortised premiums on investment securities amounted to KShs 7.3 million (2024 – KShs 6.9million) and unamortised discounts amounted to KShs 9.0 million (2024 – KShs 87.9 million).

21. Other assets

Accounting policy

Refer to Note 3 financial assets and liabilities for the accounting policy.

	Group		Company	
	2025 KShs '000	2024 KShs '000	2025 KShs '000	2024 KShs '000
Financial assets				
Un-cleared effects	101,567	236,233	101,567	236,233
Other receivables	4,752,590	5,858,517	4,593,317	5,706,734
Total financial assets	4,854,157	6,094,750	4,694,884	5,942,967
Non Financial assets				
Prepayments	244,308	266,660	244,308	266,660
Total non-financial assets	244,308	266,660	244,308	266,660
Total other assets	5,098,465	6,361,410	4,939,192	6,209,627

Un-cleared effects consist of items in transit to/from other banks through the Central Bank of Kenya's clearing system. These items generally clear by end of the next business day.

Other receivables mainly consist of fees and commissions receivable, refundable deposits receivable. All other receivables are current, non-interest bearing and are short dated in maturity.

Other assets will attract immaterial ECL due to the immaterial risk of impairment and short dated maturity of the respective amounts.

Notes to the financial statements

22. Group company balances

Accounting policy

Refer to Note 3 financial assets and liabilities for the accounting policy.

	Group		Company	
	2025 KShs '000	2024 KShs '000	2025 KShs '000	2024 KShs '000
Due from group companies and other related parties				
Amounts due from group companies	71,391,193	78,608,857	72,542,881	79,472,178
Less loss allowance (Note 4(a)(iv))	(46,128)	(43,903)	(46,128)	(43,903)
	71,345,065	78,564,954	72,496,753	79,428,275
Due to group companies and other related parties				
Amounts due to group companies	4,272,683	8,087,854	4,272,683	8,087,854
Amounts due to subsidiaries	-	-	1,133,234	1,086,534
	4,272,683	8,087,854	5,405,917	9,174,388

The weighted average effective interest rate at 31 December 2025 on amounts due from group companies was 3.7% (2024 – 4.6%) and on amounts due to group companies was nil (2024 – 0.3%).

Amounts due to subsidiaries relate to cash held in current and term deposit accounts on behalf of the Company's subsidiaries. The weighted average effective interest rate on the term deposits was 7.5% (2024 – 7.9%).

23. Investment in subsidiary undertakings

Accounting policy

Subsidiaries are entities which the Company controls. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee. The assessment of power is based on the Company's practical ability to direct the relevant activities of the entity unilaterally for the Company's own benefit and is subject to re-assessment if and when one or more of the elements of control change. Subsidiaries are fully consolidated from the date on which the Company effectively obtains control. They are de-consolidated from the date that control ceases, and where any interest in the subsidiary remains, this is re-measured to its fair value and the change in carrying amount is recognised in the income statement.

In the Company's financial statements, investments in subsidiaries are held at cost less impairment. Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated in the Group accounts.

The following subsidiaries are wholly owned by the Company:

Company	Status	2025 KShs '000	2024 KShs '000
Standard Chartered Investment Services Limited	Active	20,000	20,000
Standard Chartered Financial Services Limited	Non-trading	120,241	120,241
Standard Chartered Bancassurance Intermediary Limited	Active	5,000	5,000
Standard Chartered Kenya Nominees Limited	Non-trading	2	2
		145,243	145,243

The investment in the above undertakings is measured at cost less accumulated impairment losses. All the subsidiaries are incorporated in Kenya. The Group has assessed the investment in subsidiaries for impairment and has determined that the investment is not impaired (2024 – nil)

Notes to the financial statements

24. Business combination

Accounting policy

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Transaction costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the income statement.

The accounting policy on recognition of goodwill is as disclosed in Note 27.

On 31 October 2010, Standard Chartered Bank Kenya Limited (SCBKL) acquired the custody business of Barclays Bank of Kenya Limited (BBKL). The business was acquired for KShs 1,883 million representing the value of revenue streams of the local customer relationships acquired. No other assets and liabilities other than customer relationships were acquired.

In addition to the purchase price paid by SCBKL, Standard Chartered PLC paid GBP £14,133,404 (KShs 1,824 million) in respect of the value that BBKL's custody clients provide across the Pan-African network covered by the Barclays Bank PLC's Africa custody business as a whole. This represents the value deemed to arise as a result of revenue streams from regional and global customer relationships acquired. In effect, the purchase price paid for by Standard Chartered PLC is deemed to be a capital contribution.

The revenue streams from all the customer relationships, both local and global, will therefore accrue to SCBKL and as such the value of the intangible is significantly higher than the purchase price paid locally.

The fair value of the customer relationships acquired were determined by discounting the future cash flows expected to be generated over the useful life determined to be 11 years.

The calculation of the acquired intangible asset was based on the following key assumptions:

- cash flows were projected based on past experience, actual operating results, and budgets and forecasts approved by management up to 2014. Management forecasts projected revenue growth rates greater than long-term GDP growth rates but which are in line with past performance as adjusted to reflect current economic climate and any known business cycles. Cash flow projections were extrapolated forward up to 2025 using steady long-term estimated GDP growth rates; and
- the cash flows were discounted using a pre-tax discount rate of 12.6% which reflected the prevailing market rates appropriate for this business at the date of the transaction.

The key assumptions described above may change as economic and market conditions change. Management believes that reasonable possible change in any of the key assumptions on which the fair value of the intangible has been based will not cause the carrying amounts to exceed their recoverable amount.

The intangible asset arising from the acquisition is as follows:

	Group and Company	
	2025	2024
	KShs '000	
Purchase consideration:		
Cash paid by SCBKL	1,883,365	
Cash paid by Standard Chartered PLC (capital contribution)	1,823,673	
Total purchase consideration	3,707,038	
Less: fair value of identifiable assets acquired		-
Intangible assets acquired: customer relationships	3,707,038	
Deferred tax liability recognised on business combination	(1,112,111)	
Total identifiable net assets	2,594,927	
Goodwill on acquisition (Note 27)		1,112,111

	Group and Company	
	2025	2024
	KShs '000	
Contribution from the acquisition:		
Operating income	2,538,056	2,452,094
Profit before tax	2,232,651	2,311,426

The goodwill is attributable mainly to the customer relationships acquired, value of the acquired work force and leveraged synergies within the Pan-African businesses and geographies. None of the goodwill recognised is expected to be deductible for income tax purposes.

The goodwill is wholly attributable to the Securities Services department of the Group and Company.

Notes to the financial statements

25. Non-current asset held for sale

Accounting policy

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. For classification as non-current asset held for sale, the following criteria must be met;

- the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable;
- appropriate level of management must be committed to a plan to sell the asset;
- an active programme to locate a buyer and complete the plan must have been initiated;
- the asset actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification,

Immediately before classification as held for sale, the assets, or components of a disposal group, are re-measured in accordance with the Group's accounting policies. Thereafter, generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell.

For non-financial assets, fair value takes into account the highest and best use either on a standalone basis or in combination with other assets or other assets and liabilities. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to financial assets, deferred tax assets and employee benefit assets which continue to be measured in accordance with the Group's accounting policies.

Non-current assets held for sale are not depreciated or amortised. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognised in the income statement. Gains are not recognised in excess of any cumulative impairment loss. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale shall continue to be recognised.

	Group and Company	
	2025 KShs '000	2024 KShs '000
Freehold land and buildings		
At 1 January	215,280	198,600
Sold during the year	(215,280)	-
Transfer from property, equipment and right-of-use assets	1,411,120	16,680
At 31 December	1,411,120	215,280

The assets of KShs 1,411 million (2024 – KShs 215 million) are classified under the Central and other items portion of the operating segment report in Note 5. Chiromo building property was designated as held for sale in June 2025. Treasury square and Nyeri branches were sold during the year.

Notes to the financial statements

26. Property, equipment and right-of-use assets

Accounting policy

Freehold land and buildings and buildings on leasehold land subsequently measured using the revaluation model are initially recognised at cost and then are subsequently measured at the fair value on the date of revaluation less subsequent accumulated depreciation and impairment losses.

All other property and equipment is stated at cost less accumulated depreciation and impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Subsequent costs are included in the assets carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

At each reporting date, the assets' residual values and useful lives are reviewed and adjusted, if appropriate, including assessing for indicators of impairment. In the event that an asset's carrying amount is determined to be greater than its recoverable amount, the asset is written down to the recoverable amount. Gains and losses on disposals are included in the income statement. In addition, the depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method shall be changed to reflect the changed pattern.

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land and buildings comprise mainly branches and offices. Freehold land is not depreciated although it is subject to impairment testing.

Leasehold land is recognised as an asset and amortised over the lease period.

Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- buildings on freehold land – up to 50 years;
- buildings on leasehold land – life of lease up to 50 years;
- Leasehold land – life of lease;
- fixtures, fittings and equipment – 3-10 years;
- automated teller machines (ATMs) – 7 years;
- computers – 3 – 5 years; and
- motor vehicles – 3 years.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Freehold land and buildings are revalued every three years. The carrying amounts are adjusted to the revaluations and the resulting increase, net of deferred tax is recognised in other comprehensive income and presented in the revaluation reserve within equity.

Revaluation decreases that offset previous increases of the same asset are charged or recognised in other comprehensive income with all other decreases being charged to the income statement.

Revaluation surpluses are not distributable.

Excess depreciation is the difference between the depreciation charge for the year based on the revalued amount and the original cost of the related property. On an annual basis, the amount relating to the excess depreciation net of deferred tax is transferred from revaluation reserves to retained earnings to recognise the use of the property and equipment.

Excess depreciation of KShs 5,375,000 (2024: KShs 12,025,000) and related deferred tax of KShs 1,612,000 (2024: KShs 3,608,000) was transferred to retained earnings.

Notes to the financial statements

26. Property, equipment and right-of-use assets continued

Accounting policy continued

Non-depreciable items

These are items that have not yet been brought to the location and/or condition necessary for it to be capable of operating in the manner intended by management. In the event of partially completed construction work that has necessitated advance or progress payments, or work-in-progress, depreciation will only commence when the work is complete. Fixed assets are classified as work-in-progress if it is probable that future economic benefits will flow to the Group and the cost can be measured reliably.

Amounts held within work-in-progress that are substantially complete, in common with other fixed assets, are assessed for impairment.

Derecognition

The carrying amount of an item of property and equipment shall be derecognised:

- on disposal; or
- when no future economic benefits are expected from its use or disposal.

The gain or loss arising from the derecognition of an item of property and equipment shall be included in the income statement when the item is derecognised.

Leases classified as right-of-use assets under IFRS 16

Where the Group is a lessee of a right-of-use asset, the leased assets are capitalised and included in property and equipment with a corresponding liability to the lessor recognised in other liabilities, in accordance with the Group's leased assets accounting policy in Note 33.

Significant accounting estimates and judgments

- critical estimates are made by management in determining the useful life for property and equipment; and
- certain items of property and equipment are measured at revalued amounts. The fair value is determined based on the market and cost approaches using quoted market prices for similar items when available and replacement cost when appropriate.

Group and Company	2025				
	Premises KShs '000	Equipment & Motor vehicle KShs '000	Right-of-use assets		Total KShs '000
Leased land KShs '000			Leased premises KShs '000		
Cost or valuation					
At 1 January	5,047,423	2,828,058	277,460	758,918	8,911,859
Additions	10,260	305,194	-	335,870	651,324
Disposals and fully depreciated assets written off	(87,342)	(90,263)	-	(66,474)	(244,079)
Classified as held for sale	(3,068,396)	(31,314)	(115,366)	-	(3,215,076)
At 31 December	1,901,945	3,011,675	162,094	1,028,314	6,104,028
Depreciation					
Accumulated at 1 January	2,826,332	2,195,710	72,531	561,014	5,655,587
Charge for the year	149,053	160,096	2,357	139,110	450,616
Attributable to assets sold, transferred or written off	(61,942)	(89,219)	-	(44,747)	(195,908)
Classified as held for sale	(1,749,278)	(22,524)	(32,154)	-	(1,803,956)
Accumulated at 31 December	1,164,165	2,244,063	42,734	655,377	4,106,339
Carrying amount at 31 December	737,780	767,612	119,360	372,937	1,997,689

Notes to the financial statements

26. Property, equipment and right-of-use assets continued

Group and Company	2024				
	Premises KShs '000	Equipment & Motor vehicle KShs '000	Right-of-use assets		Total KShs '000
			Leased land KShs '000	Leased premises KShs '000	
Cost or valuation					
At 1 January	4,833,150	2,896,392	277,578	700,692	8,707,812
Additions	347,620	330,765	-	78,254	756,639
Disposals and fully depreciated assets written off	(151,956)	(305,598)	-	(20,028)	(477,582)
Reclassification	35,609	(35,609)	-	-	-
Classified as held for sale	(17,000)	-	(118)	-	(17,118)
Transfer to intangible assets	-	(57,892)	-	-	(57,892)
As at 31 December	5,047,423	2,828,058	277,460	758,918	8,911,859
Depreciation					
Accumulated at 1 January	2,837,379	2,382,284	54,583	464,048	5,738,294
Charge for the year	137,316	119,025	18,051	110,093	384,485
Attributable to assets sold, transferred or written off	(148,028)	(305,599)	-	(13,127)	(466,754)
Classified as held for sale	(335)	-	(103)	-	(438)
Accumulated at 31 December	2,826,332	2,195,710	72,531	561,014	5,655,587
Net book amount at 31 December	2,221,091	632,348	204,929	197,904	3,256,272

Included in property and equipment at 31 December 2025 are assets with a gross value of KShs 4,903,640,000 (2024– KShs 6,721,214,000) which are fully depreciated but still in use.

There were no idle assets as at 31 December 2025 and 2024.

Freehold land and buildings were revalued on an open market basis by professional valuers, Kenval Realtors, Pinacclle Valuers Limited, Gimco Limited and Joe Musyoki Consultants as at 30 September 2023. The book values of the properties were adjusted to the revaluations, and the resulting deficit, net of deferred tax, was debited to the revaluation reserve.

Freehold land and buildings are revalued every 3 years.

In the opinion of the directors, the fair value of the freehold land and buildings has not changed significantly since the revaluation at 30 September 2023.

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year ended 31 December 2025 (2024 – Nil).

If the land and buildings were stated on the historical cost basis, the amounts would be as follows:

	Freehold land and buildings	
	2025 KShs '000	2024 KShs '000
Cost	616,061	616,061
Accumulated depreciation	(235,703)	(219,683)
	380,358	396,378

Notes to the financial statements

26. Property, equipment and right-of-use assets continued

The major land and building properties owned by the Group comprise:

- StandardChartered@Chiromo located at Westlands, Nairobi. This is a leasehold property classified as a commercial property which hosts the Group's Head Office within a seven-storey modern building. The property sits on 1.880 acres. In June 2025, the building was designated as held for sale.
- Kenyatta Avenue Branch located at Kenyatta Avenue, Nairobi. This is a leasehold property classified as a commercial property and gazetted as a Heritage site. It consists of a two-storey building at the junction of Kenyatta Avenue and Wabera Street in Nairobi. The property sits on 0.34435 acres.
- Nanyuki Branch in Nanyuki Town. This is a leasehold property classified as a commercial property and consists of a single-storey building on the main Nanyuki – Meru Highway. The property sits on 0.17218 acres.

The table below summarises the assumptions made in the revaluation of the property

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Kenyatta Avenue Branch	Market Comparable Approach	estimated market rental value	KShs 38 million per year	5% increase or decrease would result in an increase/ (decrease) in fair value of KShs 24 million.
Standard Chartered@Chiromo	<ul style="list-style-type: none"> • Cost approach • Sale comparable approach • Investment approach 	estimated market rental value	KShs 196 million per year	5% increase or decrease would result in an increase/ (decrease) in fair value of KShs 138 million.
Nanyuki Branch	<ul style="list-style-type: none"> • Depreciated replacement cost approach • Market comparison approach • Income approach 	Market comparable prices	KShs 18 million to KShs 50 million	5% increase or decrease would result in an increase/ (decrease) in fair value of KShs 1 million.

27. Goodwill and intangible assets

Accounting policy

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets and contingent liabilities of the acquired business at the date of acquisition.

Goodwill included in intangible assets is assessed at each reporting date for impairment and carried at cost less any accumulated impairment losses. Detailed calculations are performed based on discounting expected pre-tax cash flows of the relevant cash generating units (CGUs) and discounting these at an appropriate discount rate, the determination of which requires the exercise of judgment. Goodwill is allocated to CGUs for the purpose of impairment testing. CGUs represent the lowest level within the Group at which the goodwill is monitored for internal reporting purposes. These are smaller than the Group's reportable segments (as set out in Note 5).

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

The carrying amount of goodwill is based on the extent of judgments including the basis of assumptions and forecasts used for determining cash flows for CGUs, headroom availability, and sensitivities of the forecasts to reasonably possible changes in assumptions. The Group undertakes an annual assessment to evaluate whether the carrying value of goodwill on the statement of financial position is impaired. The estimation of future cash flows and the level to which they are discounted is inherently uncertain and requires significant judgment and is subject to potential change over time.

Notes to the financial statements

27. Goodwill and intangible assets continued

Accounting policy continued

Significant accounting estimates and judgments

The carrying amount of acquired intangibles is based on the extent of judgments including the basis of assumptions and forecasts used for determining future cash flows, period over which cash flows are expected to be generated and sensitivities of the forecasts to reasonably possible changes in assumptions. The estimation of future cash flows, the level to which they are discounted, and the estimated useful life is inherently uncertain and requires significant judgment.

Acquired intangibles and computer software

At the date of acquisition of a business, intangible assets which are deemed separable and that arise from contractual or other legal rights are capitalised and included within the net identifiable assets acquired (as set out in Note 24). These intangible assets are initially measured at fair value, which reflects market expectations of the probability that the future economic benefits embodied in the asset will flow to the entity and are amortised on the basis of their expected useful lives. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Direct costs of the development of separately identifiable internally generated software are capitalised where it is probable that future economic benefits attributable to the assets will flow from its use (internally generated software). These costs include salaries and wages, materials, service providers and contractors, and directly attributable overheads. Costs incurred in the ongoing maintenance of software are expensed immediately when incurred. Internally generated software is amortised over each asset's useful life to a maximum of a 10 year time period.

For capitalised software, judgment is required to determine which costs relate to research (and therefore expensed) and which costs relate to development (capitalised). Further judgment is required to determine the technical feasibility of completing the software such that it will be available for use. Estimates are used to determine how the software will generate probable future economic benefits, these estimates include; cost savings, income increases, balance sheet improvements, improved functionality or improved asset safeguarding.

On an annual basis software assets' residual values and useful lives are reviewed, including assessing for indicators of impairment. Indicators of impairment include loss of business relevance, obsolescence of asset, exit of the business to which the software relates, technological changes, change in use of the asset, reduction in useful life, plans to reduce usage or scope.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement.

Notes to the financial statements

27. Goodwill and intangible assets continued

Acquired intangibles and computer software continued

	Group and Company							
	2025				2024			
	Goodwill KShs '000	Acquired intangible asset KShs '000	Computer software KShs '000	Total KShs '000	Goodwill KShs '000	Acquired intangible asset KShs '000	Computer software KShs '000	Total KShs '000
Cost								
At 1 January	1,112,111	3,707,038	9,899,787	14,718,936	1,112,111	3,707,038	8,072,852	12,892,001
Additions	-	-	824,243	824,243	-	-	1,779,219	1,779,219
Disposals	-	-	-	-	-	-	(10,176)	(10,176)
Impairment*	-	-	(288,161)	(288,161)	-	-	-	-
Other transfers from property plant and equipment	-	-	-	-	-	-	57,892	57,892
At 31 December	1,112,111	3,707,038	10,435,869	15,255,018	1,112,111	3,707,038	9,899,787	14,718,936
Amortisation and impairment								
At 1 January	-	3,707,038	5,495,586	9,202,624	-	3,707,038	4,168,377	7,875,415
Amortisation	-	-	1,058,507	1,058,507	-	-	1,036,141	1,036,141
Disposals	-	-	-	-	-	-	(10,176)	(10,176)
Impairment*	-	-	(249,801)	(249,801)	-	-	301,244	301,244
At 31 December	-	3,707,038	6,304,292	10,011,330	-	3,707,038	5,495,586	9,202,624
Net book value	1,112,111	-	4,131,577	5,243,688	1,112,111	-	4,404,201	5,516,312

* The net impairment loss on goodwill and intangible assets of KShs 38,360 is the difference between the cost of KShs 288,161 less accumulated amortisation of KShs 249,801.

As at 31 December 2025, assets with a gross value of KShs 1,944,104,000 (2024 – KShs 1,944,104,000) are fully amortised but still in use.

There were no idle assets as at 31 December 2025 and 2024.

The goodwill is wholly attributable to the Securities Services department of the Company. The directors having assessed the goodwill. As a result of the analysis, there is headroom of KShs 1,675,960,000 (2024 – 1,603,420,000). It is on this basis that the directors determined that the goodwill was not impaired at the reporting date

The recoverable amounts were calculated based on their value in use. Value in use was determined by discounting the future cash flows expected to be generated from the continuing use of the unit. Unless indicated otherwise, value in use in 2025 was determined similarly as in 2024. The calculation of the value in use was based on the following key assumptions:

- Cash flows were projected based on past experience, actual operating results and budgets and forecasts approved by management up to 2027. Management forecasts projected revenue growth rates greater than long-term Gross Domestic Product (GDP) growth rates but which are in line with past performance as adjusted to reflect current economic climate and any known business cycles. Cash flow projections were extrapolated forward up to 2025 using steady long-term estimated GDP growth rates.
- The cash flows were discounted using a pre-tax discount rate of 12.6% which reflected the prevailing market rates appropriate for this business on the date of the transaction (2024- 17.1%).

As a result of the analysis The key assumptions described above may change as economic and market conditions change. The directors believe that reasonably possible changes in these assumptions are not expected to cause the recoverable amount of the unit to decline below the carrying amount.

Notes to the financial statements

28. Deferred tax

Accounting policy

Refer to Note 13 Tax for the accounting policy.

The net deferred tax assets at 31 December 2025 and 2024 are attributable to the following:

Group	2025				
	At 1 January KShs '000	Prior year adjustment KShs '000	Recognised in the income statement current year KShs '000	Recognised in other comprehensive income KShs '000	At 31 December KShs '000
Property and equipment	(226,024)	(20,638)	(333,192)	–	(579,854)
ECL on stage 1 and 2 financial instruments	623,169	64,294	120,939	–	808,402
ECL on stage 3 financial instruments	1,432,522	240,676	(81,510)	–	1,591,688
Revaluation surplus on non-current assets held for sale	(28,793)	–	(211,499)	–	(240,292)
Revaluation surplus on property and equipment	(241,906)	–	241,906	–	–
Fair value reserve – FVOCI	(492,816)	–	19,493	323,343	(149,980)
Accrued interest payable on deposits	32,573	–	487	–	33,060
Right-of-use asset and lease liability	163,911	–	(16,655)	–	147,256
Tax losses	3,126	–	(896)	–	2,230
Other provisions*	1,106,165	35,575	224,080	–	1,365,820
Retirement benefit obligations	10,188	–	12,565	(22,753)	–
	2,382,115	319,907	(24,282)	300,590	2,978,330

Group	2024				
	At 1 January KShs '000	Prior year adjustment KShs '000	Recognised in the income statement current year KShs '000	Recognised in other comprehensive income KShs '000	At 31 December KShs '000
Property and equipment	23,545	(207)	(249,362)	–	(226,024)
ECL on stage 1 and 2 financial instruments	650,616	–	(27,447)	–	623,169
ECL on stage 3 financial instruments	1,630,186	(14,540)	(183,124)	–	1,432,522
Revaluation surplus on non-current assets held for sale	(28,793)	–	–	–	(28,793)
Revaluation surplus on property and equipment	(245,512)	–	3,606	–	(241,906)
Fair value reserve – FVOCI	456,356	–	(74,133)	(875,039)	(492,816)
Accrued interest payable on deposits	70,362	(1,728)	(36,061)	–	32,573
Right-of-use asset and lease liability	174,522	–	(10,611)	–	163,911
Tax losses	2,620	–	506	–	3,126
Other provisions*	916,173	–	189,992	–	1,106,165
Retirement benefit obligations	14,668	–	(16,419)	11,939	10,188
	3,664,743	(16,475)	(403,053)	(863,100)	2,382,115

*Other provisions includes accrued expenses, provisions for fraud, provisions for legal cases and severance pay provisions.

Notes to the financial statements

28. Deferred tax continued

Accounting policy continued

Refer to Note 13 Tax for the accounting policy.

The net deferred tax assets at 31 December 2025 and 2024 are attributable to the following:

Company	2025				
	At 1 January KShs '000	Prior year adjustment KShs '000	Recognised in the income statement current year KShs '000	Recognised in other comprehensive income KShs '000	At 31 December KShs '000
Property and equipment	(248,051)	(28,209)	(323,353)	-	(599,613)
ECL on stage 1 and 2 financial instruments	623,169	64,294	120,939	-	808,402
ECL on stage 3 financial instruments	1,432,522	240,676	(81,510)	-	1,591,688
Revaluation surplus on non-current assets held for sale	(28,793)	-	(211,499)	-	(240,292)
Revaluation surplus on property and equipment	(241,906)	-	241,906	-	-
Fair value reserve – FVOCI	(492,816)	-	19,493	323,343	(149,980)
Accrued interest payable on deposits	32,573	-	487	-	33,060
Right-of-use asset and lease liability	163,911	-	(16,655)	-	147,256
Other provisions*	1,025,424	35,587	298,779	-	1,359,790
Retirement benefit obligations	10,188	-	12,565	(22,753)	-
	2,276,221	312,348	61,152	300,590	2,950,311

Company	2024				
	At 1 January KShs '000	Prior year adjustment KShs '000	Recognised in the income statement current year KShs '000	Recognised in other comprehensive income KShs '000	At 31 December KShs '000
Property and equipment	(8,315)	(207)	(239,529)	-	(248,051)
ECL on stage 1 and 2 financial instruments	650,616	-	(27,447)	-	623,169
ECL on stage 3 financial instruments	1,630,186	(14,540)	(183,124)	-	1,432,522
Revaluation surplus on non-current assets held for sale	(28,793)	-	-	-	(28,793)
Revaluation surplus on property and equipment	(245,512)	-	3,606	-	(241,906)
Fair value reserve – FVOCI	456,356	-	(74,133)	(875,039)	(492,816)
Accrued interest payable on deposits	70,362	(1,728)	(36,061)	-	32,573
Right-of-use asset and lease liability	174,522	-	(10,611)	-	163,911
Other provisions*	910,078	-	115,346	-	1,025,424
Retirement benefit obligations	14,668	-	(16,419)	11,939	10,188
	3,624,168	(16,475)	(468,372)	(863,100)	2,276,221

*Other provisions includes accrued expenses, provisions for fraud, provisions for legal cases and severance pay provisions.

Notes to the financial statements

29. Deposits from banks

Accounting policy

Refer to Note 3 Financial assets and liabilities for the accounting policy.

	Group and Company	
	2025 KShs '000	2024 KShs '000
Balances from local banks	1,030,663	75,540
Balances from foreign banks	249,702	231,322
	1,280,365	306,862

The weighted average effective interest rate on deposits from banks at 31 December 2025 was 9.8% (2024 – 3.40%).

30. Deposits from customers

Accounting policy

Refer to Note 3 Financial assets and liabilities for the accounting policy.

(a) Maturity profile

	Group and Company	
	2025 KShs '000	2024 KShs '000
Payable on demand	267,294,192	286,945,218
Payable within 3 months or less	3,290,887	3,234,052
Payable after 3 months	12,866,751	5,510,819
	283,451,830	295,690,089

(b) Product classification

	Group and Company	
	2025 KShs '000	2024 KShs '000
Current and demand accounts	224,511,631	217,477,166
Savings deposits	42,636,612	69,082,858
Time deposits	14,922,759	7,682,468
Other	1,380,828	1,447,597
	283,451,830	295,690,089

The weighted average effective interest rate on interest bearing deposits from customers at 31 December 2025 was 1.3% (2024 – 3.20%).

31. Other liabilities

Accounting policy

Refer to Note 3 on financial assets and liabilities for the accounting policy for financial liabilities and Note 33 on Leased assets for the accounting policy for leases

	Note	Group		Company	
		2025 KShs '000	2024 KShs '000	2025 KShs '000	2024 KShs '000
Financial liabilities at amortised cost					
Bills payable		499,892	429,326	499,892	429,326
Lease liability	33	426,245	229,380	426,245	229,380
Dividends payable		1,042,923	152,560	1,042,923	152,560
Other payables		455,213	485,548	439,312	482,832
Total financial liabilities		2,424,272	1,296,814	2,408,371	1,294,098
Non – financial liabilities					
Other payables		4,470,339	4,363,688	4,440,085	4,339,962
ECL on undrawn commitments		65,253	111,345	65,253	111,345
Total non-financial liabilities		4,535,593	4,475,033	4,505,338	4,451,307
Total other liabilities		6,959,865	5,771,847	6,913,709	5,745,405

Other payables classified as financial liabilities mainly include accruals for vendor settlements.

Notes to the financial statements

32. Contingent liabilities and commitments

Accounting policy

Contingent liabilities are possible obligations arising from past events, whose existence will be confirmed only by uncertain future events, or present obligations arising from past events, that are not recognised because either an outflow of economic benefits is not probable, or the amount of the obligation cannot be reliably measured. Contingent liabilities are not recognised but information about them is disclosed unless the possibility of any outflow of economic benefits in settlement is remote.

Where the Group undertakes to make payment on behalf of its customers for guarantees issued, such as performance bonds or as irrevocable letters of credit as part of the Group's Transaction Banking business for which an obligation to make a payment has not arisen at the reporting date, those are included in these financial statements as contingent liabilities.

(a) Trade contingents

The table below shows the contract or underlying principal amounts of unmatured off-balance sheet transactions at the balance sheet date. The contract or underlying principal amounts indicate the volume of business outstanding and do not represent amounts at risk.

	Group and Company	
	2025 KShs '000	2024 KShs '000
Financial guarantees and trade credits		
Financial guarantees, trade and irrevocable letters of credit	73,238,863	64,174,487
Commitments		
Undrawn formal standby facilities, credit lines and other commitments to lend		
One year and over	40,592,538	44,575,954
Less than one year	1,868,971	1,358,010
Unconditionally cancellable	177	57,559
	42,461,686	45,991,523

Nature of contingent liabilities

Guarantees are generally written by a bank to support performance by a customer to third parties. The Group will only be required to meet these obligations in the event of the customer's default.

Letters of credit commit the Company to make payment to third parties, on production of documents, which are subsequently reimbursed by customers.

An acceptance is an undertaking by a bank to pay a bill of exchange drawn on a customer. The Company expects most acceptances to be presented and reimbursement by the customer is almost immediate.

Legal and regulatory matters

Accounting policy

Where appropriate, the Group recognises a provision for liabilities when it is probable that an outflow of economic resources embodying economic benefits will be required and for which a reliable estimate can be made of the obligation. The uncertainties inherent in legal and regulatory matters affect the amount and timing of any potential outflows with respect to which provisions have been established.

Eight of the significant claims are described below:

- (i) A claim by a former client who was awarded damages amounting to KShs 251 million by the Court of Appeal of the Republic of Kenya. The directors, having considered the award and obtained appropriate legal advice, challenged the ruling of the Court of Appeal of the Republic of Kenya at the Common Market for East and Southern Africa (COMESA) Court of Justice. At an initial hearing, the COMESA court ruled, among others, that no execution should be levied in respect of the award granted by the Court of Appeal of the Republic of Kenya, pending the final determination of the case. In June 2006, the directors withdrew the case from the COMESA Court of Justice and filed for a review at the Court of Appeal of the Republic of Kenya, with an expectation that the Court of Appeal of the Republic of Kenya would review its earlier decision. A ruling was delivered in 2016 in favour of the Company on its application to set aside the KShs 251 million judgment.

Notes to the financial statements

32. Contingent liabilities and commitments continued

Legal and regulatory matters continued

The Court of Appeal found that there was a failure of justice in the 2002 Court of Appeal ruling and ordered for the appeal against the Company's favourable judgment to be heard afresh in the Court of Appeal. The former client instead filed an appeal to the Supreme Court. The Supreme Court, in a unanimous decision, upheld the Company's submissions that in the circumstances of this case, there was no justifiable fault in the Court of Appeal setting aside its judgment and re-opening the Appeal for a fresh hearing. Consequently, the Appeal before the Supreme Court was dismissed with each party bearing its own costs. The effect of this decision was that the Court of Appeal would proceed to hear and determine the Appeal afresh.

Instead, in December 2023, the Court of Appeal rendered its judgment allowing the Appeal of the former client and ordered that the matter be taken back to the High Court, for the High Court to reassess the award of KShs 251 million that it had given. The directors, having considered the Court of Appeal judgment and having obtained appropriate legal advice, challenged the said judgment before the Supreme Court.

On 14 November 2025, the Supreme Court overturned the case in favour of the Company. This reversed a 2022 Court of Appeal decision, confirming that the Company lawfully appointed receivers and auctioned the firm's property after default, and clarifying that lenders need not register new securities unless formally discharged thereby bringing a close to this long outstanding litigation matter.

- (ii) The Pension matter where 629 former employees made a claim ("claimants") in 2009 against the trustees of the Standard Chartered Kenya Pension Fund ("the Scheme") and the Company materialised on 5 September 2025 after the Supreme Court dismissed the Company's application for stay of execution of the May 2025 Retirement Benefits Appeal Tribunal (RBAT) decree and struck out the Company's Appeal petition. The Supreme Court ruled that the substance of the Appeal did not raise constitutional issues, with the result that it lacked jurisdiction to hear the matter.

The substance of the claim was on whether correct actuarial factors were used to calculate pension benefits and the withdrawal of the surplus from the Scheme by the Company. In 2018, this matter was transferred from the High Court to the Employment and Labour Relations Court (ELRC), because of a constitutional change. The Company was successful with its objection to the transfer of the case to the ELRC on lack of jurisdiction.

The matter was subsequently referred to the Retirement Benefits Authority (RBA) which has jurisdiction over such matters under the Retirement Benefits Act.

In April 2021, RBA issued the ruling dismissing the claim in favour of the Company. The claimants appealed the RBA ruling in the Retirement Benefits Appeals Tribunal (RBAT). The RBAT delivered its ruling of the appeal in May 2022 against the Company. The directors, having considered the RBAT ruling and obtained appropriate legal advice, challenged the RBAT ruling by way of judicial review before the High Court in Kenya. The High Court on 7 July 2022 issued a stay of execution of the RBAT ruling pending hearing and determination of the judicial review of the matter. The Company was ordered to recompute the Benefits and matter coming up before the tribunal on 18 January 2023. The Court scheduled the matter for a mention on 23 February 2023 to confirm the filing for further directions. The Judgment was later scheduled for 5 October 2023. The Company filed an application for stay and memorandum of Appeal at the Court of Appeal. On 7 March 2025, the Court of Appeal dismissed the Company's appeal. The matter thus came up at the RBAT on 13 March 2025 where the Company was ordered to finalise and file a re-calculation report in compliance with the Tribunal's Judgment. The directors, having considered the Court of Appeal ruling and obtained appropriate legal advice filed an appeal to the Supreme Court and for stay orders preventing execution on account of the RBAT directions.

Following the Supreme Court ruling on 5 September 2025, the Company and the Trustees moved quickly to comply with the RBAT Orders. The Company was ordered to refund the surplus withdrawn from the Scheme in 2000. Since the year 2006, and as per the RBA regulations, the Company has been funding the Scheme from time to time to cure actuarial deficits as well as to fund pension increases. Taking this into consideration and interest thereof, in September 2025, the Company increased the employer contributions to the Scheme by KShs 2,574,432,385 bringing the cumulative contribution to KShs 4,662,905,544 ensuring compliance with the RBAT Order. We await confirmation from RBA that the treatment ensures compliance with the RBAT Order to refund the surplus plus interest.

As guided by 'IAS 19 Employee Benefits', the Company recognised in the income statement, long-term employee benefits of the employer contributions of KShs 2,532,236,356.

Notes to the financial statements

32. Contingent liabilities and commitments continued

Legal and regulatory matters continued

This has been disclosed in note 34 retirement benefit obligations. As per the actuarial assessment by Keystone Actuarial Solutions as at 31 December 2025, the Scheme is sufficiently funded to discharge its' obligations with a surplus of KShs 13,778,163 as disclosed in note 34 retirement benefit obligations.

In addition, the RBAT ordered the Company and the trustees of the Scheme to recalculate and pay the 629 appellants lumpsum benefits using actuarial factors under annexure 8. The total recomputed amount payable plus interest as at 30 September 2025 was KShs 2,473,094,685.

The Trustees of the Scheme began a verification process in September 2025 and as at 31 December 2025 had discharged a liability of KShs 1,964,745,767 to 520 appellants. As ordered by the High Court, 30 per cent of the amounts due to the appellants has been withheld by the Scheme pending the adjudication of the costs due to the appellants' representatives in the Case. The Scheme continues the verification process of the remaining appellants, as well as the filing of a monthly progress report as directed by RBA.

Further, the RBAT ordered the Company and the trustees to pay costs to the appellant. The costs of KShs 709,190,000 claimed by the appellants are subject to an ongoing case in the High Court which was scheduled for hearing on the 2 March 2026 but has since been adjourned to 14 April 2026.

The Scheme and Company have subsequently received demands for claims from different subsets of former employees seeking to have the RBAT orders applied to their benefits which demands the Scheme and Company have not honoured as the current RBAT orders only applied to the 629 claimants. The different demands have progressed to several stages with some having made formal complaints to the RBA for its consideration.

- (iii) A claim by a former client who defaulted on his borrowings and the Company attempted to realise the securities held for the borrowings. In that regard, the client sued the Company alleging that the Company had illegally withdrawn its facilities leading to the client's loss of business and further seeking injunctive relief against the Company preventing recovery of securities held. The Company has denied the allegations and put forth a defence that the Company demanded full repayment of facilities advanced to the customer upon default. The case is still pending hearing in the High Court.
- (iv) A claim by a former client for damages arising from the alleged failure by the Company to account for some KShs 55 million deposited in the client's account. The client claims the amount of KShs 55 million plus interest to date. The client further reported the matter to the Anti-Banking Fraud Unit and applied to the High Court in a Constitutional Petition, to compel the Director of Public Prosecutions (DPP) to prosecute the Company which application was declined. The Company denies receipt of the said sum and contends that there is no proof of payment. The case is still pending hearing in the High Court.
- (v) A claim filed in 2003 by a former client against the Company and Standard Chartered Estates Management (SCEM) Limited, a former wholly owned subsidiary of the Company. The former client is seeking compensation for losses incurred after they engaged SCEM Limited to manage their flower farm in 1996. The matter is still pending hearing and determination in the High Court.
- (vi) A claim by 9 former staff who sued the Company for unfair termination and are seeking damages of a sum of KShs 454 million. The matter was ruled in favour of the Company in July 2025. The claimants have since lodged an appeal which is currently awaiting determination.
- (vii) VAT assessment on interchange fees KShs 700 million

The VAT dispute arose after the Kenya Revenue Authority (KRA) reviewed the Bank's financials for the period January 2013 to December 2017 and issued a VAT assessment on interchange fees of KShs 700 million, inclusive of penalties and interest. The Bank appealed the assessment to the Tax Appeals Tribunal (TAT), which, following a full hearing on 7 February 2020, ruled in favour of the Bank on 18 September 2020 and set aside the entire assessment. KRA subsequently appealed to the High Court on 15 October 2020, but after considering written submissions from both parties, the High Court dismissed KRA's appeal on 12 June 2023, thereby upholding the TAT decision. KRA then appealed to the Court of Appeal on 23 June 2023, and as at 31 December 2025, the matter was awaiting hearing and determination at the Court of Appeal. Based on external legal advice, no provision has been made.

Notes to the financial statements

32. Contingent liabilities and commitments continued

Legal and regulatory matters continued

(viii) Excise duty on transfer pricing revenue KShs 350 million

The excise duty dispute arose from a Kenya Revenue Authority (KRA) assessment issued on 21 January 2019 for the period 2014 to 2018, initially amounting to KShs 505 million and subsequently reduced to KShs 350 million. Following the Bank's appeal to the Tax Appeals Tribunal (TAT) in May 2019, a ruling issued on 16 April 2021 set aside KShs 170 million and upheld KShs 180 million, a position later sustained by the High Court on 31 May 2023. The Bank appealed this decision to the Court of Appeal and obtained a stay of execution conditional upon the payment of KShs 100 million, which was paid as a refundable deposit and will be recoverable in full should the matter be determined in the Bank's favour. As at 31 December 2025, the matter was awaiting hearing, and based on external legal advice, no provision has been recognised.

33. Leases

Accounting policy

The Group assesses whether a contract is a lease in scope of this policy by determining whether the contract gives it the right to use a specified underlying physical asset for a lease term greater than 12 months, unless the underlying asset is of low value.

Where the Group is a lessee and the lease is deemed in scope, it recognises a liability equal to the present value of lease payments over the lease term, discounted using the incremental borrowing rate applicable. The liability is recognised in 'other liabilities'. A corresponding right-of-use asset equal to the liability, adjusted for any lease payments made at or before the commencement date, is recognised in 'property and equipment' - Note 26. The lease term includes any extension options contained in the contract that the Group is reasonably certain it will exercise.

The Group subsequently depreciates the right-of-use asset using the straight-line method over the lease term and measures the lease liability using the effective interest method. Depreciation on the asset is recognised in operating expenses - Note 11 under depreciation and amortisation and interest on the lease liability is recognised in net interest income - Note 6.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Significant estimates and judgments

The significant estimates and judgments in determining lease balances are the determination of whether the Group is reasonably certain that it will exercise extension options or termination present in lease contracts. A remeasurement is performed when extension of a lease is confirmed.

A remeasurement of the lease liability and right-of-use asset is also done when there is;

- a change in future lease payment amounts due to market review;
- a change in future lease payment due to change in occupied floor space; and
- a change in expected lease term.

The significant estimates were the determination of incremental borrowing. The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Group estimates the IBR using observable inputs has adopted Government bond rates as the benchmark rate for incremental borrowing.

Notes to the financial statements

33. Leases continued

Accounting policy continued

Short term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets and short-term leases, including leases of IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Maturity analysis

The maturity profile for lease liabilities associated with leased premises and equipment assets is as follows:

Group and Company	2025				Total KShs '000
	One year or less KShs '000	Between one year and two year KShs '000	Between two years and five years KShs '000	More than five years KShs '000	
Other liabilities – lease liabilities	115,455	10,552	216,173	126,689	468,869

Group and Company	2024				Total KShs '000
	One year or less KShs '000	Between one year and two year KShs '000	Between two years and five years KShs '000	More than five years KShs '000	
Other liabilities – lease liabilities	39,303	35,676	161,274	16,065	252,318

Group and Company	2025			2024		
	Leasehold KShs '000	Non-land leases KShs '000	Total KShs '000	Leasehold KShs '000	Non-land leases KShs '000	Total KShs '000
At 1 January	204,929	197,904	402,833	222,995	236,644	459,639
Additions	–	335,870	335,870	–	78,254	78,254
Lease modification	–	–	–	–	–	–
Disposals	(83,211)	(66,474)	(149,685)	(118)	(20,027)	(20,145)
Depreciation charge for the year (Note 26)	(2,358)	(139,110)	(141,468)	(18,051)	(110,093)	(128,144)
Depreciation on right-of-use assets	–	44,747	44,747	–	13,126	13,126
Classified as held for sale	–	–	–	103	–	103
At 31 December	119,360	372,937	492,297	204,929	197,904	402,833

Set out below are the carrying amounts of lease liabilities (included under 'Other liabilities' in Note 31) and the movements during the period:

	Group and Company	
	2025 KShs '000	2024 KShs '000
At 1 January	229,380	270,705
Additions	335,870	78,254
Cancellations	(21,368)	(7,864)
Modifications	(4,402)	(490)
Interest on lease liabilities (Note 6)	76,556	34,239
Payment of lease liability - interest	(65,950)	(43,701)
Payment of lease liability - principal	(123,841)	(101,763)
Balance at 31 December	426,245	229,380

The table below summarises expenses that were recognised in the income statement.

Group and Company	2025		2024	
	Leasehold KShs '000	Non-land leases KShs '000	Leasehold KShs '000	Non-land leases KShs '000
Interest on lease payments (Note 6)	–	76,556	–	34,239
Expenses relating to short-term property leases	–	–	–	–
Lease modification gains	–	4,402	–	490
Expenses relating to low value non-property leases	–	–	–	–
Depreciation on right-of-use assets	2,358	139,110	18,051	110,093
Amounts recognised in statement of cashflows	–	–	–	–
Lease liability payments	–	123,840	–	111,225

Notes to the financial statements

33. Leases continued

Group as Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. The assets are classified as property and equipment in the Group's books and managed within the Group's risk management process of its property and equipment. Rental income arising is accounted for on straight-line basis over the lease terms and is included in revenue in the income statement due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term of the same basis as rental income. The Group is not exposed to finance leases as a lessor.

The Group acts a lessor of premises. The Group leases out space within its premises. These leases have an average life of between three and five years with no renewal option included in the contracts. There are no restrictions placed upon the lessee by entering into these leases. Rental income recognised by the Bank during the year is KShs 107,155,000 (2024: KShs 111,611,000).

The table below shows the Group's minimum lease payments in relation to rental income.

	Group and Company	
	2025 KShs '000	2024 KShs '000
Within 1 year	103,834	99,689
After 1 year but less than 5 years	264,401	284,654
Total rent receivable	368,235	384,343

Notes to the financial statements

34. Retirement benefit obligations

Standard Chartered Bank Kenya Limited operates a defined contribution scheme for all full time permanent employees and a defined benefit scheme for pensioners and deferred pensioners who existed the Bank as at 31 December 1998.

The benefits provided by the defined benefit scheme are based on a formula taking into account years of service and remuneration levels, whilst the benefits provided by the defined contribution scheme are determined by accumulated contributions and returns on investments.

Both schemes are governed by the Retirement Benefits Act, 1997. This requires that an actuarial valuation be carried out at least every 3 years for the defined benefit scheme. The most recent actuarial valuation of the defined benefit scheme was carried out as at 31 December 2024 by an independent qualified actuary. However, the Company's actuary did a review for the year ended 31 December 2025. The review was consistent with previous valuations performed using the projected unit credit method.

Accounting policy

For the defined benefit plan, the liability recognised in the statement of financial position is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using an interest rate equal to the yield on government securities that have a term to maturity approximating to the term of the related pension liability.

Actuarial gains and losses that arise are recognised in shareholders' equity and presented in the statement of other comprehensive income in the period they arise. The Group determines the net interest expense on the net defined liability for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability, taking into account any changes in the net defined benefit liability during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognised in the income statement.

When the defined benefit calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to the plan. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the income statement.

For the defined contribution plan, the Group pays contributions into a separate privately administered pension plan on a contractual basis, and such amounts are charged to operating expenses. The Group has no further payment obligations once the contributions have been paid.

The employees and the Group also contribute to the National Social Security Fund, a national retirement scheme. Contributions are determined by local statutes and the Group's contributions are charged to operating expenses in the year to which they relate.

Significant accounting estimates and judgments

There are many factors that affect the measurement of retirement benefit obligations as it requires the use of assumptions which are inherently uncertain. The assumptions include, inflation rates, discount rate and expected return on assets. The sensitivity of the liabilities to changes in these assumptions is shown in the Note below.

During the year the employer's contribution increased substantially to KShs 2,604,432,385 due to the Retirement Benefits Appeals Tribunal (RBAT) ruling in a case related to 629 former members of staff here in referred to as appellants against the Group and Scheme as disclosed in note 32. The benefits paid also increased substantially compared to prior years due to settlements made to the verified appellants whose claims had been settled by 31 December 2025. The verification of these appellants to tabulate the settlement of the liability also led to the increase in the administrative expenses.

Notes to the financial statements

34. Retirement benefit obligations continued

The amount included in the statement of financial position arising from the Group's obligation in respect of the defined benefit scheme is as follows:

	Group and Company	
	2025 KShs '000	2024 KShs '000
Fair value of plan assets	1,869,293	669,994
Present value of funded obligations	(1,855,515)	(703,954)
	13,778	(33,960)
Irrecoverable surplus	(13,778)	-
Retirement benefit obligations as at 31 December	-	(33,960)
Plan assets consist of the following:		
Government bonds and bills	686,847	600,015
Corporate bonds	3,048	3,042
Other assets	1,179,398	66,937
	1,869,293	669,994
Movement in plan assets		
Fair value of plan assets at 1 January	669,994	643,726
Expected return on plan assets	112,477	106,153
Benefits paid by the plan	(1,523,514)	(148,338)
Employer contributions	2,604,432	89,300
Recognised actuarial gains/(losses)	125,205	(13,622)
Administrative expenses paid	(119,301)	(7,225)
Fair value of plan assets at 31 December	1,869,293	669,994
Movement in retirement benefit obligations		
Retirement benefit obligations at 1 January	703,954	692,618
Interest cost	107,254	103,499
Past service cost	30,000	30,000
Benefits paid by the plan	(1,523,514)	(148,338)
Long-term employee benefits deferred benefit	29,141	-
Long-term employee benefits court award	2,473,095	-
Recognised actuarial losses	35,585	26,175
Present value of funded obligations	1,855,515	703,954
The net charge recognised in the income statement is as follows:		
Interest cost	(107,254)	(103,499)
Expected return on plan assets	112,477	106,153
Past service cost	(30,000)	(30,000)
Administrative expenses paid	(119,301)	(7,225)
Long-term employee benefits deferred benefit	(29,141)	-
Long-term employee benefits court award	(2,473,095)	-
Total charge included in staff costs (Note 11)	(2,646,314)	(34,571)

The movement in the retirement benefit obligations in the statement of financial position is as follows

	Group and Company	
	2025 KShs '000	2024 KShs '000
At 1 January	(33,960)	(48,892)
Employer contributions	2,604,432	89,300
Charge to the income statement	(2,646,314)	(34,571)
Recognised in other comprehensive income	75,842	(39,797)
At 31 December	-	(33,960)

Notes to the financial statements

34. Retirement benefit obligations continued

Historical information	Group and Company				
	2025 KShs '000	2024 KShs '000	2023 KShs '000	2022 KShs '000	2021 KShs '000
Fair value of plan assets	1,869,293	669,994	643,726	687,385	776,410
Present value of funded obligations	(1,855,515)	(703,954)	(692,618)	(783,813)	(808,687)
Irrecoverable surplus	(13,778)	-	-	-	-
Retirement benefit obligations	-	(33,960)	(48,892)	(96,428)	(32,277)

Key assumptions

The principal actuarial assumptions used at the reporting date were:

	2025 %	2024 %
Discount rate	12.60	17.10
Expected return on plan assets	12.60	17.10
Future pension increases	-	-

The overall expected long term rate of return on the assets is 12.6% (2024- 17.1%) based on the portfolio as a whole and not on the sum of returns on the individual assets.

These assumptions are likely to change in the future and this will affect the value placed on the liabilities. For example, changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined obligation by the amounts shown below:

Group and Company	2025		2024	
	Increase KShs '000	Decrease KShs '000	Increase KShs '000	Decrease KShs '000
Discount rate (-0.25% movement)	7,689	-	5,910	-
Discount rate (+0.25% movement)	-	7,533	-	5,805
Future mortality (60+1 year)	23,223	-	-	16,221

Although this analysis does not look at simultaneous changes in the assumptions, it does provide an approximation of the sensitivity to the main assumptions. While changes in other assumptions would also have an impact, the effect would not be as significant.

Notes to the financial statements

35. Share capital and reserves

Accounting policy

Share capital issued is classified as equity when there is no contractual obligation to transfer cash, other financial assets or issue a variable number of own equity instruments. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Dividends are recognised in equity in the period in which they are declared.

Preference share capital is classified as equity if it is non-redeemable and any dividends are discretionary or is redeemable but only at the Company's option. Dividends on preference share capital classified as equity are recognised in equity in the period in which they are declared.

Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders or if the dividend payments are not discretionary. Dividends thereon are recognised in the income statement as interest expense.

Group and Company

(a) Share capital

Authorised

The authorised share capital of the Company at 31 December 2025 was KShs 2,169 million (2024 – KShs 2,169 million) made up of 377,850,589 (2024 – 377,850,589) ordinary shares of KShs 5.00 each and 56 million (2024 – 56 million) non-redeemable, non-cumulative, non-voting, non-participating and non-convertible preference shares of KShs 5.00 each.

All shares rank equally with regard to the Company's residual assets, except that preference shareholders have priority over ordinary shareholders but participate only to the extent of the face value of the shares plus any accrued dividends.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company, subject to any rights or restrictions for the time being attached to any class or classes of shares. Holders of preference shares receive non-cumulative discretionary dividends on the preference shares at the rate of 6% per annum on the issue price of KShs 50.00 per share. Preference shares do not carry the right to vote.

	Number of ordinary shares KShs '000	Number of preference shares KShs '000	Authorised share capital KShs '000
At 1 January and December 2025	377,851	56,000	2,169,253
At 1 January and December 2024	377,851	56,000	2,169,253
	Ordinary shares KShs '000	Preference shares KShs '000	Total KShs '000
Share Capital	1,889,253	280,000	2,169,253
Share premium	5,272,427	2,520,000	7,792,427
At 1 January and 31 December 2025	7,161,680	2,800,000	9,961,680
At 1 January and 31 December 2024	7,161,680	2,800,000	9,961,680

Notes to the financial statements

35. Share capital and reserves continued

The shareholders at 31 December 2025 and 31 December 2024 that had large holdings were as follows:

	Number of shares ('000)	%
At 31 December 2025		
1. Standard Chartered Holdings (Africa) BV	279,195	73.89
2. Shawmut Limited	3,937	1.04
3. Stanbic Nominees Limited R6631578	2,783	0.74
4. Standard Chartered Kenya Nominees – A/C Ke004667	2,355	0.62
5. Investments & Mortgages Nominees Limited	2,000	0.53
6. Standard Chartered Nominees – Resd A/C Ke11450	1,883	0.50
7. Kenya Commercial Bank Nominees Limited – A/C 915B	1,631	0.43
8. Standard Chartered Africa Limited	1,597	0.42
9. Phillip Kipchirchir Moi; Alexander Kibet Moi	1,340	0.35
10. Jubilee Life Insurance Limited	1,199	0.32
11. Others	79,931	21.16
	377,851	100.00

	Number of shares ('000)	%
At 31 December 2024		
1. Standard Chartered Holdings (Africa) BV	279,195	73.89
2. Shawmut Limited	3,884	1.03
3. Stanbic Nominees Limited R6631578	3,228	0.85
4. Standard Chartered Kenya Nominees – A/C Ke004667	2,783	0.74
5. Investments & Mortgages Nominees Limited	2,507	0.66
6. Standard Chartered Nominees – Resd A/C Ke11450	1,883	0.50
7. Kenya Commercial Bank Nominees Limited – A/C 915B	1,631	0.43
8. Standard Chartered Africa Limited	1,597	0.42
9. Phillip Kipchirchir Moi; Alexander Kibet Moi	1,269	0.34
10. Jubilee Life Insurance Limited	1,000	0.26
11. Others	78,874	20.88
	377,851	100.00

The distribution of shareholders as at 31 December 2025 and 2024 was as follows:

Share range	2025			2024		
	Number of shareholders	Shares held ('000)	%	Number of shareholders	Shares held ('000)	%
Less than 500	12,422	2,152	0.57	10,855	2,006	0.53
501 to 5,000	19,535	28,689	7.59	19,474	28,640	7.58
5,001 to 10,000	523	3,699	0.98	507	3,575	0.95
10,001 to 100,000	649	19,548	5.17	636	19,307	5.11
100,001 to 1,000,000	105	24,722	6.54	111	26,344	6.97
Above 1,000,000	11	299,041	79.15	9	297,979	78.86
Total	33,245	377,851	100	31,592	377,851	100

Notes to the financial statements

35. Share capital and reserves continued

(b) Share premium

These reserves arose when the shares of the Company were issued at a price higher than the nominal (par) value. These will be applied towards capital in future.

	Group and Company	
	2025 KShs '000	2024 KShs '000
At 1 January and 31 December		
Ordinary shares (note 35(a))	5,272,427	5,272,427
Preference shares (note 35(a))	2,520,000	2,520,000
	7,792,427	7,792,427

(c) Capital contribution reserve

Capital contribution reserve comprises capital contributions provided to the Group by shareholders that are not intended by either party to be repaid and includes capital contribution on the acquisition of the custody business and increases in equity arising from share-based payment awards granted to the Group's employees. See accounting policy in note 11. Below summarises the movement in share based payments;

	Group and Company	
	2025 KShs '000	2024 KShs '000
At 1 January	2,051,247	2,000,055
Equity settled awards accrued	292,815	316,810
Recognised in income statement	(85,556)	(89,236)
Payments in the year	(227,574)	(176,382)
At 31 December	2,030,932	2,051,247

(d) Revaluation reserve

Revaluation reserve is from the periodic revaluation of freehold land and buildings. The carrying amounts of these assets are adjusted to the revaluations. Revaluation surpluses are not distributable.

(e) Fair value reserve

The fair value reserve includes the cumulative net change in the fair value of Government securities at FVOCI excluding impairment losses, until the investment is derecognised.

(f) Statutory credit risk reserve

Where impairment losses required by legislation or regulations exceed those calculated IFRS Accounting Standards as issued by the International Accounting Standards Board, the excess is recognised as a statutory credit risk reserve and accounted for as an appropriation of retained profits. These reserves are not distributable.

The table below shows the composition of other reserves disclosed in the statement of financial position.

	Group and Company	
	2025 KShs '000	2024 KShs '000
Other reserves		
Capital contribution reserve	2,030,932	2,051,247
Revaluation reserve	560,682	721,665
Fair value reserve	533,841	1,288,308
At 31 December	3,125,455	4,061,220

Notes to the financial statements

36. Statement of cashflows

a) Adjustments for non-cash items and other adjustments included within income statement

Notes	Group		Company		
	2025 KShs '000	2024 KShs '000	2025 KShs '000	2024 KShs '000	
Depreciation of property and equipment and Right -of- Use asset	26	450,616	384,485	450,616	384,485
Amortisation of intangible assets	27	1,058,507	1,036,141	1,058,507	1,036,141
Loss on sale of property and equipment	12	10,406	(12,332)	10,406	(12,332)
Lease modification gain	33	(4,402)	(490)	(4,402)	(490)
Impairment of intangible assets	27	38,360	301,244	38,360	301,244
Loss on sale of assets held for sale		(14,720)	-	(14,720)	-
Changes in fair value of government securities at FVTPL	17	(652,888)	116,421	(652,888)	116,421
Retirement benefit obligations	34	2,646,314	34,570	2,646,314	34,570
Movement in expected credit loss on FVOCI financial instruments	19	64,971	(247,109)	64,971	(247,109)
Share based payments allocated	35(c)	207,259	227,574	207,259	227,574
Amortisation discount and premiums FVTPL	17	410,359	(117,975)	410,359	(117,975)
Amortisation discount and premiums FVOCI	20	(10,979,638)	(9,150,974)	(10,979,638)	(9,150,974)
Total		(6,764,856)	(7,428,445)	(6,764,856)	(7,428,445)

b) Change in operating assets

Notes	Group		Company		
	2025 KShs '000	2024 KShs '000	2025 KShs '000	2024 KShs '000	
Government and other securities held at FVTPL		(9,423,827)	4,965,987	(9,423,827)	4,965,987
Derivative financial instruments		2,666,383	(2,322,718)	2,666,383	(2,322,718)
Loans and advances to customers amortised		3,040,017	11,514,398	3,040,017	11,514,398
Loans and advances to customers FVTPL		(5,699,677)	-	(5,699,677)	-
Government and other securities held at FVOCI		10,937,746	(21,852,075)	10,937,746	(21,852,075)
Amounts due from group companies		(7,602,381)	21,311,328	(7,602,381)	21,311,328
Other assets		1,262,945	(236,650)	1,270,435	(162,443)
Total		(4,818,794)	13,380,270	(4,811,304)	13,454,477

c) Change in operating liabilities

Notes	Group		Company		
	2025 KShs '000	2024 KShs '000	2025 KShs '000	2024 KShs '000	
Deposits from customers		(12,238,259)	(47,163,152)	(12,238,259)	(47,163,152)
Derivative financial instruments		13,287	55,079	13,287	55,079
Amounts due to group subsidiaries		-	-	46,700	475,369
Amounts due to group companies		(3,815,171)	(1,669,857)	(3,815,171)	(1,669,857)
Defined benefit obligations		(2,604,432)	(89,300)	(2,604,432)	(89,300)
Other liabilities		1,013,956	(3,537,331)	994,244	(3,542,968)
Total		(17,630,619)	(52,404,561)	(17,603,631)	(51,934,829)

d) Analysis of the balance of cash and cash equivalents

Notes	Group		Company		
	2025 KShs '000	2024 KShs '000	2025 KShs '000	2024 KShs '000	
Cash reserve ratio (CRR)*		6,241,168	12,347,634	6,241,168	12,347,634
Cash on hand		3,782,179	4,166,406	3,782,179	4,166,406
Unrestricted cash balances with Central Bank of Kenya		1,547,695	15,825,509	1,547,695	15,825,509
Loans and advances to banks at amortised cost		740,884	1,157,643	740,884	1,157,643
Deposits from banks		(1,280,365)	(306,864)	(1,280,365)	(306,864)
Amounts due from group companies		24,646,354	39,468,625	25,798,044	40,331,947
Total		35,677,915	72,658,953	36,829,605	73,522,275

*Commercial banks in Kenya must keep a mandatory Cash Reserve Ratio (CRR) with the Central Bank of Kenya which is set at 3.25% of their deposit liabilities. Banks are now required to report the CRR restricted balance as part of cash and cash equivalents on the statement of cash flows, since the contractual restriction does not alter the deposit's nature and the Group can access these funds. Previously, this amount was not included in cash and cash equivalents. Consequently, the Statement of Cash Flows has been restated. This reclassification does not affect profit or loss, equity, the statement of financial position.

Notes to the financial statements

37. Assets pledged as security

As at 31 December 2025, there were no assets pledged by the Group to secure liabilities and there were no secured Group liabilities.

38. Fiduciary activities

Accounting policy

Assets held for clients in an agency or fiduciary capacity by the Group are not assets of the Group and are not included in the statement of financial position.

The Group holds asset security documents on behalf of customers. These securities are held by the Security Services department of the Company. The assets held comprise of deposits, government securities, debentures, title deeds, quoted and unquoted shares.

	Group		Company	
	2025 KShs '000	2024 KShs '000	2025 KShs '000	2024 KShs '000
Value of asset security documents held on behalf of customers	1,722,247,105	1,299,492,107	1,151,228,091	973,727,039

39. Related party disclosures

In the ordinary course of business, transactions are entered into with Standard Chartered PLC, the ultimate holding company and other companies related to Standard Chartered Bank Kenya Limited through common shareholding.

	Group						Company					
	Interest income KShs '000	Interest expense KShs '000	Net fee and commission income KShs '000	Recharges KShs '000	Trade Contingents	Interest income KShs '000	Interest expense KShs '000	Net fee and commission income KShs '000	Recharges KShs '000	Trade Contingents	Trade Contingents KShs '000	
2025												
Standard Chartered PLC	1,299,235	(20,986)	131,192	(2,651,938)	6,742,727	1,299,235	(20,986)	131,192	(2,651,938)	6,742,727	6,742,727	
Other group companies	1,696,940	(35,076)	148,758	(4,254,631)	26,603,999	1,696,940	(52,088)	148,758	(3,997,380)	26,603,999	26,603,999	
	2,996,175	(56,062)	279,950	(6,906,569)	33,346,726	2,996,175	(73,074)	279,950	(6,649,318)	33,346,726	33,346,726	
2024												
Standard Chartered PLC	2,938,862	(23,480)	909,974	(1,745,143)	5,830,104	2,938,862	(23,480)	909,974	(1,745,143)	5,830,104	5,830,104	
Other group companies	2,816,187	(30,495)	201,580	(1,475,740)	20,566,257	2,816,187	(47,508)	201,580	(1,204,355)	20,566,257	20,566,257	
	5,755,049	(53,975)	1,111,554	(3,220,883)	26,396,361	5,755,049	(70,988)	1,111,554	(2,949,498)	26,396,361	26,396,361	

Group companies provide support services for which they recharge the costs incurred at the country of origin. The value of the services provided has been included in the total expenditure of the Group or Company.

The transactions are at transfer pricing agreements.

The related party balances at 31 December 2025 and 2024 are shown in Note 22. Trade contingent liabilities with group companies at 31 December 2025 was KShs 33,346 million (2024: KShs 26,396 million)

Directors and officers

Details of directors' remuneration is disclosed in the Directors' remuneration report.

IAS 24 'Related party disclosures' requires the following additional information for key management compensation. Key management comprises executive directors and persons discharging managerial responsibilities of the Company.

	Group and Company	
	2025 KShs '000	2024 KShs '000
Salaries and other employee benefits	502,177	507,270

Transactions with directors and others

During the year, the number of key management staff was 14 (2024: 13).

At 31 December 2025, balances relating to deposits from directors, employees and associates amounted to KShs 781,548,000 (2024 – KShs 808,388,000).

The interest expense paid during the year on deposits from directors, employees and associates amounted to KShs 3,488,000 (2024 – KShs 3,283,000).

Notes to the financial statements

39. Related party disclosures continued

Transactions with directors and others continued

Included in loans and advances to customers are the following amounts:

	Group and Company	
	2025 KShs '000	2024 KShs '000
Loans and advances to directors, employees and their associates		
At start of the year	6,409,814	6,337,785
Amounts advanced during the year	3,162,158	2,497,160
Amounts repaid during the year	(3,151,830)	(2,425,131)
At end of the year	6,420,142	6,409,814
Loans and advances to directors or companies controlled by directors or their families	91,650	48,259
Loans and advances to employees	6,328,492	6,361,555
	6,420,142	6,409,814
Collateral	5,783,818	5,975,620

The interest income earned during the year on loans and advances to directors, employees and associates amounted to KShs 506,829,000 (2024 – KShs 743,866,000).

Interest rates charged on balances outstanding from related parties are lower than what would be charged in an arm's length transaction.

None of the loans and advances above are impaired at 31 December 2025 (2024: Nil).

The Company has also entered into transactions with Standard Chartered Kenya Pension Fund (SCKPF) and Standard Chartered Staff Retirement Benefits Scheme 2006 (SCKSRBS 2006). At 31 December 2025, deposits from SCKPF and SCKSRBS 2006 amounted to KShs 434,967,106 (2024 – KShs 45,779,357).

40. Holding company

The ultimate holding company of Standard Chartered Bank Kenya Limited is Standard Chartered PLC, which is a limited liability company incorporated and domiciled in Great Britain.

Notes to the financial statements

41. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities presented according to when they are expected to be recovered or settled. Trading assets and liabilities including derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Bank uses the same basis of expected repayment behaviour that was used for estimating the EIR. Issued debt reflects the contractual coupon amortisation.

2025	Group			Company		
	Within 12 months KShs '000	After 12 months KShs '000	Total KShs '000	Within 12 months KShs '000	After 12 months KShs '000	Total KShs '000
Assets						
Cash and balances with Central Bank of Kenya	11,571,042	-	11,571,042	11,571,042	-	11,571,042
Government and other securities held at FVTPL	10,485,170	-	10,485,170	10,485,170	-	10,485,170
Derivative financial instruments	491,265	73,787	565,052	491,265	73,787	565,052
Loans and advances to banks	740,884	-	740,884	740,884	-	740,884
Loans and advances to customers amortised cost	66,664,730	81,942,632	148,607,362	66,664,730	81,942,632	148,607,362
Loans and advances to customers FVTPL	5,699,677	-	5,699,677	5,699,677	-	5,699,677
Government securities held at FVOCI	96,901,825	-	96,901,825	96,901,825	-	96,901,825
Current tax assets	846,187	-	846,187	714,383	-	714,383
Other assets	5,098,465	-	5,098,465	4,939,192	-	4,939,192
Amounts due from subsidiaries and other related parties	27,885,869	43,459,196	71,345,065	29,037,557	43,459,196	72,496,753
Investment in subsidiary undertakings	-	-	-	145,243	-	145,243
Assets classified as held for sale	1,411,120	-	1,411,120	1,411,120	-	1,411,120
Property, plant and equipment	-	1,997,689	1,997,689	-	1,997,689	1,997,689
Goodwill and intangible assets	-	5,243,688	5,243,688	-	5,243,688	5,243,688
Deferred tax assets	-	2,978,330	2,978,330	-	2,950,311	2,950,311
Total Assets	227,796,234	135,695,322	363,491,556	228,802,088	135,667,303	364,469,391
Liabilities						
Deposits from banks	1,280,365	-	1,280,365	1,280,365	-	1,280,365
Deposits from customers	282,844,050	607,780	283,451,830	282,844,050	607,780	283,451,830
Derivative financial instruments	394,416	783,791	1,178,207	394,416	783,791	1,178,207
Other liabilities	6,959,865	-	6,959,865	6,913,709	-	6,913,709
Amounts due to parent companies & other related parties	4,272,683	-	4,272,683	5,405,917	-	5,405,917
Current tax liabilities	28,425	-	28,425	-	-	-
Retirement benefit obligations	-	-	-	-	-	-
Total liabilities	295,779,804	1,391,571	297,171,375	296,838,457	1,391,571	298,230,028

Notes to the financial statements

41. Maturity analysis of assets and liabilities continued

2024	Group			Company		
	Within 12 months KShs '000	After 12 months KShs '000	Total KShs '000	Within 12 months KShs '000	After 12 months KShs '000	Total KShs '000
Assets						
Cash and balances with Central Bank of Kenya	32,339,549	–	32,339,549	32,339,549	–	32,339,549
Government and other securities held at FVPTL	818,815	–	818,815	818,815	–	818,815
Derivative financial instruments	2,032,677	1,198,758	3,231,435	2,032,677	1,198,758	3,231,435
Loans and advances to banks	1,157,643	–	1,157,643	1,157,643	–	1,157,643
Loans and advances to customers	81,151,003	70,496,376	151,647,379	81,151,003	70,496,376	151,647,379
Government securities held at FVOCI	95,426,304	2,576,409	98,002,713	95,426,304	2,576,409	98,002,713
Current tax assets	1,080,212	–	1,080,212	961,104	–	961,104
Other assets	6,361,410	–	6,361,410	6,209,627	–	6,209,627
Amounts due from subsidiaries and other related parties	69,184,017	9,380,937	78,564,954	70,051,697	9,376,578	79,428,275
Investment in subsidiary undertakings	–	–	–	–	145,243	145,243
Assets classified as held for sale	215,280	–	215,280	215,280	–	215,280
Property, plant and equipment	–	3,256,272	3,256,272	–	3,256,272	3,256,272
Goodwill and intangible assets	–	5,516,312	5,516,312	–	5,516,312	5,516,312
Deferred tax assets	–	2,382,115	2,382,115	–	2,276,221	2,276,221
Total Assets	289,766,910	94,807,179	384,574,089	290,363,699	94,842,169	385,205,868
Liabilities						
Deposits from banks	306,862	–	306,862	306,862	–	306,862
Deposits from customers	295,440,680	249,409	295,690,089	295,440,680	249,409	295,690,089
Derivative financial instruments	1,029,126	135,794	1,164,920	1,029,126	135,794	1,164,920
Other liabilities	5,578,197	193,650	5,771,847	5,551,755	193,650	5,745,405
Amounts due to parent companies & other related parties	8,087,854	–	8,087,854	9,174,388	–	9,174,388
Current tax liabilities	1,742,437	–	1,742,437	1,587,139	–	1,587,139
Retirement benefit obligations	33,960	–	33,960	33,960	–	33,960
Total liabilities	312,219,116	578,853	312,797,969	313,123,910	578,853	313,702,763

42. Events after period end

The directors are not aware of any other event after the reporting date that requires disclosure in or adjustments to the financial statements as at the date of this report.

