



Standard Bank Limited Results Announcement

For the year ended 31 December 2016

STATEMENTS OF PROFIT OR LOSS

In millions of Malawi Kwacha

	CONSOLIDATED		SEPARATE	
	Year ended 31 December 2016	Year ended 31 December 2015	Year ended 31 December 2016	Year ended 31 December 2015
Interest income	44,282	26,627	44,288	26,626
Interest expense	(8,458)	(3,718)	(8,458)	(3,718)
Net interest income	35,824	22,909	35,830	22,908
Net fee and commission income	9,468	6,588	9,468	6,588
Net trading income	8,715	8,191	7,853	7,936
Other operating income	124	203	167	216
Total operating income	54,131	37,891	53,318	37,648
Impairment losses on loans and advances	(576)	673	(576)	673
Income after credit impairment losses on loans and advances	53,555	38,564	52,742	38,321
Staff costs	(11,499)	(9,093)	(11,499)	(9,093)
Depreciation and amortisation	(1,619)	(1,522)	(1,619)	(1,522)
Other operating expenses	(12,270)	(8,568)	(12,114)	(8,540)
Total expenditure	(25,388)	(19,183)	(25,232)	(19,155)
Profit before income tax expense	28,167	19,381	27,510	19,166
Income tax expense	(8,742)	(6,028)	(8,545)	(5,963)
Profit for the year	19,425	13,353	18,965	13,203

STATEMENTS OF OTHER COMPREHENSIVE INCOME

In millions of Malawi Kwacha

	CONSOLIDATED		SEPARATE	
	Year ended 31 December 2016	Year ended 31 December 2015	Year ended 31 December 2016	Year ended 31 December 2015
Items that may be reclassified to profit or loss				
Profit for the year	19,425	13,353	18,965	13,203
Net change in fair value on available for sale financial assets	345	(382)	345	(382)
Total other comprehensive income for the year, net of tax	345	(382)	345	(382)
Total comprehensive income	19,770	12,971	19,310	12,821
Movement in retained earnings				
Retained earnings brought forward	34,512	24,133	34,299	24,070
Profit for the year	19,425	13,353	18,965	13,203
Dividend paid	(4,008)	(3,006)	(4,008)	(3,006)
Transfer from share ownership scheme	14	32	14	32
Total retained earnings carried forward	49,943	34,512	49,270	34,299
Basic earnings per share (MK)	83.01	57.06	81.05	56.42
Dividend per share (tambala)	1,713	1,285	1,713	1,285
Number of ordinary shares in issue (million)	234	234	234	234
Market price per share (MK)	500	440	500	440

STATEMENTS OF FINANCIAL POSITION

In millions of Malawi Kwacha

	CONSOLIDATED			SEPARATE		
	Restated			Restated		
	As at 31 December 2016	As at 31 December 2015	As at 31 December 2014	As at 31 December 2016	As at 31 December 2015	As at 31 December 2014
Assets						
Cash and balances with central bank	36,866	24,708	30,617	36,715	24,630	30,448
Derivative assets	726	438	562	726	438	562
Trading assets	18,008	8,839	11,369	18,008	8,839	11,369
Loans and advances to banks and other financial institutions	107,530	47,877	55,594	107,530	47,877	55,594
Loans and advances to customers	91,008	95,710	59,623	91,008	95,710	59,623
Financial investments	37,623	34,928	20,160	37,623	34,928	20,160
Investment in subsidiary	-	-	-	100	100	100
Other assets	6,314	6,121	4,417	6,333	6,125	4,417
Property and equipment	12,613	11,675	11,473	12,613	11,675	11,473
Intangible assets	591	9	14	591	9	14
Current tax asset	408	-	-	408	-	-
Deferred tax assets	1,828	1,548	1,272	1,822	1,548	1,272
Total assets	313,515	231,853	195,101	313,477	231,879	195,032

Liabilities

Derivative liabilities	195	405	810	195	405	810
Trading liabilities	322	149	-	322	149	-
Deposits and loans from banks	19,234	4,855	4,798	19,234	4,855	4,798
Deposits from customers	204,410	167,388	140,599	205,138	167,657	140,599
Other liabilities	16,873	4,909	4,700	16,865	4,908	4,701
Income tax payable	3,217	1,720	2,689	3,132	1,691	2,682
Provisions	3,054	2,264	1,986	3,054	2,264	1,986
Employee benefits liabilities	113	140	143	113	140	143
Deferred tax liabilities	3,297	2,988	2,284	3,297	2,988	2,284
Total liabilities	250,715	184,818	158,009	251,350	185,057	158,003
Equity						
Share capital	234	234	234	234	234	234
Share premium	8,492	8,492	8,492	8,492	8,492	8,492
Revaluation reserve	4,211	4,211	4,211	4,211	4,211	4,211
Available for sale reserve	(84)	(429)	(47)	(84)	(429)	(47)
Share-based payment reserve	4	15	69	4	15	69
Retained earnings	49,943	34,512	24,133	49,270	34,299	24,070
Total equity	62,800	47,035	37,092	62,127	46,822	37,029
Total liabilities and equity	313,515	231,853	195,101	313,477	231,879	195,032

STATEMENTS OF CASHFLOWS

In millions of Malawi Kwacha

	CONSOLIDATED		SEPARATE	
	Restated	Restated	Restated	Restated
Year ended 31 December 2016	Year ended 31 December 2015	Year ended 31 December 2016	Year ended 31 December 2015	
Cash flows from operating activities:				
Interest received	44,282	26,627	44,288	26,626
Interest paid	(8,458)	(3,718)	(8,458)	(3,718)
Fee and commission receipts	9,468	6,588	9,468	6,588
Trading and other income receipts	8,839	8,394	8,020	8,151
Recoveries from impairment losses	1,117	1,747	1,117	1,747
Payments to employees and suppliers	(24,986)	(19,716)	(24,830)	(19,689)
Cash flows from operating activities before changes in operating assets and liabilities	30,262	19,922	29,605	19,705
Changes in operating assets and liabilities:				
Loans and advances	4,702	(37,572)	4,702	(37,572)
Liquidity reserve requirements	(4,003)	8,416	(4,003)	8,416
Trading assets maturing over 90 days	(2,560)	(5,266)	(2,560)	(5,266)
Financial investments maturing over 90 days	4,791	(24,434)	4,791	(24,434)
Balance with banks maturing over 90 days	(1,875)	-	(1,875)	-
Derivative assets	(289)	124	(289)	124
Other assets	(192)	(1,705)	(207)	(1,709)
Deposits from customers	37,022	26,789	37,480	27,058
Deposits and loans from other banks	14,380	1,540	14,380	1,540
Derivative liabilities	(210)	(405)	(210)	(405)
Trading liabilities	173	149	173	149
Other liabilities	12,727	484	12,722	484
Net cash generated from / (used in) operating activities before income tax	94,928	(11,958)	94,709	(11,910)
Income tax paid	(7,702)	(5,962)	(7,556)	(5,920)
Net cash generated from / (used in) operating activities	87,226	(17,920)	87,153	(17,830)
Cash flows from investing activities				
Purchase of property and equipment	(3,191)	(1,786)	(3,191)	(1,786)
Proceeds from sale of property and equipment	1	40	1	40
Net cash used in investing activities	(3,190)	(1,746)	(3,190)	(1,746)
Cash flows to financing activities				
Dividends paid	(4,008)	(3,006)	(4,008)	(3,006)
Net increase / (decrease) in cash and cash equivalents	80,028	(22,672)	79,955	(22,582)
Cash and cash equivalents at 1 January	67,690	90,362	67,611	90,193
Cash and cash equivalents at 31 December	147,718	67,690	147,566	67,611

Impairment Losses/Non-Performing Credit Facilities and Provisions for Losses by Industry Sector

	As at 31 December 2016			As at 31 December 2015		
	Outstanding Amount	Impaired Amount	Specific Provision	Outstanding Amount	Impaired Amount	Specific Provision
	(MK'm)	(MK'm)	(MK'm)	(MK'm)	(MK'm)	(MK'm)
Agriculture	22,511	863	396	41,921	26	24
Manufacturing	19,897	-	-	19,331	-	-
Mining	426	-	-	330	2	2
Construction	744	108	68	381	1	1
Energy/Electricity	3	-	-	147	-	-
Gas/Water	-	-	-	-	-	-
Transport	1,698	277	223	3,045	718	488
Communication	1,207	-	-	2,055	-	-
Financial Services	2,044	-	-	1,326	-	-
Wholesale/Retail	10,133	278	131	2,087	173	154
Individual/Household	34,699	237	220	26,950	256	235
Real Estate	-	-	-	-	-	-
Tourism	218	-	-	193	-	-
Other	-	-	-	-	-	-
Total	93,580	1,763	1,038	97,766	1,176	904

Credit Concentrations

Total credit facilities including guarantees, acceptances and other similar commitments extended to any one customer or group of related customers where amounts exceed 25% of our core capital.

Sector of Borrower	As at 31 Dec 2016	% of Core Capital	As at 31 Dec 2015	% of Core Capital
	(MK'm)	(MK'm)	(MK'm)	(MK'm)
Agriculture	-	-	18,472	45%

Loans to Directors, Senior Management and Other Related Parties

	31 Dec 2016	31 Dec 2015
Directors	(MK'm)	(MK'm)
Balance at beginning of year	21	40
Loans granted during the year	11	-
Repayments	(1)	(19)
Balance at end of the year	31	21

Other Related Parties

	31 Dec 2016	31 Dec 2015
Other Related Parties	(MK'm)	(MK'm)
Balance at beginning of year	261	-
Loans granted during the year	591	876
Repayments	(805)	(615)
Balance at end of the year	47	261

Senior Management Officials

	31 Dec 2016	31 Dec 2015
Senior Management Officials	(MK'm)	(MK'm)
Balance at beginning of year	347	332
Loans granted during the year	77	113
Repayments	(136)	(98)
Balance at end of the year	288	347

Investments in Subsidiaries

Name of Subsidiary	Number of shares	Percentage holding	Current year (MK'm)	Previous year (MK'm)
Standard Bank Bureau De Change Limited	99,999,999	100%	100	100

Base Lending Rate

	As at 31 Dec 2016	As at 31 Dec 2015
Base Lending Rate (local currency)	32%	35%
Maximum Applicable Range (percentage points)	10	10
Base Lending Rate (foreign currency loans)	8.0%	8.0%
Reserve Bank of Malawi Bank Rate	24%	27%

Director's Remuneration, Bonuses and Franchise Fees

	31 Dec 2016	31 Dec 2015
Director's Remuneration	(MK'm)	(MK'm)
- Director's fees	24	18
- Executive directors remuneration	346	275
Total bonuses paid to all staff	1,888	1,474
Franchise Fees to Holding Company	1,634	1,192

Deposit Rates

Type of Deposit	As at 31 Dec 2016 Rate	As at 31 Dec 2015 Rate
Malawi Kwacha		
Call	0.20%	0.20%
Current account	5.0%	7.0%
7 day Notice	5.5%	6.0%
30 day Notice	5.5%	7.0%
Transact plus	0.2%	2.0%
Saver plus	n/a	5%
Savings	6%	8%
Pure save	9%	11%
Contract save	9%	12%
1 month fixed	8%	11%
2 month fixed	7%	10%
3 month fixed	6%	9%
6 month fixed	Negotiable	Negotiable
9 month fixed	Negotiable	Negotiable
12 month fixed	Negotiable	Negotiable
Foreign Currency Denominated Accounts (FCDAs)		
USD	0.37%	0.5%
GBP	0.1%	1.5%
EUR	0.0%	0.5%
ZAR	0.0%	4