



## SUMMARY INCOME STATEMENTS

For the year ended 31 December 2021

	Consolidated		Separate	
	2021 MKm	2020 MKm	2021 MKm	2020 MKm
Interest income	59,264	46,309	59,264	46,294
Interest expense	(7,807)	(5,096)	(7,862)	(5,117)
<b>Net interest income</b>	<b>51,457</b>	<b>41,213</b>	<b>51,402</b>	<b>41,177</b>
Fee and commission income	18,629	15,647	18,629	15,647
Fee and commission expense	(1,775)	(1,364)	(1,775)	(1,364)
<b>Net fee and commission income</b>	<b>16,854</b>	<b>14,283</b>	<b>16,854</b>	<b>14,283</b>
Trading income	23,206	12,559	21,929	11,471
Other operating income	131	185	198	241
Other gains and losses on financial instruments	-	1,462	-	1,462
<b>Total operating income</b>	<b>91,648</b>	<b>69,702</b>	<b>90,383</b>	<b>68,634</b>
Credit impairment charges	(4,185)	(1,622)	(4,185)	(1,622)
Recovery from insurance policy relating to previously written off exposures	-	7,105	-	7,105
<b>Income after credit impairment charges</b>	<b>87,463</b>	<b>75,185</b>	<b>86,198</b>	<b>74,117</b>
Staff costs	(18,196)	(16,002)	(18,196)	(16,002)
Depreciation and amortisation	(4,406)	(4,273)	(4,406)	(4,273)
Other operating expenses	(24,737)	(19,118)	(24,600)	(19,062)
<b>Total expenditure</b>	<b>(47,339)</b>	<b>(39,393)</b>	<b>(47,202)</b>	<b>(39,337)</b>
<b>Profit before income tax expense</b>	<b>40,124</b>	<b>35,792</b>	<b>38,996</b>	<b>34,780</b>
Income tax expense	(15,355)	(12,049)	(15,023)	(11,739)
<b>Profit for the year attributable to ordinary shareholders</b>	<b>24,769</b>	<b>23,743</b>	<b>23,973</b>	<b>23,041</b>
<b>Earnings per share</b>				
Basic and diluted (MK per share)	105.85	101.47	102.45	98.47

## SUMMARY STATEMENTS OF FINANCIAL POSITION

For the year ended 31 December 2021

	Consolidated		Separate	
	2021 MKm	2020 MKm	2021 MKm	2020 MKm
<b>Assets</b>				
Cash and balances held with the Central Bank	41,407	29,465	41,342	29,353
Derivative assets	232	602	232	602
Noncurrent assets held for sale	740	366	740	366
Trading assets	18,376	3,030	18,376	3,030
Pledged assets	40,599	12,928	40,599	12,928
Loans and advances to banks	96,491	82,507	96,464	82,505
Loans and advances to customers	206,524	165,445	206,524	165,445
Financial investments	177,613	142,532	177,613	142,532
Investment in subsidiaries	-	-	100	100
Other assets	10,716	7,434	10,733	7,464
Property, equipment and right of use assets	18,444	18,263	18,444	18,263
Intangible assets	15,493	16,988	15,493	16,988
<b>Total assets</b>	<b>626,635</b>	<b>479,560</b>	<b>626,660</b>	<b>479,576</b>
<b>Liabilities</b>				
Derivative liabilities	62	115	62	115
Deposits and loans from banks	59,396	30,311	59,396	30,311
Deposits from customers	402,016	314,756	406,305	318,285
Other liabilities	28,943	15,709	28,937	15,711
Income tax payable	7,151	4,031	7,058	3,886
Provisions	5,818	4,468	5,818	4,468
Deferred tax liabilities	6,190	4,449	6,191	4,449
<b>Total liabilities</b>	<b>509,576</b>	<b>373,839</b>	<b>513,767</b>	<b>377,225</b>
<b>Equity</b>				
Share capital	234	234	234	234
Share premium	8,492	8,492	8,492	8,492
Revaluation reserve	10,718	9,593	10,718	9,593
Fair value through OCI reserve	314	170	314	170
Retained earnings	97,301	87,232	93,135	83,862
<b>Total equity</b>	<b>117,059</b>	<b>105,721</b>	<b>112,893</b>	<b>102,351</b>
<b>Total liabilities and equity</b>	<b>626,635</b>	<b>479,560</b>	<b>626,660</b>	<b>479,576</b>

## NOTES TO THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### Impairment losses/Non-Performing credit facilities and expected credit losses by Industry sector

	As at 31 December 2021			As at 31 December 2020		
	Outstanding amount	Impaired amount	Stage 3 expected credit losses	Outstanding amount	Impaired amount	Stage 3 expected credit losses
	MKm	MKm	MKm	MKm	MKm	MKm
Agriculture	40,765	156	146	52,321	-	-
Manufacturing	21,035	24	23	9,405	1	1
Construction	7,713	98	74	3,833	95	88
Energy/Electricity	3,440	-	-	6,598	-	-
Transport	3,602	23	21	3,037	38	37
Communication	18,141	-	-	8,359	-	-
Financial Services	474	-	-	199	17	17
Wholesale/Retail	22,072	355	266	13,344	306	292
Individuals, community, social and personal services	94,286	3,551	3,129	70,433	1,795	1,621
Real estate	4,044	-	-	4,327	2	2
Tourism	1,044	7	7	441	1	-
<b>Total</b>	<b>216,616</b>	<b>4,214</b>	<b>3,666</b>	<b>172,297</b>	<b>2,255</b>	<b>2,058</b>

### 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 December 2021		As at 31 December 2020	
	MKm	% of Core Capital	MKm	% of Core Capital
Transport	-	-	48,379	54%
Various	32,107	33%	-	-

### Loans to directors, senior management and other related parties

	As at 31 December 2021		As at 31 December 2020	
	MKm		MKm	
<b>Directors</b>				
Balance at beginning of year		26		42
Loans granted during the year		208		-
Repayments		(52)		(16)
<b>Balance at end of the year</b>		<b>182</b>		<b>26</b>
<b>Other related parties</b>				
Balance at beginning of year		37		327
Loans granted during the year		45		6
Repayments		(55)		(296)
<b>Balance at end of the year</b>		<b>27</b>		<b>37</b>

	As at 31 December 2021		As at 31 December 2020	
	MKm		MKm	
<b>Senior management officials</b>				
Balance at beginning of year		969		748
Loans granted during the year		634		503
Repayments		(400)		(282)
<b>Balance at end of the year</b>		<b>1,203</b>		<b>969</b>
<b>Total loans to directors, senior management and other related parties</b>		<b>1,412</b>		<b>1,032</b>
<b>Proportion of loans to directors, senior management and other related parties to core capital</b>		<b>1%</b>		<b>1%</b>

Name of Subsidiary	Number of shares	Percentage holding	Current year	
			MKm	Previous year
Standard Bank Bureau De Change Limited	99,999,999	100%	100	100
Standard Bank Nominees Limited	19,999	100%	-	-

### Investment in subsidiary

Name of Subsidiary	Number of shares	Percentage holding	Current year	
			MKm	Previous year
Standard Bank Bureau De Change Limited	99,999,999	100%	100	100
Standard Bank Nominees Limited	19,999	100%	-	-

### Base lending rate

	As at 31 December 2021	As at 31 December 2020
Base lending rate (local currency)	12.2%	12.3%

	11.0%	11.0%
Maximum applicable range (percentage points)	11.0%	11.0%
Lending rate (foreign currency loans)	3.5% - 10.0%	4.7% - 10.0%
Reserve Bank of Malawi policy rate	12.0%	12.0%

### Director's remuneration, bonuses and franchise fees

	As at 31 December 2021	As at 31 December 2020
	MKm	MKm
Director's remuneration		
- Directors fees	61	46
- Directors expenses	76	49
- Executive directors' remuneration	449	425
Total bonuses paid to all staff	1,818	2,039
Franchise fees to holding company	2,706	2,125

### Deposit rates

Type of deposit	As at 31 December 2021	As at 31 December 2020
	Rate	Rate
<b>Malawi Kwacha</b>		
Current account	0%	0%
Call	3%	3%
Notice	3.5%	3.5%
Savings	2%	2%
Pure save	3%	3%
Contract save	3%-7%	3% - 7%
1 month fixed	5%	5%
2 months fixed	4%	4%
3 months fixed	3%	3%
More than 3 months fixed	negotiable	Negotiable
<b>Foreign currency denominated accounts (FCDA's)</b>		
USD	0.37%	0.37%
GBP	0.10%	0.10%
EUR	0%	0.0%
ZAR	0%	0.0%

## FINANCIAL REVIEW

We are pleased to present the summary audited financial results of the Group for the year ended 31 December 2021.

### Economic highlights

The domestic economy is estimated to have grown by 3.9% in 2021 from 0.9% in 2020 following solid performance in the Agriculture, Manufacturing, Mining and quarrying and Construction sectors. Headline inflation picked up in the year and averaged 9.3% compared to 8.6% in 2020. This was in response to rising global oil prices, global supply chain constraints and seasonal fluctuations in domestic food prices. The exchange rate depreciated against the United States dollar by close to 6% in 2021 compared to about 3% in 2020 owing to weak foreign exchange supply. The Kwacha closed the year at the exchange rate of MK819.44/US\$ compared to MK773.11/US\$ at the close of 2020. The policy rate was maintained at 12% in the year largely to support economic recovery amidst the COVID-19 pandemic.

### Performance

The Group continued to operate in a challenging operating environment as demand for foreign currency continued to outweigh supply. This has resulted in the Malawi Kwacha to depreciate and the expectation is for the Malawi Kwacha to depreciate further as we head into 2022. COVID-19 also continued to affect business which in turn impacted credit growth and transactability.

The Group's profit after tax of MK24.8 billion was 4% above prior year. Total revenue grew by 31% year on year driven by growth on both net interest income and non-interest revenue. Net interest income grew by 25% year on year driven by an increase in loans and advances to customers and financial investments which both grew by 25% year on year. The growth of interest earning assets was driven by favorable yield rates as well as continued increase in demand for digital loans.

Non-interest revenue grew by 41% year on year driven by growth in transaction volumes of fees and commissions. Trading revenue significantly grew year on year anchored by an increase in trading volumes. Despite considerable year on year growth, fees and commission continues to be negatively impacted by a 40% reduction of fees on internet banking, mobile payments, and other related services as a cushion to customers on COVID-19 impact.

Credit impairments were significantly up on prior year due to growth of customer loans and advances as well as impact of COVID-19 on the loan book which resulted in additional credit impairments. The Group will continue its efforts to recover previously written off loans as well as focus on prudent risk taking and management.

Operating costs were 20% up on prior year impacted by increase in prices of goods and services as well as the Groups continued investment in information technology in line with the digital transformation strategy. The Group continues to focus on cost management initiatives to remain efficient. As a result of higher revenue base and lower cost growth, the cost to income ratio reduced from 57% in prior year to 52% in the current year.

Earnings per share for the year increased from MK101 in 2020 to MK106 in 2021.

### Outlook

Economic recovery is expected to continue in 2022, with growth forecast to reach 4.1%; driven by rebounds in Manufacturing, Mining and quarrying, Construction, Transportation and Storage, and Electricity, gas and Water supply. The pressure on the exchange rate will likely continue on the back of weak foreign exchange supply. Upward pressures on inflation rate will likely remain in the first half largely driven by supply constraints.

## SUMMARY STATEMENTS OF OTHER COMPREHENSIVE INCOME

	Consolidated		Separate	
	2021 MKm	2020 MKm	2021 MKm	2020 MKm
<b>Profit for the year</b>	<b>24,769</b>	<b>23,743</b>	<b>23,973</b>	<b>23,041</b>
<b>Items that will not be reclassified to profit or loss</b>				
Net revaluation gain on property	1,125	2,246	1,125	2,246
<b>Items that may be reclassified subsequently to profit or loss</b>				
Net change in expected credit losses	60	(3)	60	(3)
Net change in debt financial assets measured at fair value through other comprehensive income (OCI)	84	(4)	84	(4)
	144	(7)	144	(7)
<b>Total comprehensive income for the year attributable to ordinary shareholders</b>	<b>26,038</b>	<b>25,982</b>	<b>25,242</b>	<b>25,280</b>

## SUMMARY STATEMENTS OF CHANGES IN EQUITY

	Consolidated		Separate	
	2021 MKm	2020 MKm	2021 MKm	2020 MKm
<b>Opening equity</b>	<b>105,721</b>	<b>87,239</b>	<b>102,351</b>	<b>84,571</b>
Dividend declared	(14,700)	(7,500)	(14,700)	(7,500)
Profit for the year	24,769	23,743	23,973	23,041
Movement in other reserves	1,269	2,239	1,269	2,239
<b>Closing equity</b>	<b>117,059</b>	<b>105,721</b>	<b>112,893</b>	<b>102,351</b>
Dividend per share (tambala)	6,282	3,205	6,282	3,205
Number of ordinary shares in issue (million)	234	234	234	234
Market price per share (MK)	1,400	1,046	1,400	1,046

## SUMMARY STATEMENTS OF CASH FLOWS

	Consolidated		Separate	
	2021 MKm	2020 MKm	2021 MKm	2020 MKm
<b>Cash flows from operating activities</b>				
<b>Profit before income tax expense</b>	<b>40,124</b>	<b>35,792</b>	<b>38,996</b>	<b>34,780</b>
Adjustment for non-cash items included within the income statement	(42,101)	(34,783)	(42,046)	(34,747)
Increase in income-earning and other assets	(126,677)	(99,158)	(126,636)	(98,858)
Increase in deposits and other liabilities	122,914	78,944	123,673	79,575
Interest paid	(7,258)	(5,104)	(7,313)	(5,126)
Interest received	49,148	50,606	49,148	50,591
Income tax paid	(10,935)	(10,592)	(10,560)	(10,355)
<b>Net cash generated from operating activities</b>	<b>25,215</b>	<b>15,705</b>	<b>25,262</b>	

# Standard Bank PLC

## RESULTS FOR THE YEAR ENDED

### 31 DECEMBER 2021

Audited Summary Consolidated And Separate Financial Statements



#### Basis of preparation

The summary consolidated and separate financial statements are prepared in order to meet the requirements of the Financial Services Act, 2010 of Malawi for summarised financial statements and to comply with the Malawi Stock Exchange Listing Requirements which require the publication of audited results by a listed entity. The summarised financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"). The accounting policies applied in the preparation of the consolidated and separate financial statements from which the summary consolidated and separate financial statements were derived, are in terms of International Financial Reporting Standards and are consistent with the accounting policies applied in the preparation of the previous consolidated and separate financial statements.



#### INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

To the Shareholders of Standard Bank PLC

#### Opinion

The summary consolidated and separate financial statements (the "summary financial statements") of Standard Bank PLC, which comprise the summary consolidated and separate statements of financial position as at 31 December 2021, the summary consolidated and separate income statements, the summary consolidated and separate statements of other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated and separate financial statements (the "audited financial statements") of Standard Bank PLC for the year ended 31 December 2021.

In our opinion, the accompanying summary financial statements, are consistent, in all material respects, with the audited financial statements, in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards and the requirements of the Financial Services Act, 2010 for summarised financial statements as set out in the Basis of preparation note.

#### The summary financial statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act, 2013 of Malawi. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

#### The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 11 March 2022. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period.

#### Other matter

We have not audited the section titled "Financial Review" included in the summary financial statements and accordingly do not express an opinion thereon.

#### Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary financial statements in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards and the requirements of the Financial Services Act, 2010 for summarised financial statements, as set out in the Basis of preparation note.

#### Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

*PricewaterhouseCoopers*

**PricewaterhouseCoopers**  
**Chartered Accountants (Malawi)**  
**Lilongwe**

**Andrew Vere**

**11 March 2022**

#### Dividend

An interim dividend of **MK6.7 billion** (2020: MK2.5 billion) was paid in September 2021 representing **MK28.55** (2020: MK10.65) per ordinary share. The directors resolved to pay a second interim dividend of **Nil** (2020: MK3 billion) representing **Nil** (2020: MK12.78) and recommend a final dividend of **MK2 billion** (2020: MK5 billion) representing **MK8.52** (2020: MK21.31) per ordinary share to be tabled at the forthcoming Annual General Meeting.

By order of the Board.

NAME	DESIGNATION	SIGNATURE	DATE
1. N.R. Kanyongolo, PhD	Chairperson		24 February 2022
2. A.A. Chioko	Director		24 February 2022
3. P. Madinga	Chief Executive		24 February 2022
4. J. Mhone	Acting Chief Financial and Value Management Officer		24 February 2022