



Standard Bank PLC

RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2022

Unaudited Summary Consolidated And Separate Financial Statements

SUMMARY INCOME STATEMENTS

| | Consolidated | | | Separate | | |
|---|----------------------------|----------------------------|--------------------------------|----------------------------|----------------------------|--------------------------------|
| | Unaudited | Audited | Year ended 31 | Unaudited | Audited | Year ended 31 |
| | Six months to 30 June 2022 | Six months to 30 June 2021 | Six months to 30 December 2021 | Six months to 30 June 2022 | Six months to 30 June 2021 | Six months to 30 December 2021 |
| | MkM | MkM | MkM | MkM | MkM | MkM |
| Interest income | 35,111 | 27,580 | 59,264 | 35,111 | 27,580 | 59,264 |
| Interest expense | (3,630) | (3,718) | (7,807) | (3,662) | (3,741) | (7,862) |
| Net interest income | 31,481 | 23,862 | 51,457 | 31,449 | 23,839 | 51,402 |
| Non-interest revenue | 26,770 | 18,567 | 40,191 | 26,069 | 17,852 | 38,981 |
| Total income | 58,251 | 42,429 | 91,648 | 57,518 | 41,691 | 90,383 |
| Credit impairment charges | (4,055) | (2,419) | (4,185) | (4,055) | (2,419) | (4,185) |
| Income after credit impairment charges | 54,196 | 40,010 | 87,463 | 53,463 | 39,272 | 86,198 |
| Operating expenses | (29,039) | (22,713) | (47,339) | (29,022) | (22,637) | (47,202) |
| Profit before taxation | 25,157 | 17,297 | 40,124 | 24,441 | 16,635 | 38,996 |
| Taxation | (9,322) | (5,719) | (15,355) | (9,117) | (5,520) | (15,023) |
| Profit after tax | 15,835 | 11,578 | 24,769 | 15,324 | 11,115 | 23,973 |

SUMMARY STATEMENTS OF OTHER COMPREHENSIVE INCOME

| | Consolidated | | | Separate | | |
|---|----------------------------|----------------------------|--------------------------------|----------------------------|----------------------------|--------------------------------|
| | Unaudited | Audited | Year ended 31 | Unaudited | Audited | Year ended 31 |
| | Six months to 30 June 2022 | Six months to 30 June 2021 | Six months to 30 December 2021 | Six months to 30 June 2022 | Six months to 30 June 2021 | Six months to 30 December 2021 |
| | MkM | MkM | MkM | MkM | MkM | MkM |
| Profit for the year | 15,835 | 11,578 | 24,769 | 15,324 | 11,115 | 23,973 |
| Items that will not be reclassified to profit or loss | | | | | | |
| Net revaluation gain on property and equipment | - | - | 1,125 | - | - | 1,125 |
| Items that may be reclassified subsequently to profit or loss | | | | | | |
| Net change in fair value of financial assets at fair value through other comprehensive income | 153 | 27 | 144 | 153 | 27 | 144 |
| Total comprehensive income | 15,988 | 11,605 | 26,038 | 15,477 | 11,142 | 25,242 |

SUMMARY STATEMENTS OF CHANGES IN EQUITY

| | Consolidated | | | Separate | | |
|--|----------------------------|----------------------------|--------------------------------|----------------------------|----------------------------|--------------------------------|
| | Unaudited | Audited | Year ended 31 | Unaudited | Audited | Year ended 31 |
| | Six months to 30 June 2022 | Six months to 30 June 2021 | Six months to 30 December 2021 | Six months to 30 June 2022 | Six months to 30 June 2021 | Six months to 30 December 2021 |
| | MkM | MkM | MkM | MkM | MkM | MkM |
| Opening equity | 117,059 | 105,721 | 105,721 | 112,893 | 102,351 | 102,351 |
| Profit for the period | 15,835 | 11,578 | 24,769 | 15,324 | 11,115 | 23,973 |
| Dividends declared | (7,001) | (8,000) | (14,700) | (7,001) | (8,000) | (14,700) |
| Net revaluation gain on property and equipment | - | - | 1,125 | - | - | 1,125 |
| Movement in other reserves | 205 | 91 | 144 | 206 | 91 | 144 |
| Closing equity | 126,098 | 109,390 | 117,059 | 121,422 | 105,557 | 112,893 |
| Basic earnings per share (MK per share) | 67.57 | 49.48 | 105.85 | 65.39 | 47.50 | 102.45 |
| Dividend per share (tambala) | 2.992 | 3.419 | 6.282 | 2.992 | 3.419 | 6.282 |
| Number of ordinary shares in issue (million) | 234 | 234 | 234 | 234 | 234 | 234 |
| Market price per share (kwacha) | 1,600 | 1,200 | 1,400 | 1,600 | 1,200 | 1,400 |

SUMMARY STATEMENTS OF FINANCIAL POSITION

| | Consolidated | | | Separate | | |
|--|--------------------|--------------------|------------------------|--------------------|--------------------|------------------------|
| | Unaudited | Audited | Year ended 31 | Unaudited | Audited | Year ended 31 |
| | As at 30 June 2022 | As at 30 June 2021 | As at 31 December 2021 | As at 30 June 2022 | As at 30 June 2021 | As at 31 December 2021 |
| | MkM | MkM | MkM | MkM | MkM | MkM |
| Assets | | | | | | |
| Cash and balances held with the Central Bank | 38,762 | 28,578 | 41,407 | 38,703 | 28,419 | 41,342 |
| Non-current assets held for sale | 612 | 336 | 740 | 612 | 336 | 740 |
| Trading assets and derivatives | 7,042 | 8,361 | 18,608 | 7,042 | 8,361 | 18,608 |
| Pledged assets | - | 30,330 | 40,599 | - | 30,330 | 40,599 |
| Financial investments | 278,948 | 146,835 | 177,613 | 278,948 | 146,835 | 177,613 |
| Loans and advances to banks | 111,596 | 106,918 | 96,491 | 111,557 | 106,920 | 96,464 |
| Loans and advances to customers | 218,821 | 185,330 | 206,524 | 218,821 | 185,330 | 206,524 |
| Investment in subsidiaries | - | - | - | 100 | 100 | 100 |
| Other assets | 11,755 | 9,835 | 10,716 | 11,793 | 9,850 | 10,733 |
| Property, equipment and right of use assets | 18,445 | 17,392 | 18,444 | 18,445 | 17,392 | 18,444 |
| Intangible assets | 14,736 | 16,249 | 15,493 | 14,736 | 16,249 | 15,493 |
| Deferred tax asset | 2 | - | - | - | - | - |
| Total assets | 700,719 | 550,164 | 626,635 | 700,757 | 550,122 | 626,660 |
| Equity | | | | | | |
| Issued capital | 234 | 234 | 234 | 234 | 234 | 234 |
| Share premium | 8,492 | 8,492 | 8,492 | 8,492 | 8,492 | 8,492 |
| Retained earnings | 106,135 | 90,811 | 97,301 | 101,547 | 86,978 | 93,135 |
| Other reserves | 11,237 | 9,853 | 11,032 | 11,239 | 9,853 | 11,032 |
| | 126,098 | 109,390 | 117,059 | 121,422 | 105,557 | 112,893 |
| Liabilities | | | | | | |
| Deposits and loans from banks | 28,179 | 37,048 | 59,396 | 28,179 | 37,048 | 59,396 |
| Deposits from customers | 492,554 | 364,903 | 402,016 | 497,408 | 368,792 | 406,305 |
| Derivative liabilities | 316 | 62 | 62 | 316 | 62 | 62 |
| Other liabilities and provisions | 39,882 | 29,869 | 34,761 | 39,888 | 29,869 | 34,755 |
| Income tax payable | 8,236 | 3,644 | 7,151 | 8,090 | 3,545 | 7,058 |
| Deferred tax liability | 5,454 | 5,248 | 6,190 | 5,454 | 5,249 | 6,191 |
| | 574,621 | 440,774 | 509,576 | 579,335 | 444,565 | 513,767 |
| Total equity and liabilities | 700,719 | 550,164 | 626,635 | 700,757 | 550,122 | 626,660 |
| Off balance sheet items | | | | | | |
| Letters of credit and guarantees | 170,721 | 156,063 | 103,572 | 170,721 | 156,063 | 103,572 |
| Undrawn commitments | 31,650 | 32,707 | 46,204 | 31,650 | 32,707 | 46,204 |
| Foreign exchange contracts | 8,823 | 32,329 | 7,406 | 8,823 | 32,329 | 7,406 |

SUMMARY STATEMENTS OF CASH FLOWS

| | Consolidated | | | Separate | | |
|--|----------------------------|----------------------------|--------------------------------|----------------------------|----------------------------|--------------------------------|
| | Unaudited | Audited | Year ended 31 | Unaudited | Audited | Year ended 31 |
| | Six months to 30 June 2022 | Six months to 30 June 2021 | Six months to 30 December 2021 | Six months to 30 June 2022 | Six months to 30 June 2021 | Six months to 30 December 2021 |
| | MkM | MkM | MkM | MkM | MkM | MkM |
| Cash flows from operating activities | | | | | | |
| Profit before income tax expense | 25,157 | 17,297 | 40,124 | 24,441 | 16,635 | 38,996 |
| Adjustment for non-cash items included within the income statement | (25,029) | (18,940) | (42,101) | (24,990) | (18,916) | (42,046) |
| Net increase in operating assets/liabilities | (15,944) | (10,708) | (3,666) | (15,373) | (10,338) | (2,866) |
| Interest paid | (4,172) | (3,263) | (7,258) | (4,204) | (3,287) | (7,313) |
| Interest received | 33,848 | 22,071 | 49,148 | 33,848 | 22,071 | 49,148 |
| Income taxes paid | (8,901) | (5,256) | (10,935) | (8,757) | (5,011) | (10,560) |
| Net cash generated from operating activities | 4,959 | 1,201 | 25,312 | 4,965 | 1,154 | 25,359 |
| Cash flows from investing activities | | | | | | |
| Purchase of property and equipment | (1,221) | (596) | (1,951) | (1,221) | (596) | (1,951) |
| Sale of property and equipment | 196 | 109 | 163 | 196 | 109 | 163 |
| Net cash used in investing activities | (1,025) | (487) | (1,788) | (1,025) | (487) | (1,788) |
| Cash flows from financing activities | | | | | | |
| Principal lease payments | (187) | (155) | (310) | (187) | (155) | (310) |
| Dividends paid | (6,392) | (1,179) | (11,005) | (6,392) | (1,179) | (11,005) |
| Net cash used in financing activities | (6,579) | (1,334) | (11,315) | (6,579) | (1,334) | (11,315) |
| Net (decrease)/increase in cash and cash equivalents | (2,645) | (620) | 12,209 | (2,639) | (667) | 12,256 |
| Cash and cash equivalents at beginning of period | 41,407 | 29,198 | 29,198 | 41,342 | 29,086 | 29,086 |
| Cash and cash equivalents at end of period | 38,762 | 28,578 | 41,407 | 38,703 | 28,419 | 41,342 |

NOTES TO THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

| Sector of borrowers | As at 30 June 2022 | | | As at 30 June 2021 | | |
|--------------------------------|---------------------|-----------------|--------------------------------|---------------------|-----------------|--------------------------------|
| | Out-standing Amount | Impaired amount | Stage 3 expected credit losses | Out-standing Amount | Impaired amount | Stage 3 expected credit losses |
| Agriculture | 57,397 | 149 | 136 | 39,878 | 471 | 214 |
| Manufacturing | 10,820 | - | - | 20,570 | 25 | 23 |
| Mining | - | - | - | - | - | - |
| Construction | 4,744 | 183 | 142 | 3,559 | 50 | 44 |
| Energy/Electricity | 6,046 | - | - | 3,263 | - | - |
| Gas/Water | - | - | - | - | - | - |
| Transport/communication | 24,346 | 123 | 92 | 19,428 | 35 | 35 |
| Financial Services | 770 | - | - | 381 | 26 | 17 |
| Wholesale/Retail | 30,856 | 442 | 383 | 15,557 | 359 | 284 |
| Individual/Household/community | 90,418 | 4,787 | 4,206 | 86,095 | 2,932 | 2,603 |
| Real estate | 3,917 | - | - | 4,388 | - | - |
| Tourism | 2,363 | - | - | 834 | 11 | 9 |
| Other | - | - | - | - | - | - |
| Total | 231,677 | 5,684 | 4,959 | 193,953 | 3,909 | 3,229 |

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 30 June 2022 | | As at 30 June 2021 | |
|---------------------------------|--------------------|-------------------|--------------------|-------------------|
| | MkM | % of Core Capital | MkM | % of Core Capital |
| Transport/communication/storage | 34,931 | 34.60% | 70,664 | 80.95% |
| Construction and engineering | - | - | 22,331 | 25.58% |

Loans to directors, senior management and other related parties

| | 30 June 2022 | 30 June 2021 |
|--|--------------|--------------|
| | MkM | MkM |
| Directors | | |
| Balance at the beginning of the year | 182 | 26 |
| Loans granted during the period | 1 | 226 |
| Repayments | (9) | (24) |
| Balance at the end of half year | 174 | 228 |
| Other related parties | | |
| Balance at the beginning of the year | 27 | 37 |
| Loans granted during the period | 64 | 16 |
| Repayments | (11) | (23) |
| Balance at the end of half year | 80 | 30 |

| | 30 June 2022 | 30 June 2021 |
|--|--------------|--------------|
| | MkM | MkM |
| Senior management officials | | |
| Balance at the beginning of the year | 1,203 | 969 |
| Loans granted during the period | 331 | 658 |
| Repayments | (158) | (368) |
| Balance at the end of half year | 1,376 | 1,259 |
| Total loans to directors, senior management and other related parties | 1,630 | 1,517 |
| Proportion of loans to directors, senior management and other related parties to core capital | 1% | 1% |

Investment in subsidiary

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

Lending rates

| | As at 30 June 2022 | As at 30 June 2021 |
|--|--------------------|--------------------|
| Base lending rate (local currency) | 13.8% | 12.2% |
| Maximum applicable range (percentage points) | 11% | 11% |
| Foreign currency loans | 3.8% - 12.9% | 3.5% - 10.0% |
| Reserve Bank of Malawi Bank rate | 14.0% | 12.0% |

Director's remuneration, bonuses and franchise fees

| | 30 June 2022 | 30 June 2021 |
|--|--------------|--------------|
| | MkM | MkM |
| Director's remuneration | | |
| - Non executive directors' fees and expenses | 72 | 47 |
| - Executive directors' remuneration | 225 | 265 |
| Total bonuses paid to all staff (relating to prior year provision) | 2,303 | 1,712 |
| | | |