



## SUMMARY INCOME STATEMENTS

	Consolidated		Separate	
	2022 MKm	2021 MKm	2022 MKm	2021 MKm
<b>For the year ended 31 December 2022</b>				
Interest income	85,297	59,264	85,321	59,264
Interest expense	(8,645)	(7,807)	(8,719)	(7,862)
<b>Net interest income</b>	<b>76,652</b>	<b>51,457</b>	<b>76,602</b>	<b>51,402</b>
Fee and commission income	22,778	18,629	22,778	18,629
Fee and commission expense	(3,390)	(1,775)	(3,390)	(1,775)
<b>Net fee and commission income</b>	<b>19,388</b>	<b>16,854</b>	<b>19,388</b>	<b>16,854</b>
Trading income	31,227	23,206	29,033	21,929
Other operating income	608	131	1,720	198
Other gains on financial instruments	110	-	110	-
<b>Total operating income</b>	<b>127,985</b>	<b>91,648</b>	<b>126,853</b>	<b>90,383</b>
Credit impairment charges	(7,122)	(4,185)	(7,122)	(4,185)
<b>Income after credit impairment charges</b>	<b>120,863</b>	<b>87,463</b>	<b>119,731</b>	<b>86,198</b>
Staff costs	(23,332)	(18,196)	(23,332)	(18,196)
Depreciation and amortisation	(4,305)	(4,406)	(4,305)	(4,406)
Other operating expenses	(33,170)	(24,737)	(33,115)	(24,600)
<b>Total expenditure</b>	<b>(60,807)</b>	<b>(47,339)</b>	<b>(60,752)</b>	<b>(47,202)</b>
<b>Profit before income tax expense</b>	<b>60,056</b>	<b>40,124</b>	<b>58,979</b>	<b>38,996</b>
Income tax expense	(20,854)	(15,355)	(20,231)	(15,023)
<b>Profit for the year attributable to ordinary shareholders</b>	<b>39,202</b>	<b>24,769</b>	<b>38,748</b>	<b>23,973</b>
<b>Earnings per share</b>				
Basic and diluted (MK per share)	167.53	105.85	165.59	102.45

## SUMMARY STATEMENTS OF OTHER COMPREHENSIVE INCOME

	Consolidated		Separate	
	2022 MKm	2021 MKm	2022 MKm	2021 MKm
<b>For the year ended 31 December 2022</b>				
<b>Profit for the year</b>	<b>39,202</b>	<b>24,769</b>	<b>38,748</b>	<b>23,973</b>
<b>Items that will not be reclassified to profit or loss</b>				
Net revaluation gain on property and equipment	1,719	1,125	1,719	1,125
<b>Items that may be reclassified subsequently to profit or loss</b>				
Net change in expected credit losses	(76)	60	(76)	60
Net change in debt financial assets measured at fair value through other comprehensive income (OCI)	148	84	148	84
	72	144	72	144
<b>Total comprehensive income for the year attributable to ordinary shareholders</b>	<b>40,993</b>	<b>26,038</b>	<b>40,539</b>	<b>25,242</b>

## SUMMARY STATEMENTS OF CHANGES IN EQUITY

	Consolidated		Separate	
	2022 MKm	2021 MKm	2022 MKm	2021 MKm
<b>For the year ended 31 December 2022</b>				
<b>Opening equity</b>	<b>117,059</b>	<b>105,721</b>	<b>112,893</b>	<b>102,351</b>
Dividend declared and paid	(10,000)	(14,700)	(10,000)	(14,700)
Profit for the year	39,202	24,769	38,748	23,973
Movement in other reserves	1,791	1,269	1,791	1,269
<b>Closing equity</b>	<b>148,052</b>	<b>117,059</b>	<b>143,432</b>	<b>112,893</b>
Dividend per share (tambala)	4,273	6,282	4,273	6,282
Number of ordinary shares in issue (million)	234	234	234	234
Market price per share (MK)	2,000	1,400	2,000	1,400

## SUMMARY STATEMENTS OF FINANCIAL POSITION

	Consolidated		Separate	
	2022 MKm	2021 MKm	2022 MKm	2021 MKm
<b>As at 31 December 2022</b>				
<b>Assets</b>				
Cash and balances held with the Central Bank	56,385	41,407	56,199	41,342
Derivative assets	1,467	232	1,467	232
Non-current assets held for sale	584	740	584	740
Trading assets	120	18,376	120	18,376
Pledged assets	-	40,599	-	40,599
Loans and advances to banks	131,454	96,491	131,189	96,464
Loans and advances to customers	235,845	206,524	235,845	206,524
Financial investments	352,645	177,613	352,645	177,613
Investment in subsidiaries	-	-	100	100
Other assets	14,962	10,716	15,002	10,733
Property, equipment and right-of-use assets	21,907	18,444	21,907	18,444
Intangible assets	13,979	15,493	13,979	15,493
<b>Total assets</b>	<b>829,348</b>	<b>626,635</b>	<b>829,037</b>	<b>626,660</b>
<b>Liabilities</b>				
Derivative liabilities	218	62	218	62
Deposits and loans from banks	20,962	59,396	20,962	59,396
Deposits from customers	593,006	402,016	597,753	406,305
Other liabilities	40,596	28,943	40,591	28,937
Income tax payable	10,565	7,151	10,133	7,058
Provisions	7,807	5,818	7,807	5,818
Deferred tax liabilities	8,142	6,190	8,141	6,191
<b>Total liabilities</b>	<b>681,296</b>	<b>509,576</b>	<b>685,605</b>	<b>513,767</b>
<b>Equity</b>				
Share capital	234	234	234	234
Share premium	8,492	8,492	8,492	8,492
Revaluation reserve	12,437	10,718	12,437	10,718
Fair value through OCI reserve	386	314	386	314
Retained earnings	126,503	97,301	121,883	93,135
<b>Total equity</b>	<b>148,052</b>	<b>117,059</b>	<b>143,432</b>	<b>112,893</b>
<b>Total liabilities and equity</b>	<b>829,348</b>	<b>626,635</b>	<b>829,037</b>	<b>626,660</b>

## SUMMARY STATEMENTS OF CASH FLOWS

	Consolidated		Separate	
	2022 MKm	2021 MKm	2022 MKm	2021 MKm
<b>For the year ended 31 December 2022</b>				
<b>Net cash flows from operating activities</b>				
<b>Net cash flows from operating activities</b>	<b>60,056</b>	<b>40,124</b>	<b>58,979</b>	<b>38,996</b>
Adjustment for non-cash items included within the income statement	(66,244)	(42,101)	(67,194)	(42,046)
Increase in income-earning and other assets	(153,402)	(126,677)	(153,186)	(126,636)
Increase in deposits and other liabilities	136,966	122,914	137,427	123,673
Interest paid	(9,036)	(7,258)	(9,110)	(7,313)
Interest received	73,440	49,148	73,464	49,148
Dividends received	-	-	1,000	-
Income tax paid	(16,054)	(10,935)	(15,775)	(10,560)
<b>Net cash generated from operating Activities</b>	<b>25,726</b>	<b>25,215</b>	<b>25,605</b>	<b>25,262</b>
<b>Cash flows from investing activities</b>				
Capital expenditure on property and equipment	(3,593)	(1,951)	(3,593)	(1,951)
Proceeds from sale of property and equipment	253	163	253	163
<b>Net cash flows used in investing activities</b>	<b>(3,340)</b>	<b>(1,788)</b>	<b>(3,340)</b>	<b>(1,788)</b>
<b>Cash flows from financing activities</b>				
Principal lease repayments	(319)	(310)	(319)	(310)
Dividends paid	(8,190)	(11,005)	(8,190)	(11,005)
<b>Net cash used in financing activities</b>	<b>(8,509)</b>	<b>(11,315)</b>	<b>(8,509)</b>	<b>(11,315)</b>
<b>Net increase in cash and cash equivalents</b>	<b>13,877</b>	<b>12,112</b>	<b>13,756</b>	<b>12,159</b>
Cash and cash equivalents at the beginning of the year	41,407	29,198	41,342	29,086
Effects of exchange rate changes	1,101	97	1,101	97
<b>Cash and cash equivalents at the end of the year</b>	<b>56,385</b>	<b>41,407</b>	<b>56,199</b>	<b>41,342</b>

## 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 31 December 2022			As at 31 December 2021		
	Out standing Amount MKm	Impaired amount MKm	Stage 3 expected credit losses MKm	Out standing Amount MKm	Impaired amount MKm	Stage 3 expected credit losses MKm
Agriculture	63,029	25	25	40,765	156	146
Manufacturing	9,394	-	-	21,035	24	23
Construction	9,043	214	185	7,713	98	74
Energy/Electricity	5,252	-	-	3,440	-	-
Transport	5,139	170	138	3,602	23	21
Communication	26,283	-	-	18,141	-	-
Financial Services	471	-	-	474	-	-
Wholesale/Retail	25,674	640	568	22,072	355	266
Individuals, community, social and personal services	100,047	5,406	4,566	94,286	3,551	3,129
Real estate	3,764	-	-	4,044	-	-
Tourism	2,132	1	1	1,044	7	7
<b>Total</b>	<b>250,228</b>	<b>6,456</b>	<b>5,483</b>	<b>216,616</b>	<b>4,214</b>	<b>3,666</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 2022 MKm	% of Core Capital	As at 31 December 2021 MKm	% of Core Capital
Various	31,737	26%	32,107	33%

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

	31 December 2022 MKm	31 December 2021 MKm
<b>Directors</b>		
Balance at the beginning of the year	182	26
Loans granted during the year	4	208
Repayments	(24)	(52)
<b>Balance at the end of the year</b>	<b>162</b>	<b>182</b>

	31 December 2022 MKm	31 December 2021 MKm
<b>Other related parties</b>		
Balance at the beginning of the year	27	37
Loans granted during the year	59	45
Repayments	(10)	(55)
<b>Balance at the end of the year</b>	<b>76</b>	<b>27</b>

	31 December 2022 MKm	31 December 2021 MKm
<b>Senior management officials</b>		
Balance at the beginning of the year	1,203	969
Loans granted during the year	596	634
Repayments	(302)	(400)
<b>Balance at the end of the year</b>	<b>1,497</b>	<b>1,203</b>
<b>Total loans to directors, senior management and other related parties</b>	<b>1,735</b>	<b>1,412</b>
<b>Proportion of loans to directors, senior management and other related parties to core capital</b>	<b>1%</b>	<b>1%</b>

### Investment in subsidiaries

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 31 December 2022	As at 31 December 2021
Base lending rate (local currency)	17.3%	12.2%
Maximum applicable range (percentage points)	11.0%	11.0%
Lending rates (foreign currency loans)	3.9%-13.7%	3.5% - 10.0%
Reserve Bank of Malawi Policy rate	18.0%	12.0%

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

	31 December 2022 MKm	31 December 2021 MKm
Director's remuneration	76	61
- Directors fees	96	76
- Directors expenses	341	449
- Executive directors' remuneration	2,480	1,818
Total bonuses paid to all staff	3,778	2,706
Franchise fees to holding company	3,778	2,706

### Deposit rates

Type of deposit	As at 31 December 2022 Rate	As at 31 December 2021 Rate
<b>Malawi Kwacha</b>		
Current account	0%	0%
Call	3%	3%
Notice	4.5%	3.5%
Savings	3%	2%
Pure save	4%	3%
Contract save	5%-8%	3%-7%
1 month fixed	5.5%	5%
2 months fixed	6%	4%
3 months fixed	6.5%	3%
More than 3 months fixed	negotiable	negotiable
<b>Foreign currency denominated accounts (FCDAs)</b>		
USD	0.37%	0.37%
GBP	0.10%	0.10%
EUR	0%	0%
ZAR	0%	0%

Additional disclosures on Risk and Capital Management can be accessed on the Bank's website <http://www.standardbank.co.mw>.

## FINANCIAL REVIEW



We are pleased to present the summary audited financial results of the Group for the year ended 31 December 2022.

### Economic highlights

The domestic economy is forecast to have grown by 1.7% in 2022 (2021: 4.2%); the slower growth being attributed to adverse weather which affected crop production. Headline inflation increased materially in the year and averaged 21% (2021: 9.3%). The rise in inflation rate was due to food shortage, supply chain disruption caused by war in Ukraine and the 25% exchange rate devaluation in May. The Kwacha closed the year trading at MK1,034.67/US\$ from MK819.44/US\$ at the close of 2021. The policy rate was adjusted twice in the year to close at 18% (2021: 12%) to contain inflation rate expectations.

### Performance

The Group continued to operate in a challenging operating environment due to a number of adverse factors, including market wide forex scarcity and high inflation rates. The Reserve Bank of Malawi (RBM) devalued the Malawi Kwacha against the US Dollar in May 2022 by 25% whose full effects filtered through in the second half of 2022. Despite the challenges in the operating environment, the Group performed better than expected as it managed to grow its balance sheet which in turn resulted in higher profitability when compared to prior year.

The Group's profit after tax of MK39.2 billion was 58% above prior year. Total revenue grew by 40% year on year driven by growth in both net interest income and non-interest revenue. Net interest income grew by 49% year on year driven by growth in loans and advances to customers and financial investments which both grew by 14% and 99% year on year respectively. The growth in interest earning assets was as a result of growth in deposits from customers which also grew by 48% year on year.

Non-interest revenue grew by 28% year on year. Notwithstanding restrictions imposed on annual tariff revision, net fees and commissions grew by 15% year on year driven by increase in transaction volumes. Trading revenue grew by 35% year on year anchored by an increase in trading volumes.

Credit impairments were significantly up on prior year due to growth in the customer loan book as well as financial investments which resulted in increase of performing related credit impairments. In addition, credit impairments also grew as a result of downgrade of some accounts owing to lagged effects of COVID-19. 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 28% up on prior year impacted by increase in prices of goods and services as well as the impact of the 25% devaluation of the Kwacha which negatively impacted foreign currency denominated costs. The Group's continued focus on ensuring secure platforms, automation and digitisation in line with strategy resulted in an increase in information technology related costs. The Group continues to focus on cost and process optimisation initiatives in order to achieve operational efficiency. As a result of higher revenue base and lower cost growth, the cost to income ratio reduced from 52% in prior year to 48% in the current year.

# Standard Bank PLC RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

Audited Summary Consolidated And Separate Financial Statements



## Outlook

Economic headwinds are likely to continue mainly driven by global supply chain disruptions and concerns on foreign currency supply and stability. Headline inflation rate may ease on the back of base effects from the food and foreign exchange markets. Supply of foreign exchange will remain a challenge thereby exerting pressure on the Kwacha. The Group is cautiously optimistic about the year ahead.

## 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 2022, 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 2022.

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 9 March 2023. 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**  
**9 March 2023**

## Dividend

An interim dividend of **MK5 billion** (2021: MK6.7 billion) was paid in June 2022 representing **MK21.31** (2021: MK28.55) per ordinary share. In December 2022, the directors resolved to pay a second interim dividend of **MK3 billion** (2021: Nil) representing **MK12.87** (2021: Nil) per ordinary share. The directors recommend a final dividend of **MK12 billion** (2021: MK2 billion) representing **MK51.14** (2021: MK8.52) 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		23 February 2023
2. C Mtonda	Director		23 February 2023
3. P Madinga	Chief Executive		23 February 2023
4. J Mhone	Chief Financial and Value Management Officer		23 February 2023