



Standard Bank PLC

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

AUDITED SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS



SUMMARY INCOME STATEMENTS

For the year ended
31 December 2024

| | Consolidated | | Separate | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 2024 MKm | 2023 MKm | 2024 MKm | 2023 MKm |
| Interest income | 185,245 | 132,384 | 185,002 | 132,373 |
| Interest expense | (9,171) | (9,549) | (9,196) | (9,616) |
| Net interest income | 176,074 | 122,835 | 175,806 | 122,757 |
| Fee and commission income | 35,954 | 29,125 | 35,954 | 29,125 |
| Fee and commission expense | (7,991) | (5,483) | (7,991) | (5,483) |
| Net fee and commission income | 27,963 | 23,642 | 27,963 | 23,642 |
| Trading income | 48,306 | 52,914 | 44,593 | 50,112 |
| Other operating income | 1,008 | 600 | 1,052 | 701 |
| Other gains on financial instruments | 225 | 430 | 225 | 430 |
| Total operating income | 253,576 | 200,421 | 249,639 | 197,642 |
| Credit impairment charges | (23,558) | (15,108) | (23,540) | (15,108) |
| Income after credit impairment charges | 230,018 | 185,313 | 226,099 | 182,534 |
| Staff costs | (37,132) | (32,031) | (36,476) | (32,031) |
| Depreciation and amortisation | (6,171) | (5,362) | (6,171) | (5,362) |
| Other operating expenses | (50,455) | (42,221) | (50,008) | (42,081) |
| Total expenditure | (93,758) | (79,614) | (92,655) | (79,474) |
| Profit before equity accounted earnings and income tax expense | 136,260 | 105,699 | 133,444 | 103,060 |
| Share of post-tax profit from joint venture | 195 | 49 | 195 | 49 |
| Profit before income tax expense | 136,455 | 105,748 | 133,639 | 103,109 |
| Income tax expense | (50,090) | (53,228) | (49,180) | (52,436) |
| Profit for the year attributable to ordinary shareholders | 86,365 | 52,520 | 84,459 | 50,673 |
| Earnings per share | | | | |
| Basic and diluted (MK per share) | 367.51 | 223.49 | 359.40 | 215.63 |



SUMMARY STATEMENTS OF OTHER COMPREHENSIVE INCOME

For the year ended
31 December 2024

| | Consolidated | | Separate | |
|---|---------------|---------------|---------------|---------------|
| | 2024 MKm | 2023 MKm | 2024 MKm | 2023 MKm |
| Profit for the year | 86,365 | 52,520 | 84,459 | 50,673 |
| Items that will not be reclassified to profit or loss | | | | |
| Net revaluation gain on property | 5,005 | 5,286 | 5,005 | 5,286 |
| Items that may be reclassified subsequently to profit or loss | | | | |
| Net change in expected credit losses | 2 | 19 | 2 | 19 |
| Net change in debt financial assets measured at fair value through other comprehensive income (OCI) | 1 | (60) | 1 | (60) |
| | 3 | (41) | 3 | (41) |
| Total comprehensive income for the year attributable to ordinary shareholders | 91,373 | 57,765 | 89,467 | 55,918 |



SUMMARY STATEMENTS OF CHANGES IN EQUITY

For the year ended
31 December 2024

| | Consolidated | | Separate | |
|--|----------------|----------------|----------------|----------------|
| | 2024 MKm | 2023 MKm | 2024 MKm | 2023 MKm |
| Opening equity | 193,817 | 148,052 | 187,350 | 143,432 |
| Dividend declared | (25,405) | (12,000) | (25,405) | (12,000) |
| Profit for the year | 86,365 | 52,520 | 84,459 | 50,673 |
| Movement in other reserves | 5,008 | 5,245 | 5,008 | 5,245 |
| Closing equity | 259,785 | 193,817 | 251,412 | 187,350 |
| Dividend per share (tambala) | 10,811 | 5,106 | 10,811 | 5,106 |
| Number of ordinary shares in issue (million) | 235 | 235 | 235 | 235 |
| Market price per share (MK) | 6,483.95 | 3,950.00 | 6,483.95 | 3,950.00 |



SUMMARY STATEMENTS OF FINANCIAL POSITION

As at
31 December 2024

| | Consolidated | | Separate | |
|--|------------------|------------------|------------------|------------------|
| | 2024 MKm | 2023 MKm | 2024 MKm | 2023 MKm |
| Assets | | | | |
| Cash and balances held with the Central Bank | 197,187 | 152,232 | 196,951 | 152,118 |
| Derivative assets | 2,772 | 798 | 2,772 | 798 |
| Trading assets | 36,862 | 22,644 | 36,862 | 22,644 |
| Loans and advances to banks and other financial institutions | 233,660 | 239,739 | 230,623 | 239,546 |
| Loans and advances to customers | 378,343 | 294,300 | 378,343 | 294,300 |
| Financial investments | 394,899 | 335,019 | 394,899 | 335,019 |
| Investment in subsidiaries | - | - | 100 | 100 |
| Other assets | 31,991 | 25,989 | 32,335 | 26,030 |
| Property, equipment and right-of-use assets | 36,103 | 29,102 | 36,103 | 29,102 |
| Intangible assets | 11,143 | 12,693 | 11,143 | 12,693 |
| Deferred tax assets | 9,685 | - | 9,677 | - |
| Total assets | 1,332,645 | 1,112,516 | 1,329,808 | 1,112,350 |
| Liabilities | | | | |
| Derivative liabilities | 808 | 1,617 | 808 | 1,617 |
| Deposits and loans from banks | 38,552 | 21,569 | 38,552 | 21,569 |
| Deposits from customers | 928,034 | 790,639 | 934,071 | 797,124 |
| Other liabilities | 71,606 | 52,109 | 71,603 | 52,110 |
| Income tax payable | 20,841 | 29,619 | 20,343 | 29,433 |
| Provisions | 13,019 | 21,102 | 13,019 | 21,102 |
| Deferred tax liabilities | - | 2,044 | - | 2,045 |
| Total liabilities | 1,072,860 | 918,699 | 1,078,396 | 925,000 |
| Equity | | | | |
| Share capital | 235 | 235 | 235 | 235 |
| Share premium | 8,491 | 8,491 | 8,491 | 8,491 |
| Revaluation reserve | 22,728 | 17,723 | 22,728 | 17,723 |
| Fair value through OCI reserve | 348 | 345 | 348 | 345 |
| Retained earnings | 227,983 | 167,023 | 219,610 | 160,556 |
| Total equity | 259,785 | 193,817 | 251,412 | 187,350 |
| Total liabilities and equity | 1,332,645 | 1,112,516 | 1,329,808 | 1,112,350 |



SUMMARY STATEMENTS OF CASH FLOWS

For the year ended
31 December 2024

| | Consolidated | | Separate | |
|--|-----------------|--------------------------|-----------------|--------------------------|
| | 2024 MKm | 2023 MKm Restated* | 2024 MKm | 2023 MKm Restated* |
| Operating activities | | | | |
| Profit before income tax expense | 136,455 | 105,748 | 133,639 | 103,109 |
| Adjustment for non-cash items included within the income statement | (148,945) | (100,056) | (148,695) | (99,978) |
| Increase in income-earning and other assets | (210,523) | (80,437) | (210,456) | (80,484) |
| Increase in deposits and other liabilities | 159,711 | 134,310 | 159,259 | 136,054 |
| Interest paid | (9,013) | (9,687) | (9,038) | (9,754) |
| Interest received | 185,402 | 119,974 | 185,159 | 119,963 |
| Income tax paid | (70,450) | (37,573) | (69,853) | (36,559) |
| Net cash flows generated from operating activities | 42,637 | 132,279 | 40,015 | 132,351 |
| Investing activities | | | | |
| Capital expenditure on property, equipment and intangible assets | (5,578) | (7,771) | (5,578) | (7,771) |
| Proceeds from sale of property and equipment | 135 | 37 | 135 | 37 |
| Net cash flows used in investing activities | (5,443) | (7,734) | (5,443) | (7,734) |
| Financing activities | | | | |
| Principal lease repayments | (364) | (458) | (364) | (458) |
| Dividends paid | (23,456) | (8,237) | (23,456) | (8,237) |
| Net cash flows used in financing activities | (23,820) | (8,695) | (23,820) | (8,695) |
| Net increase in cash and cash equivalents | 13,374 | 115,850 | 10,752 | 115,922 |
| Cash and cash equivalents at the beginning of the year | 382,452 | 184,494 | 382,338 | 184,308 |
| Effects of exchange rate changes | 5,108 | 82,108 | 5,108 | 82,108 |
| Cash and cash equivalents at the end of the year | 400,934 | 382,452 | 398,198 | 382,338 |

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 2024 | | | As at 31 December 2023 | | |
|--|------------------------|-----------------|--------------------------------|------------------------|-----------------|--------------------------------|
| | Outstand-ing Amount | Impaired amount | Stage 3 expected credit losses | Outstanding Amount | Impaired amount | Stage 3 expected credit losses |
| | MKm | MKm | MKm | MKm | MKm | MKm |
| Agriculture | 95,990 | 130 | 113 | 86,554 | 103 | 76 |
| Manufacturing | 46,407 | 967 | 809 | 9,086 | 862 | 807 |
| Construction | 25,052 | 11,957 | 5,524 | 8,134 | 1,662 | 940 |
| Energy/Electricity | 9,310 | 1,243 | 225 | 7,381 | 124 | 84 |
| Transport | 18,307 | 1,100 | 804 | 12,610 | 614 | 426 |
| Communication | 21,910 | - | - | 26,792 | - | - |
| Financial services and other business services | 717 | - | - | 1,375 | 53 | 53 |
| Wholesale/Retail | 32,862 | 1,631 | 1,410 | 33,606 | 1,593 | 1,020 |
| Individuals, community, social and personal services | 150,519 | 6,343 | 5,188 | 122,319 | 4,805 | 4,096 |
| Real estate | 2,469 | - | - | 3,252 | - | - |
| Tourism | 3,415 | 2 | 2 | 1,290 | 3 | 3 |
| Total | 406,958 | 23,373 | 14,075 | 312,399 | 9,819 | 7,505 |

Credit concentrations

There were no credit facilities including guarantees, acceptances and other similar commitments extended to any one customer or group of related customers where amounts exceeded 25% of our core capital (2023: nil).

Loans to directors, senior management and other related parties

| | As at 31 December 2024 MKm | As at 31 December 2023 MKm |
|-----------------------------------|-------------------------------|-------------------------------|
| Directors | | |
| Balance at beginning of the year | 144 | 162 |
| Loans granted during the year | - | 3 |
| Repayments | (26) | (21) |
| Balance at end of the year | 118 | 144 |

| | As at 31 December 2024 MKm | As at 31 December 2023 MKm |
|-----------------------------------|-------------------------------|-------------------------------|
| Other related parties | | |
| Balance at beginning of the year | 3,300 | 76 |
| Loans granted during the year | 2,217 | 3,238 |
| Repayments | (3,127) | (14) |
| Balance at end of the year | 2,390 | 3,300 |

| | As at 31 December 2024 MKm | As at 31 December 2023 MKm |
|--|-------------------------------|-------------------------------|
| Senior management officials | | |
| Balance at beginning of the year | 1,614 | 1,497 |
| Loans granted during the year | 678 | 542 |
| Repayments | (324) | (425) |
| Balance at end of the year | 1,968 | 1,614 |
| Total loans to directors, senior management and other related parties | 4,476 | 5,058 |
| Proportion of loans to directors, senior management and other related parties to core capital | 2% | 3% |

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 rate

| | As at 31 December 2024 | As at 31 December 2023 |
|--|---------------------------|---------------------------|
| Base lending rate (local currency) | 25.3% | 23.6% |
| Maximum applicable range (percentage points) | 11.0% | 11.0% |
| Lending rate (foreign currency loans) | 4.5%-12.8% | 3.9%-14.7% |
| Reserve Bank of Malawi Policy rate | 26.0% | 24.0% |

Directors' remuneration, bonuses and group directional fees

| | 31 December 2024 MKm | 31 December 2023 MKm |
|---|----------------------------|----------------------------|
| Directors' remuneration | | |
| - Directors fees | 115 | 93 |
| - Directors expenses | 175 | 167 |
| - Executive director's remuneration | 659 | 441 |
| Total bonuses paid to all staff | 4,150 | 3,067 |
| Group directional fees to holding company (formerly Franchise fees) | 2,049 | 5,899 |

Deposit rates

| Type of deposit | As at 31 December 2024 Rate | As at 31 December 2023 Rate |
|--|-----------------------------------|-----------------------------------|
| Malawi Kwacha | | |
| Current account | 0% | 0% |
| Call | 2% | 2% |
| Notice | 3.5% | 3.5% |
| Savings | 3% | 3% |
| Pure save | 4% | 4% |
| Contract save | 5%-8% | 5%-8% |
| 1 month fixed | 4% | 4% |
| 2 months fixed | 4.5% | 4.5% |
| 3 months fixed | 5% | 5% |
| More than 3 months fixed | negotiable | negotiable |
| Foreign currency denominated accounts (FCDAs) | | |
| USD | 0.37% | 0.37% |
| GBP | 0.10% | 0.10% |
| EUR | 0% | 0% |
| ZAR | 0% | 0% |



FINANCIAL REVIEW

We are pleased to present the summary of the audited financial results of the Group for the year ended 31 December 2024.

Economic highlights

The domestic economy is estimated to have grown by 1.8% in 2024 (2023: 1.9%); the slow growth being a result of numerous challenges which dampened the level of economic activities across all sectors. During the 2023/24 main farming season, agricultural production was adversely impacted by El Nino weather phenomenon which in turn weighed down performance of the export sector. Worse still, supply shortages persisted in the foreign exchange market while farm input costs soared. Headline inflation increased significantly to average 32.2% in 2024 (2023: 28.8%); mainly due to food inflation, foreign exchange scarcity and fuel shortages which raised prices of imports and transportation. The Kwacha depreciated by 3% to close the year trading at MK1,749.93/US\$, from MK1,698.79/US\$ at the close of 2023. The Policy rate was increased in the year to close at 26% (2023: 24%) as authorities strived to contain inflation. The local currency Liquidity Reserve Requirement (LRR) was raised by 2.25% in 2024 to close at 10.00%. The first review of the International Monetary Fund's (IMF) four-year Extended Credit Facility (ECF) programme worth US\$174 million had not yet been concluded at the end of the year.

Performance

The Group demonstrated remarkable resilience and experienced growth despite the challenging economic environment characterised by high inflation and disparities in the supply and demand for foreign currency. Despite these obstacles, the Group's revenue surged, supported by an expanding loan portfolio and effective strategy execution. Cost increases were effectively managed, ensuring they remained below inflation rates even as the Malawi Kwacha depreciated by an average of 3% against the United States Dollar in 2024. This depreciation had an impact on the prices of goods and services denominated in foreign currencies.

The Group reported a profit after tax of MK86.4 billion, reflecting a 64% increase from the previous year. Total revenue rose by 27% year-on-year, primarily driven by a 43% surge in net interest income. This rise in net interest income stemmed from a 29% increase in loans and advances to customers and an 18% increase in financial investments. Furthermore, net interest income was positively impacted by rising reference rates, which escalated from 23.6% in December 2023 to 25.3% in December 2024, alongside an average yield increase of 2% across all tenors of government securities.

Non-interest revenue remained steady year-on-year. While net fees and commissions increased by 18%, primarily due to higher transaction volumes, this growth was partially offset by regulatory restrictions that removed fees for certain services. Furthermore, trading revenue decreased by 9%, primarily because of lower trading volumes caused by a shortage of foreign currency.

Credit impairments increased by 56% compared to the previous year, primarily due to a growing customer loan portfolio and downgrades. Additionally, the deteriorating macroeconomic conditions exacerbated the rise in credit impairments, thus impacting forward-looking impairment drivers associated with financial investments and loans extended to customers and banks. The Group remains committed to recovering previously written-off loans and upholding prudent risk management and responsible lending practices.



Standard Bank PLC RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

AUDITED SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Operating costs increased by 18% year-on-year, primarily due to persistent inflationary pressures impacting the prices of goods and services. Additionally, a one-time exchange loss from foreign currency liabilities, resulting from a 3% depreciation of the Malawi Kwacha in March 2024, contributed to this increase. Furthermore, the Group made strategic investments in its core banking system to enhance operational efficiency and improve customer experience. Notably, the cost-to-income ratio improved from 40% in the previous year to 37%, reflecting the Group's effective cost management and strong revenue growth. Earnings per share for the year increased from MK223.49 in 2023 to MK367.51 in 2024.

Outlook

Economic headwinds will probably moderate this year, mainly driven by a more favourable agricultural output under the La Nina weather conditions. Therefore, headline inflation may ease on the back of base price effects emanating from the food markets. Inflationary pressures from a weak currency, fuel shortages and heightened government spending pose significant economic risks. Other important economic considerations in 2025 include outcomes from the IMF ECF program review and foreign policy changes in the donor community. Export-led growth will put the Malawi economy on a more sustainable trajectory.

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 IFRS Standards, the IAS 29 Directive issued by the Institute of Chartered Accountants in Malawi (ICAM) and are consistent with the accounting policies applied in the preparation of the previous consolidated and separate financial statements.

*Restatement of statement of cash flows

During 2024, the Group performed benchmarking and internal investigations to reassess the definition of cash and cash equivalents when compiling the statement of cash flows within the definition of cash and cash equivalent under IAS 7 Statement of Cash Flows. The following have been identified as industry best practice during this exercise and have resulted in the following restatements of errors, updated accounting policies and other additional disclosures:

- Demand gross loans and advances to banks maturing within 3 months from acquisition date have been presented as part of the cash and cash equivalents line that the statement of cash flows reconciles to. These balances, amounting to MK230,220 million in the 2023 closing cash and cash equivalents balance and MK128,109 million in the opening balance, were in prior periods erroneously excluded from cash and cash equivalents. The movement in these balances, of MK102,111 million (of which MK79,267 million related to effects of exchange rate changes), was also erroneously included in the movement in income-earning assets. Both the balances and movement have now been presented in cash and cash equivalents.
- The accounting policy for cash and cash equivalent was also updated to include on demand gross loans and advances to banks maturing within 3 months from acquisition date.

Dividend

A first interim dividend of **MK5 billion** (2023: MK5 billion) was paid in February 2025 representing **MK21.31** (2023: MK21.31) per ordinary share. The directors resolved to pay a second interim dividend of **MK16.5 billion** (2023: MK7.5 billion) representing **MK70.31** (2023: MK31.96) per ordinary share. The second interim dividend will be paid on 4th April 2025 to shareholders whose names will appear on the register of members as at close of business on 28th March 2025. The register of members will be closed from 28th March 2025 to 31st March 2025. During this period, no share transactions will be conducted. The ex-dividend date will be 26th March 2025. The directors recommend a final dividend of **MK16.5 billion** (2023: MK12.9 billion) representing **MK70.31** (2023: MK54.97) per ordinary share to be tabled at the forthcoming Annual General Meeting.

| NAME | DESIGNATION | SIGNATURE | DATE |
|-----------------|--|-----------|-----------------------------|
| 1. C Kapanga | Chairperson | | 14 th March 2025 |
| 2. A Mkandawire | Director | | 14 th March 2025 |
| 3. P Madinga | Chief Executive | | 14 th March 2025 |
| 4. J Mhone | Chief Finance and Value Management Officer | | 14 th March 2025 |

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

To the shareholders of Standard Bank PLC

Opinion

The summary consolidated and separate financial statements, which comprise the summary consolidated and separate statements of financial position as at 31st December 2024, the summary consolidated and separate statements of profit or loss and other comprehensive income, the summary consolidated and separate statements of changes in equity and the summary consolidated and separate statements of cash flows for the year then ended, and related notes, are derived from the audited consolidated and separate financial statements of Standard Bank PLC for the year ended 31st December 2024.

In our opinion, the accompanying summary consolidated and separate financial statements are consistent in all material respects with the audited consolidated and separate financial statements, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the IAS 29 Directive issued by the Institute of Chartered Accountants in Malawi (ICAM) and in compliance with the Companies Act, 2013.

The Summary consolidated and separate financial statements

The summary consolidated and separate financial statements do not contain all the disclosures required by the IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2013. Reading the summary consolidated and separate financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements and the auditor's report thereon. The summary consolidated and separate financial statements and the audited consolidated and separate financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated and separate financial statements.

The audited consolidated and separate financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 17 March 2025. 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 consolidated and separate financial statements of the current year.

Directors' responsibility for the summary consolidated and separate financial statements

The Directors are responsible for the preparation of the summary consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the IAS 29 Directive issued by the Institute of Chartered Accountants in Malawi (ICAM) and in compliance with the Companies Act, 2013; and for such internal control as the directors determine is necessary to enable the preparation of the summary consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

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



Chartered Accountants (Malawi)
MacDonald Kamoto - Partner
Registered Practicing Accountant
17 March 2025