



Standard Bank PLC

RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

UNAUDITED SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS



SUMMARY INCOME STATEMENTS

In millions of Malawi Kwacha

	Consolidated			Separate		
	Unaudited	Audited		Unaudited	Audited	
	Six months to 30 June 2025	Six months to 30 June 2024	Year ended 31 December 2024	Six months to 30 June 2025	Six months to 30 June 2024	Year ended 31 December 2024
Interest income	118,806	82,430	185,245	118,439	82,365	185,002
Interest expense	(6,589)	(4,294)	(9,171)	(6,600)	(4,259)	(9,196)
Net interest income	112,217	78,136	176,074	111,839	78,106	175,806
Non-interest revenue	41,738	34,487	77,502	37,544	33,550	73,833
Total income	153,955	112,623	253,576	149,383	111,656	249,639
Credit impairment charges	(13,518)	(5,077)	(23,558)	(13,495)	(5,077)	(23,540)
Income after credit impairment charges	140,437	107,546	230,018	135,888	106,579	226,099
Operating expenses	(59,626)	(41,782)	(93,758)	(58,984)	(41,269)	(92,655)
Profit before equity accounted earnings and income tax expense	80,811	65,764	136,260	76,904	65,310	133,444
Share of profit from joint venture	230	107	195	230	107	195
Profit before taxation	81,041	65,871	136,455	77,134	65,417	133,639
Taxation	(32,647)	(23,497)	(50,090)	(31,168)	(23,353)	(49,180)
Profit after tax	48,394	42,374	86,365	45,966	42,064	84,459
Other comprehensive Income						
Net revaluation movement on property and equipment	-	-	5,005	-	-	5,005
Net change in fair value of financial assets at fair value through other comprehensive income	(338)	(3)	3	(338)	(3)	3
Total comprehensive income	48,056	42,371	91,373	45,628	42,061	89,467



SUMMARY STATEMENTS OF CHANGES IN EQUITY

In millions of Malawi Kwacha

	Consolidated			Separate		
	Unaudited	Audited		Unaudited	Audited	
	As at 30 June 2025	As at 30 June 2024	Year ended 31 December 2024	As at 30 June 2025	As at 30 June 2024	Year ended 31 December 2024
Opening equity	259,785	193,817	193,817	251,412	187,350	187,350
Profit for the period	48,394	42,374	86,365	45,966	42,064	84,459
Dividends declared and paid	(38,000)	(25,405)	(25,405)	(38,000)	(25,405)	(25,405)
Net revaluation movement on property and equipment	-	-	5,005	-	-	5,005
Movement in other reserves	(338)	(3)	3	(338)	(3)	3
Closing equity	269,841	210,783	259,785	259,040	204,006	251,412
Basic earnings per share (MK per share)	205.93	180.31	367.51	195.60	179.00	359.40
Dividend per share (tambala)	16.170	10.811	10.811	16.170	10.811	10.811
Number of ordinary shares in issue (million)	235	235	235	235	235	235
Market price per share (kwacha)	11,777.54	4,400	6,483.95	11,777.54	4,400	6,483.95



SUMMARY STATEMENTS OF FINANCIAL POSITION

In millions of Malawi Kwacha

	Consolidated			Separate		
	Unaudited	Audited		Unaudited	Audited	
	As at 30 June 2025	As at 30 June 2024	Year ended 31 December 2024	As at 30 June 2025	As at 30 June 2024	Year ended 31 December 2024
Assets						
Cash and balances held with the Central Bank	230,375	103,620	197,187	230,201	103,232	196,951
Trading assets and derivatives	64,600	44,776	39,634	64,600	44,776	39,634
Financial Investments	522,817	316,974	394,899	522,817	316,974	394,899
Loans and advances to banks and other financial institutions	312,529	334,650	233,660	308,653	334,578	230,623
Loans and advances to customers	471,343	350,581	378,343	471,343	350,581	378,343
Investment in Subsidiaries	-	-	-	100	100	100
Other assets	41,190	31,808	31,991	41,231	32,068	32,335
Property, equipment and right-of-use asset	34,465	29,109	36,103	34,465	29,109	36,103
Intangible assets	10,371	11,912	11,143	10,371	11,912	11,143
Deferred tax asset	3,993	4,962	9,685	3,980	4,961	9,677
Total assets	1,691,683	1,228,392	1,332,645	1,687,761	1,228,291	1,329,808



SUMMARY STATEMENTS OF FINANCIAL POSITION (CONTINUED)

In millions of Malawi Kwacha

	Consolidated			Separate		
	Unaudited	Audited		Unaudited	Audited	
	As at 30 June 2025	As at 30 June 2024	Year ended 31 December 2024	As at 30 June 2025	As at 30 June 2024	Year ended 31 December 2024
Equity and liabilities						
Shareholders' equity						
Issued capital	235	235	235	235	235	235
Share premium	8,491	8,491	8,491	8,491	8,491	8,491
Retained earnings	238,377	183,992	227,983	227,576	177,215	219,610
Other reserves	22,738	18,065	23,076	22,738	18,065	23,076
Total equity	269,841	210,783	259,785	259,040	204,006	251,412
Liabilities						
Deposits and loans from banks	11,014	22,668	38,552	11,014	22,668	38,552
Deposits from customers	1,258,808	885,421	928,034	1,266,816	892,196	934,071
Derivative liabilities	60	274	808	60	274	808
Other liabilities and provisions	122,461	83,805	84,625	122,153	83,811	84,622
Income tax payable	29,499	25,441	20,841	28,678	25,336	20,343
Total liabilities	1,421,842	1,017,609	1,072,860	1,428,721	1,024,285	1,078,396
Total equity and liabilities	1,691,683	1,228,392	1,332,645	1,687,761	1,228,291	1,329,808
Off balance sheet items						
Letters of credit and guarantees	291,772	223,576	222,920	291,772	223,576	222,920
Undrawn commitments	44,885	24,016	35,456	44,885	24,016	35,456
Foreign exchange contracts	132,328	79,795	29,975	132,328	79,795	29,975



SUMMARY STATEMENTS OF CASH FLOWS

In millions of Malawi Kwacha

	Consolidated			Separate		
	Unaudited	Audited		Unaudited	Audited	
	Six months to 30 June 2025	Six months to 30 June 2024	Year ended 31 December 2024	Six months to 30 June 2025	Six months to 30 June 2024	Year ended 31 December 2024
		Restated*			Restated*	
Operating activities						
Profit before income tax expense	81,041	65,871	136,455	77,134	65,417	133,639
Adjustment for non-cash items included within the income statement	(99,467)	(75,698)	(148,945)	(100,112)	(75,668)	(148,695)
Net movement in operating assets/liabilities	86,650	(15,180)	(45,704)	88,381	(15,219)	(46,089)
Interest paid	(6,530)	(4,276)	(9,013)	(6,541)	(4,241)	(9,038)
Interest received	95,910	94,841	185,402	95,543	94,776	185,159
Dividends received	-	-	-	1,000	-	-
Income taxes paid	(17,696)	(34,626)	(70,450)	(16,535)	(34,407)	(69,853)
Net cash flows generated from operating activities	139,908	30,932	47,745	138,870	30,658	45,123
Investing activities						
Purchase of property and equipment	(2,156)	(2,245)	(5,578)	(2,156)	(2,245)	(5,578)
Sale of property and equipment	1	135	135	1	135	135
Net cash flows used investing activities	(2,155)	(2,110)	(5,443)	(2,155)	(2,110)	(5,443)
Financing activities						
Principal lease repayments	(250)	(264)	(364)	(250)	(264)	(364)
Dividends paid	(11,674)	(20,783)	(23,456)	(11,674)	(20,783)	(23,456)
Net cash flows used in financing activities	(11,924)	(21,047)	(23,820)	(11,924)	(21,047)	(23,820)
Net increase in cash and cash equivalents	125,829	7,775	18,482	124,791	7,501	15,860
Cash and cash equivalents at beginning of period	400,934	382,452	382,452	398,198	382,338	382,338
Cash and cash equivalents at end of period	526,763	390,227	400,934	522,989	389,839	398,198

NOTES TO THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

	As at 30 June 2025			As at 30 June 2024		
	Outstanding Amount	Impaired amount	Stage 3 expected credit losses	Outstanding Amount	Impaired amount	Stage 3 expected credit losses
	MKkM	MKkM	MKkM	MKkM	MKkM	MKkM
Agriculture	152,466	382	368	105,592	216	170
Manufacturing	73,899	344	343	27,879	900	804
Mining	587	-	-	377	-	-
Construction	25,181	7,236	6,709	16,227	1,972	1,476
Energy/Electricity	1,808	1,108	264	8,975	113	85
Transport/communication	36,954	698	547	41,322	943	648
Financial Services	2,200	-	-	2,798	2	2
Wholesale/Retail	37,076	1,339	1,158	34,656	1,919	1,567
Individual/Household/community	161,547	6,309	5,289	131,042	6,002	4,812
Real Estate	2,763	-	-	2,837	-	-
Tourism	7,631	-	-	2,442	3	3
Total	502,112	17,416	14,678	374,147	12,070	9,567

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 2025 MKm	% of Core Capital	As at 30 June 2024 MKm	% of Core Capital
Manufacturing	56,763	26.6%	-	-

Loans to directors, senior management and other related parties

	30 June 2025 MKm	30 June 2024 MKm
Directors		
Balance at the beginning of the year	118	144
Loans granted during the year	13	5
Repayments	(114)	(11)
Balance at the end of half year	17	138

	30 June 2025 MKm	30 June 2024 MKm
Other related parties		
Balance at the beginning of the year	2,390	3,300
Loans granted during the year	190	2,055
Repayments	(5)	(391)
Balance at the end of half year	2,575	4,964

	30 June 2025 MKm	30 June 2024 MKm
Senior management officials		
Balance at the beginning of the year	1,968	1,614
Loans granted during the year	513	200
Repayments	(185)	(104)
Balance at the end of half year	2,296	1,710

Total loans to directors, senior management and other related parties	4,888	6,812
Total loans to directors, senior management and other related parties as a percentage of core capital	2%	5%

Investments 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 30 June 2025	As at 30 June 2024
Base lending rate (local currency)	25.1%	25.1%
Maximum applicable range (percentage points)	11.0%	11.0%
Lending rates (foreign currency loans)	3.9%-14.4%	3.9%-14.3%
Reserve Bank of Malawi Policy rate	26.0%	26.0%

Directors' remuneration, bonuses, and group directional fees

	30 June 2025 MKm	30 June 2024 MKm
Directors' remuneration		
- Directors fees and expenses	151	146
- Executive director's remuneration	529	375
Total bonuses paid to all staff (relating to prior year provision)	5,695	4,299
Group directional fees	1,079	986

Deposit rates

Type of deposit	30 June 2025 Rate	30 June 2024 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 (FCDA's)		
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 <https://www.standardbank.co.mw>



Standard Bank PLC

RESULTS FOR THE SIX MONTHS ENDED

30 JUNE 2025

UNAUDITED SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS



FINANCIAL REVIEW

We present the unaudited financial results of the Group for the six months ended 30 June 2025.

Economic highlights

Foreign exchange demand and supply imbalances persisted in the first half of the year, worsened by the withdrawal of funding by some international development agencies following global foreign policy shifts, the expiry of the International Monetary Fund’s (IMF) Extended Credit Facility, and lower earnings from tobacco sales. The US dollar closed the first half selling at MK1,750.48 compared to MK1,749.51 at the end of June 2024. Public debt levels worsened and remained high. High food prices and foreign exchange shortages exerted significant pressure on headline inflation for the most part of the first half; however, when food availability improved at the onset of the harvest season, headline inflation started to ease, and it closed at 27.10% in June 2025, significantly lower than the 33.3% in June 2024. Both the policy rate and the reference rate (which is also the base lending rate) were maintained at 26% and 25.10%, respectively. However, the liquidity reserve requirement (LRR) for local currency was adjusted upwards from 8.75% in June 2024 to 10.00% in June 2025.

Performance

The Group operated in an economic environment characterised by high inflation and foreign currency supply-demand imbalances. Despite these conditions, the Group achieved higher revenue and strengthened its balance sheet.

The Group reported a profit after tax of MK48.4 billion, representing a 14% increase from the previous year. Total revenue increased by 37% year-on-year, with net interest income growing by 44%. This growth was supported by a 34% growth in loans and advances to customers and a 65% increase in financial investments, whilst reference rates and yields on government securities remained stable year-on-year.

Non-interest revenue increased by 21% compared to the prior year. Net fees and commissions income rose by 23%, primarily due to higher transaction volumes. However, this increase was partially offset by a decrease in foreign currency-based fees due to a shortage of foreign exchange. Trading revenue rose by 20% due to improved margins despite the impact of revised foreign exchange regulations. Trading volumes remained low due to ongoing foreign exchange shortages.

Credit impairments increased by 166% compared to the previous year, reflecting growth in the customer loan portfolio and an increase in credit downgrades. The macroeconomic environment additionally contributed to a rise in forward-looking impairments related to financial investments and customer loans. The Group continues to focus on recovering previously written-off loans, maintaining prudent risk management and responsible lending practices.

Operating costs increased by 43% year-on-year, primarily due to elevated inflation, which averaged 28.95% during the period and impacted the prices of goods and services. Furthermore, the prior year’s operating costs reflected a one-time reversal related to outsourced services resulting from a change in billing methodology; this reversal did not recur in the current year. Consequently, the cost-to-income ratio increased from 37% in the prior year to 39% in the current year.

Earnings per share for the half year increased from MK180.31 in 2024 to MK205.93 in 2025.

Outlook

The operating environment is expected to remain challenging in the second half of the year, given the inflationary pressures emanating from foreign exchange supply shortages and food price pressures during the lean season. As the Malawi Government is expected to negotiate a new financing package with the IMF post the general elections date, most macroeconomic variables may move adversely in the last quarter to pave the way for a correction, especially in the money markets.

*Restatement of the statement of cash flows

During the second half of 2024, the Group conducted benchmarking and internal investigations to reassess the definition of cash and cash equivalents when compiling the statement of cash flows, in accordance with the definition of cash and cash equivalents under IAS 7, *Statement of Cash Flows*. The following were identified as industry best practices during this exercise, resulting in the following restatements of errors, updated accounting policies, and additional disclosures. The impact for the half-year 2024 reporting was as below:

- Demand gross loans and advances to banks maturing within three months from the acquisition date have been presented as part of the cash and cash equivalents line, which the statement of cash flows reconciles to. These balances, amounting to MK286,607 million at the June 2024 closing cash and cash equivalents balance and MK230,220 million in the opening balance, were erroneously excluded from cash and cash equivalents in prior periods. The movement in these balances of MK56,387 million, was also erroneously included in the net movement in operating assets/liabilities. Both the balances and movement have now been presented in cash and cash equivalents.
- The accounting policy for cash and cash equivalents was also updated to include on-demand gross loans and advances to banks that mature within three months from the acquisition date.

Dividend

In light of the uncertain economic environment, the Board of Directors has resolved not to pay an interim dividend for the half-year ended 30 June 2025. The Board will continue to monitor the economic situation and declare a dividend when macroeconomic conditions improve. No interim dividend was paid for the half-year ended 30 June 2024.

By order of the Board.

NAME	DESIGNATION	SIGNATURE	DATE
1. C Kapanga	Chairperson		31 July 2025
2. A Mkandawire	Director		31 July 2025
3. P Madinga	Chief Executive		31 July 2025
4. J Mhone	Chief Finance and Value Management Officer		31 July 2025