

STANDARD BANK LIMITED
RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

STATEMENT OF COMPREHENSIVE INCOME
In millions of Malawi Kwacha

	Year ended 31 December <u>2009</u>	Year ended 31 December <u>2008</u>
Interest income	4,535	3,349
Interest expense	<u>(459)</u>	<u>(371)</u>
Net Interest Income	4,076	2,978
Non-interest revenue	<u>4,211</u>	<u>3,563</u>
Operating income	8,287	6,541
Operating expenses	<u>(4,428)</u>	<u>(3,397)</u>
Impairment	<u>(181)</u>	<u>(80)</u>
Profit before taxation	3,678	3,064
Taxation	<u>(826)</u>	<u>(992)</u>
Profit after tax	<u>2,852</u>	<u>2,072</u>
<u>Other comprehensive Income</u>		
Profit after tax	2,852	2,072
Revaluation gain on property and equipment	-	1,314
Revaluation on available for sale financial assets	56	63
Deferred tax	<u>(17)</u>	<u>(413)</u>
Total Comprehensive Income	<u>2,891</u>	<u>3,036</u>
Profit attributable to:		
Owners of the parent company	1,740	1,827
Non-controlling interest	<u>1,151</u>	<u>1,209</u>
	<u>2,891</u>	<u>3,036</u>
<u>Movement in retained earnings</u>		
Retained earnings brought forward	4,439	2,817
New shares issued	<u>(867)</u>	-
Revaluation reserves	-	(20)
Profit for the year	2,852	2,072
Dividend paid	<u>(848)</u>	<u>(430)</u>
Retained earnings carried forward	<u>5,576</u>	<u>4,439</u>
Basic earnings per share (MK)	<u>13.39</u>	<u>10.36</u>
Dividend per share (tambala)	<u>430</u>	<u>324</u>
Number of ordinary shares in issue (million)	<u>213</u>	<u>200</u>
Market price per share (MK)	<u>92</u>	<u>85</u>

STATEMENT OF FINANCIAL POSITION
In millions of Malawi Kwacha

	As at 31 December 2009	As at 31 December 2008
<u>Assets</u>		
Cash and cash equivalents	5,702	2,845
Trading assets	5,296	5,929
Investments securities	4,832	7,953
Loans and advances to banks and other financial institutions	7,871	4,033
Loans and advances to customers	21,186	15,910
Other assets	440	301
Intangible assets	37	35
Property and equipment	3,636	3,541
Deferred tax assets	<u>498</u>	<u>470</u>
<u>Total assets</u>	<u>49,498</u>	<u>41,017</u>
<u>Shareholders' equity</u>		
Issued capital	213	200
Share premium	854	-
Retained earnings	5,576	4,439
Other reserves	<u>1,538</u>	<u>1,473</u>
	<u>8,181</u>	<u>6,112</u>
<u>Liabilities</u>		
Deposits and loans from other banks	1,409	2,595
Deposits from customers	36,738	28,916
Other liabilities	2,330	1,774
Income tax payable	188	912
Deferred tax liabilities	<u>652</u>	<u>708</u>
	<u>41,317</u>	<u>34,905</u>
Total equity and liabilities	<u>49,498</u>	<u>41,017</u>

STATEMENT OF CASH FLOWS
In millions of Malawi Kwacha

	Year ended 31 December 2009	Year ended 31 December 2008
Operating activities		
Interest and fees received	8,856	6,929
Interest paid	(466)	(371)
Cash paid to customers, suppliers and employees	<u>(4,113)</u>	<u>(3,411)</u>
	4,277	3,147
Decrease/(increase) in net customer balances	3,161	(501)
Income taxes paid	<u>(1,733)</u>	<u>(413)</u>
Cash flows from operating activities	<u>5,705</u>	<u>2,233</u>
Investing activities		
Purchase of property and equipment	(558)	(533)
Proceeds from sale of property and equipment	<u>33</u>	<u>24</u>
	<u>(525)</u>	<u>(509)</u>
Financing activities		
Dividends paid	<u>(848)</u>	<u>(430)</u>
Cash flows from financing activities	<u>(848)</u>	<u>(430)</u>
Net increase in cash and cash equivalents	4,332	1,294
Cash and cash equivalents at beginning of year	<u>7,285</u>	<u>5,991</u>
Cash and cash equivalents at end of year	<u>11,617</u>	<u>7,285</u>

FINANCIAL REVIEW

We are pleased to present the audited financial results of the Bank for the year ended 31 December 2009.

Economic highlights

The impact of the global financial crisis of 2008 was manifested through negative and low economic growth rates in 2009 in quite a number of economies across the globe.

Locally, the crisis impacted the key growth drivers of trade and capital flows, and natural resource and agricultural exports. Accordingly, the economy's growth forecast for 2009 was revised downwards from 6.6% to 6.3%. Still, the local economy showed some resilience by keeping the inflation rate within single digits as food prices stayed low and the exchange rate stable, thereby creating the right conditions for steady interest rates.

Performance

Standard Bank exceeded its objectives for the year. The Bank's profit after tax increased from MK2.1 billion in 2008 to MK2.9 billion in 2009, representing a growth of 38%.

In 2009, the Bank grew its loans and advances book which in turn resulted in growth of 37% in net interest income. There were challenges in non interest income lines due to foreign currency scarcity but these were countered by utilizing various product portfolios available to the bank that went a long way to cover up for the challenges met.

Outlook

The year 2010 faces numerous challenges, which include effects of climate change on agriculture production, increased competition and foreign exchange shortages. These strengthened the case for the Bank to gear up for increased risk, need to properly manage pricing and capital and continue to meet regulatory requirements, while focusing on sustained earnings.

New products are expected to be rolled out in our two major business segments i.e. Personal and Business Banking, and Corporate and Investment Banking. The Bank will continue to invest in systems and growing its people to ensure improved customer service and process efficiencies. Standard Bank will be 'Moving Forward'.

Audit Opinion

Pursuant to the requirements of Section 19 (2) of the Banking Act 1989, we publish below the statement of comprehensive income and statement of financial position of the Standard Bank Limited as at 31 December 2009 together with the independent auditors' report thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE STANDARD

BANK LIMITED

We have audited the financial statements of the Standard Bank Limited for the year ended 31 December 2009 from which the summarised financial statements were derived, in accordance with International Standards on Auditing. In our report dated 11 March 2010 we expressed an unqualified opinion on the financial statements from which the summarised financial statements were derived.

In our opinion, the accompanying summarised financial statements are consistent, in all material respects, with the financial statements from which they were derived.

For a better understanding of the Bank's financial position and the results of its operations for the year and of the scope of our audit, the summarised financial statements should be read in conjunction with the financial statements from which the summarised financial statements were derived and our audit report thereon.

KPMG

Certified Public Accountants and Business Advisors
Blantyre

11 March 2010

Dividend

An interim dividend of **MK400m** (2008: MK200m) was paid during the year representing **MK2.00** (2008: MK1.00) per ordinary share. The directors recommend a final dividend of **MK490m** (2008: MK448m) representing **MK2.30** (2008: MK2.24) per share to be tabled at the forthcoming Annual General Meeting.

By order of the Board

_____ Chairman

_____ Director

Date: 11 March 2010.