



standard
chartered

SENS ANNOUNCEMENT
(the "Notice" or "Announcement")

ISSUER

STANDARD CHARTERED BANK ZAMBIA PLC ["SCBZ"]

[Incorporated in the Republic of Zambia]

Company registration number: 6525
Share Code: SCZ
ISIN: ZM0000000094
Authorised by: Rose Kavimba – Company Secretary

SPONSOR



STOCKBROKERS ZAMBIA LIMITED

STOCKBROKERS ZAMBIA LIMITED

[Founder member of the Lusaka Securities Exchange]

[Regulated and licensed by the Securities and Exchange Commission of Zambia]

Contact Number: +260-211-232456
Website: www.sbz.com.zm

APPROVAL

The captioned Notice or Announcement has been approved by:

- i. the Lusaka Securities Exchange
- ii. the Securities and Exchange Commission
- iii. Stockbrokers Zambia Limited

RISK WARNING

The Notice or Announcement contained herein contains information that may be of a price sensitive nature.

Investors are advised to seek the advice of their investment advisor, stockbroker, or any professional duly licensed by the Securities and Exchange Commission of Zambia to provide securities advice.

ISSUED: September 27, 2021

**STANDARD CHARTERED BANK ZAMBIA PLC**

[Incorporated in the Republic of Zambia]

Company registration number: 6525

Share Code: SCZ

ISIN: ZM0000000094

["SCBZ" or "the Company"]

INTERIM RESULTS**Summary unaudited Results for the half Year ended 30 June 2021**

In accordance with the requirements of the Securities Act, No.41 of 2016, and the listing rules of Lusaka Stock Exchange, Standard Chartered Bank Zambia PLC announces the interim results of the half year ended 30 June 2021

STATEMENT OF FINANCIAL POSITION		
as at 30 June 2021		
ASSETS	2021 ZMW'000	2020 ZMW'000
Notes and Coins	389,667	580,953
Balances held with Bank Of Zambia	1,322,557	1,718,594
Balances held with Commercial Banks	-	80,015
Balances held with Banks Abroad	7,128,840	4,614,176
Investment securities	3,276,374	2,397,062
Loans and Advances	1,927,214	2,293,309
Derivative Financial Instruments	44,052	40,330
Intangible Assets	75,084	85,814
Fixed Assets	163,891	119,983
Other Assets	474,418	648,618
Total Assets	14,802,097	12,578,854
LIABILITIES		
Customer deposits	12,592,114	10,285,419
Balances due to Bank of Zambia	-	350,000
Amounts Owing to Other Banks	255,000	-
Amounts Owing to Banks Abroad	251,530	152,889
Dividends Payable	4,888	4,941
Subordinated liabilities	90,610	72,536
Other Liabilities	799,710	982,244
Shareholders funds	808,245	730,825
Total Liabilities	14,802,097	12,578,854
Off Balance sheet liabilities	1,214,617	1,428,279

STATEMENT OF PROFIT and LOSS		
for the 6 months ended 30 June 2021		
	2021	2020
	ZMW'000	ZMW'000
Revenue	612,627	589,526
Operating expense	<u>(423,809)</u>	<u>(345,147)</u>
Operating profit	188,818	244,378
Impairment on financial instruments	<u>157,507</u>	<u>(433,637)</u>
Profit/ (Loss) before Tax	346,324	(189,259)
Income tax expense	<u>(123,016)</u>	<u>(36,206)</u>
Profit/ (Loss) for 6 months ended	223,308	(225,465)
Earnings/ (Loss) per share	0.13	(0.14)

STATEMENT OF SHAREHOLDERS' EQUITY		
as at 30 June 2021		
	2021	2020
	ZMW'000	ZMW'000
Balance at 1st January 2020	730,825	681,284
Profit for the year	223,308	(225,465)
Fair value reserve movements	(191,044)	192,848
Dividend	-	-
Other movement	<u>45,156</u>	<u>82,159</u>
Balance as at 30 June 2021	808,245	730,825

STATEMENT OF CASHFLOWS		
for the 6 months ended 30 June 2021		
	2021	2020
	ZMW'000	ZMW'000
Cash flow from operating activities	1,603,921	2,307,566
Cash flows from investing activities	(992,490)	(424,086)
Cash flows from financing activities	<u>(35,736)</u>	<u>(13,985)</u>
Net increase in cash and cash equivalents	575,696	1,869,495
Cash and cash equivalents at beginning of year	6,635,735	4,772,312
Effect of exchange rate fluctuation on cash held	<u>(11,813)</u>	<u>(6,071)</u>
Cash and cash equivalents for 6 months ended	7,199,618	6,635,735

Standard Chartered Bank has continued to reposition itself in its digitalisation journey as an end to end Digital Bank. The Bank has been named **Best Consumer Digital Bank 2021** in Zambia once again, by the prestigious Global Finance Awards.

The Bank engaged in various activities in Half year (H1) 2021 which included new ways of servicing clients such as virtual client engagements through bi-monthly Wealth Webinars amidst the Covid-19 pandemic. The Bank further hosted the Women in Tech (WIT) programme which was launched in November 2020 in partnership with Bongo Hive Zambia with 100 women applying to the first cohort.

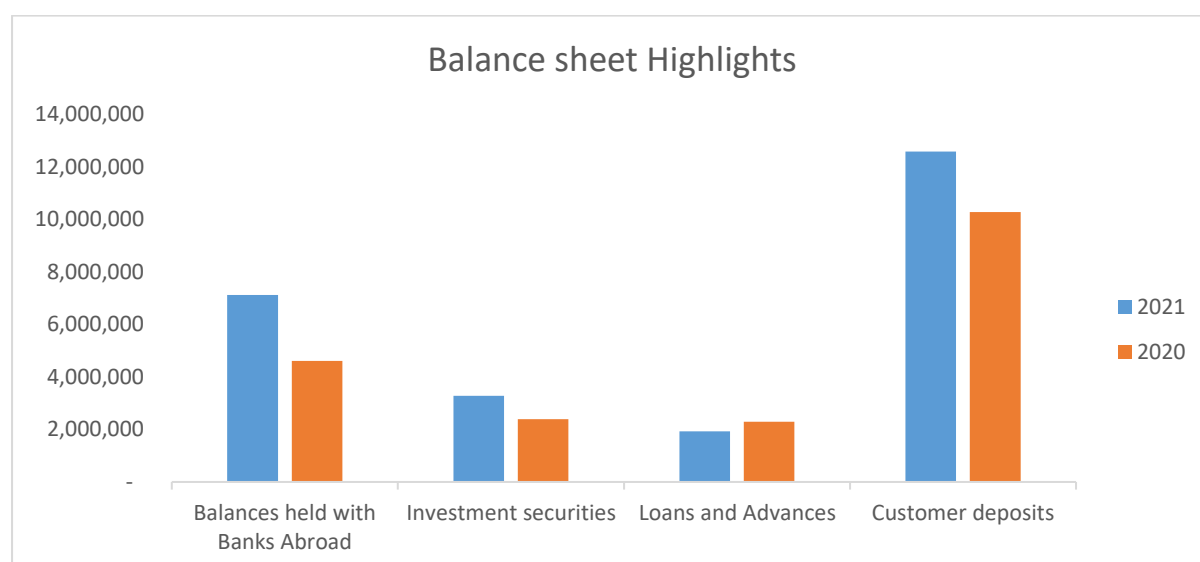
Key Financial Highlights

The Bank reported a profit for H1 2021 amounting to ZMW 223m compared to a loss of ZMW 225m in the same period last year (2020). The Bank has continued to benefit from a strong balance sheet position.

Balance sheet

The Bank recorded a balance sheet growth of 18% year on year from ZMW 12.5b to ZMW 14.8b on account of:

- Customer deposits increased by 22% year on year with an increase in both segments i.e. Consumer, Private and Business Banking (CPBB) and Corporate Commercial and Institutional Banking (CCIB).
- Increase in investment securities by 37% year on year.
- Increase in balances held with Banks abroad by 54% year on year.
- Loans and advances reduced by 16% year on year.



Income Statement

The Bank's performance in H1 2021 was relatively strong recording a profit after tax of ZMW 223m due to:

- Revenue 4% up year on year at ZMW613m on account of an increase in interest income from investment securities which grew by 43% year on year coupled with a reduction in interest expense on deposits which dropped by 23% year on year. The increase in interest from investment securities is directly attributable to the rise in balance sheet holdings of 37% year on year.
- The Bank recorded a release on impairment of ZMW 157m in comparison to a charge of ZMW 434m for the same period last year (2020). This was split as follows: Expected Credit Loss (ECL) release on investment securities of ZMW 88m, ECL release on Off Balance Sheet of ZMW 9m and ECL release on customer loans and advances amounting to ZMW 65m. Specific loan impairment charge on loans and advances was ZMW 5m.
- The above was negated by an increase in operating expenses of 23% mainly due to a rise in recharges (which relate to shared services centre costs and Information Technology Support) following the

depreciation of the kwacha in H1 2021, an increase in IFRS 16 charges on account of new leases booked and an increase in legal provisions.

By Order of the Board

Rose Kavimba
Company Secretary

Issued in Lusaka, Zambia on Monday, September 27, 2021

Lusaka Securities Exchange Sponsoring Broker



T | +260-211-232456
E | advisory@sbz.com.zm
W | www.sbz.com.zm

Stockbrokers Zambia Limited (SBZ) is a member of the Lusaka Securities Exchange and is regulated by the Securities and Exchange Commission of Zambia

First Issued on 27 September 2021