

**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**

[Member of the Lusaka Securities Exchange]

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

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**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: 11 March 2022**



## STANDARD CHARTERED BANK ZAMBIA PLC

[Incorporated in the Republic of Zambia]

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["SCBZ" or "the Company"]

### FULL YEAR RESULTS

#### Summary of audited results for the year ended 31 December 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 results for the year ended 31 December 2021

#### STATEMENT OF FINANCIAL POSITION

as at 31 December 2021

	2021 K'000	2020 K'000
<b>Assets</b>		
Cash and cash equivalents	5,221,081	5,251,892
Cash on hand and balances at Bank of Zambia	1,909,632	2,095,891
Loans and advances to banks	-	-
Pledged assets	525,000	100,000
Derivative financial instruments	23,707	4,590
Investment securities	3,414,191	3,542,091
Loans and advances to customers	1,646,011	2,410,457
Other assets	167,648	357,185
Assets held for sale	7,800	9,761
Property and equipment	128,220	179,158
Current tax assets	46,214	-
Deferred tax assets	107,291	165,707
Intangible assets	75,937	70,138
<b>Total assets</b>	<b>13,272,732</b>	<b>14,186,870</b>
<b>Liabilities</b>		
Amounts payable to group banks	536,119	325,740
Amounts payable to non group banks	11,482	21,266
Derivative financial instruments	20,984	8,548
Deposits from customers	10,899,749	12,214,521
Dividends payable	4,888	4,896
Current tax liabilities	-	22,127
Other liabilities	470,263	615,974
Subordinated liabilities	66,640	84,680
Provisions	108,637	78,703
<b>Total liabilities</b>	<b>12,118,762</b>	<b>13,376,455</b>
<b>Total equity</b>	<b>1,153,970</b>	<b>810,415</b>
<b>Total liabilities and equity</b>	<b>13,272,732</b>	<b>14,186,870</b>

**STATEMENT OF INCOME OR LOSS**

for the year ended 31 December 2021

	<b>2021 K'000</b>	<b>2020 K'000</b>
<b>Revenue</b>	1,322,332	1,161,112
Operating expense	(912,242)	(910,234)
<b>Operating profit</b>	410,090	250,878
Impairment on financial instruments	202,207	(293,252)
<b>(Loss)/ Profit before Tax</b>	612,297	(42,374)
Income tax expense	(258,367)	(5,704)
<b>(Loss)/ Profit for the year</b>	<b>353,930</b>	<b>(48,078)</b>
<b>(Loss)/ Earnings per share</b>	<b>0.212</b>	<b>(0.030)</b>

**STATEMENT OF CHANGES IN EQUITY**

as at 31 December 2021

	<b>2021 K'000</b>	<b>2020 K'000</b>
Balance at 1 January 2021	810,415	742,825
Profit for the year	353,930	(48,078)
AFS reserve movements	(10,375)	115,668
Dividend	-	-
<b>Balance as at 31 December 2021</b>	<b>1,153,970</b>	<b>810,415</b>

**STATEMENT OF CASH FLOWS**

for the year ended 31 December 2021

	<b>2021 K'000</b>	<b>2020 K'000</b>
Cash flow from operating activities	(23,845)	3,507,312
Cash flows from investing activities	(85,048)	(1,580,468)
Cash flows from financing activities	(67,865)	(33,543)
<b>Net increase in cash and cash equivalents</b>	<b>(176,758)</b>	<b>1,893,301</b>
Cash and cash equivalents at beginning of year	5,745,981	3,817,633
Effect of exchange rate fluctuation on cash held	(13,653)	35,047
<b>Cash and cash equivalents for the year</b>	<b>5,555,570</b>	<b>5,745,981</b>

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and the requirements of the Companies Act no. 10 of 2017, the Banking and Financial Services Act and the Securities Act of Zambia.

The Bank's local operating environment was impacted by the challenging macroeconomic environment and the worsening of the Covid-19 pandemic during the third wave that was experienced. At Standard Chartered Bank Zambia Plc, our clients remained at the core of our efforts in 2021 as we effectively navigated the challenges in our operating environment by further enhancing the resilience and agility we have built over the years through prudent and proactive financial and operational risk management.

The Bank emerged stronger in 2021, having navigated numerous headwinds and delivered value to our internal and external stakeholders including the communities we operate in; a clear demonstration of our commitment to our brand promise 'Here for Good'.

## Financial Highlights

The 2021 performance was delivered against a challenging macroeconomic environment and strict adherence to accounting standards. The Bank recorded Profit Before Tax of K612m million, representing a complete turn-around from the prior year loss of K 42m.

**Revenue** increased by 14 per cent in comparison to 2020 which was mainly on account of increased income from investment securities and a corresponding drop in interest expense. Fee Income increased by 20 per cent on account of various fees collected from transaction related services offered by the bank which increased in volume year on year.

The Bank reported **an Expected Credit release** of ZMW 202m in comparison to a charge of ZMW 293m in the prior year. This is on the back of the Bank's conservative strategy in 2020 which saw a decline of 32 per cent on the loan book. Impairment releases in 2021 were also influenced by a positive outlook of the country macroeconomic variables.

**Operating expenses** increased minimally by 1 per cent due to prudent cost management measures employed by the Bank.

**Total Assets** reduced year on year by 6% on account of the following reductions: Cash on hand and balances at Bank of Zambia (ZMW 186m), Investment Securities (ZMW 128m) and Loans and Advances (ZMW 764m). The appreciation of the kwacha by over 21% year on year as at the end of December 2021 has resulted in nominal reductions in foreign currency denominated assets especially balances with banks abroad.

**Total Liabilities** reduced year on year mainly on account of a reduction in customer deposits (ZMW 1,315m) due to the Bank's strategy to reduce on expensive deposits like corporate term deposits. Further, the appreciation of the kwacha by over 21% year on year contributed to the decrease as customer deposits are split FCY 50% and LCY 50% respectively as at 31 December 2021.

As a Bank, we will continue to leverage on our cost optimisation initiatives and enhanced revenue momentum supported by a strong statement of financial position and a dedicated team.

## Outlook

We are optimistic about the banking sector performance in 2022 largely based on improved sentiments, the anticipated IMF deal conclusion and expected debt restructuring, all of which are expected to alleviate the current macroeconomic challenges impacting the sector and the country as a whole to a considerable extent. The global shift around the Covid-19 pandemic about the opening up of economies and easing of lockdowns is expected to positively impact sectors locally which were most adversely impacted including tourism, hospitality and manufacturing. We are confident that the positive sentiments will translate into a more stable currency and a downward trend in inflation despite the upside risks mainly due to the impending fiscal reforms.

We will continue to pursue opportunities to improve the quality of returns and we will continue to enhance our resilience through upscaling our agility and adaptability through strategic investments in innovative digital solutions. We are committed to remaining a force for good to our clients, our shareholders, our communities, our employees and other stakeholders. We greatly value the commitment, trust and support of our clients and we look forward to building deeper relationships with them.

By Order of the Board  
Rose Kavimba  
Company Secretary

Issued in Lusaka, Zambia on 11 March 2022

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First Issued on 11 March 2022