Company Research Report
05 October 2018
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CEDAR CAPITAL

Equity research | Company Research Report

MALAWI

No longer the bluest of the blue bloods!!

Commercial Banking

Bloomberg Ticker	SBC.MV
Reuters Ticker	SBC.MV
Target Price	MK576
Market Data	**05-Oct-18**
Closing Price	MK670.00
52 Week High	MK670.00
52 Week Low	MK600.00
Market Cap (b)	MK157
Market Cap (m)	USD215
P/E	16.51x
P/B	2.10x
DPS Yield	1.75%

Major Metrics

	2015	2016	2017
NNI (%)	11,86	14,21	11,37
CoF(%)	2,37	4,26	3,23
CIR (%)	49,74	47,41	65,78
NPLs (%)	1,23	1,94	14,67
Yield on loans (%)	34,00	32,00	23,00
Yield on MM (%)	23,30	29,00	14,69
ROE (%)	31,74	35,37	18,01
ROA (%)	6,32	7,12	3,28
LDR (%)	57,18	44,52	36,31

Experienced hands on deck …

The deterioration in the performance of the loan book and consequently the earnings in FY17 saw corrective measures being implemented including changing the leadership of SBM. In came, William le Roux, a veteran of banking in Africa who took over in December 2017. His experience coupled with the enhanced support from SGB places the bank in good stead going forward.

Standard Bank Malawi (SBM) is part of the biggest pan-African banking group; Standard Bank Group (SBG) of South Africa which has over USD140 billion in assets, in seven African countries including Zimbabwe, Nigeria, Zambia, Uganda and Kenya. SGB brings to the table a lot of expertise which, when fused with local knowledge, should in theory, produce a robust operational and strategic knowledge base.

Credit quality concerns…

SBM has over 40% of its loan book lent to the capricious agriculture sector which has contributed the most to the bank's high NPLs ratio, which closed the half at nearly 18%. In fact, the agriculture book has 27% NPLs. Furthermore, SBM was the lead arranger of the syndicated loan to Cotton Ginners Africa Ltd which has turned out to be a suspected fraud. This has dented the bank's reputation as an astute lender with first class credit vetting and monitoring skills and systems. However, the bank has a robust capital base and has been able to absorb these blows, without necessarily resorting to a rights issue.

Weakening metrics…

The past three years has seen a weakening in the earnings performance of the bank. Those metrics which should not have been rising, were rising mainly NPLs, operating expenses and cost of funding. This was at a time when yields on assets have been softening. The result has been the weakening in key parameters such as net interest margins, cost to income ratio, credit quality etc.

Better value elsewhere…

Our valuation method, anchored on the P/B yields an intrinsic value for SBM of MK576.13 per share, which implies that at the current price of MK670, SBM is over-valued. The share price is not fully reflecting the current and short-term earnings profiles. Our rating is collaborated by the P/E ratio of 16.51x and P/B of 2.10x, which both suggest that SBM has been over-bought. **REDUCE**

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Investment Thesis

We initiate coverage of Standard Bank of Malawi (SBM) with a **REDUCE/UNDERWEIGHT** recommendation. Our valuation, based on the P/B metric gives us an intrinsic value of SBM of MK576.13, which is 14% below the current market price.

SBM is the pre-eminent bank in Malawi, which used to have stellar performance parameters such as an ROE of 35%, credit loss ratio of 1.94%, and cost to income ratio of 47% a few years ago. The wheels appeared to have loosened in FY2017 when NPLs spiked to above 15% and provisions surged ahead thus affecting the bottom line. The result was a fall in the ROE to 15%.

The bank was the lead arranger of the USD20 million loan to Cotton Ginners Africa Limited and has been slammed by other syndicate participants for lax due diligence. Corrective action has been taken, starting with the changes at the top which saw the managing director being re-assigned.

Operationally, H1 FY18 saw NPLs increasing to 17.46%, 3x above the internationally accepted level of 5%.

SBM has a competitive advantage in foreign currency trading and structuring, and hence has the biggest market share in foreign currency deposits, which at FY17 comprised over 51% of the deposit base. This means that foreign currency dealing income is a significant part of the income statement.

The bank has a somewhat differentiated strategy, with a very low loan to deposit ratio of 45%. Most of the deposits are channelled into “placement with other banks”. Placements within the broader Standard Bank Group are a significant part of the asset base, with Isle of Man and Mauritius, comprising 30% of the “loans to other banks” asset. The USD interest income earned on these placements has had a positive impact on net interest income when the Malawian Kwacha (MK) was volatile. The impact was muted in FY17 and FY18 when the MK was stable.

Going forward, SBM is targeting a return to single digit NPL ratio, the positive being that this correction will not be achieved by growing the denominator but through aggressive collections and a more thorough credit vetting and monitoring system. A lower NPL going forward will mean that the growth in net interest income and non-funded income will filter, undiluted to the bottom line.

Despite the short term NPL challenges, the pedigree of SBM is undisputed and is definitely not a “banana skin” bank. SBM is still a solid business but not necessarily a good investment at this point in time. We are of the view

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that the current share price and hence P/E of over 15x and P/B of 2.10x does not reflect the soft earnings profile of the bank, hence our rating.

Company Overview

SBM was established as Commercial Bank of Malawi in 1969, being promoted by the Government of Malawi, Press Corporation and Banco Pinto Sotto Mayor, the latter which held 60% of the enterprise. In 2001, it became Standard Bank Malawi (initially as Stanbic) when SBG acquired 60% of the bank.

SBM is a universal bank offering retail and corporate banking services through various channels. The retail channel comprises 27 service centres. SBM also runs a Bureau de Change Limited which is a 100% subsidiary and holds a 9.1% stake in the National Switch Company.

Major shareholders of the bank are;

- Standard Bank Group - 60.18%
- Nico Holdings Group - 20.00%
- Old Mutual Life Assurance - 04.91%
- Press Trust - 02.32%
- Free float - 11.03%

SBG is the largest Pan-African Banking group with USD140 billion in assets, almost double the size of ABSA Group (formerly Barclays Africa Group) which is second with USD97 billion in assets.

Differentiated business model

SBM has a differentiated business model when compared with nearest competitors. The bank does not only undertake traditional intermediation; that of accessing relatively low-cost deposits and on-lending to mostly corporates and household consumers. SBM also lends the deposits to other banks, which make up 35% of the interest earning assets, loans & advances are in 2nd comprising 32% of the asset book. Treasury bills come in third with 19%. This asset mix has a huge bearing on net interest income and provisions.

The loan book is divided 25:75 between personal & small business banking and corporate banking.

Malawi Banking Sector Snap Shot

Malawi's banking sector is largely centred on commercial banking which has 7 players comprising National Bank Malawi (NBM), Standard Bank Malawi (SBM), FMB Bank, Nedbank, NBS Bank, Ecobank, and FDH Bank. There is one merchant bank, CDH Investment Bank. SBM and Nedbank are South African owned while Ecobank is a subsidiary of Togolese Ecobank ETI. These players offer standard commercial banking products and services to individuals, small to medium enterprises and big corporates.

There has been a series of mergers and acquisitions, with FDH having acquired Malawi Savings Bank; FMB acquiring Opportunity International Bank and NBM swallowing Indebank.

The banks compete with a large microfinance sector, comprising 57 registered entities which play an integral part of providing credit in the lower end of the market, together with co-operatives and village banks.

The banking sector is usually referred as the "oil" that lubricates the economy, and as such the prospects of the economy are inexorably tied to that of the sector. The banking system provides five key services: (a) savings facilities, (b) credit allocation and monitoring of borrowers, (c) facilitate payments, (d) risk mitigation, and (e) liquidity services.

	2013	2014	2015	2016	2017
Country GDP	1 924 110,08	2 534 656,29	3 212 683,76	3 818 492,51	4 659 488,21
Total Banking Assets	653 000,00	796 100,00	907 000,00	1 239 900,00	1 572 300,00
Total Deposits		481 600,00	629 400,00	809 000,00	995 500,00
Total Loans	256 600,00	304 900,00	370 800,00	438 800,00	448 700,00
Banking Assets/GDP	33,94	31,41	28,23	32,47	33,74
Deposits/GDP	-	19,00	19,59	21,19	21,37
Loans/GDP (%)	13,34	12,03	11,54	11,49	9,63

Source: RBM Reports & Cedar Capital Research

The deposit/GDP ratio at around 20%, shows that access to financial services in Malawi is very low. In a 2014 survey, FinScope found out that 51% of the adult population in the country were not using any formal, or even informal, financial products, while only 27% were formally banked and a further 15% relied on mostly microfinance products. The same survey found out that 25% of the adult population had an informal product, such as borrowing from employers, getting credit from shops or receiving inputs as credit.

This is mainly because the Malawian banking sector is structurally geared towards providing services to the narrow corporate sector and the formally employed people. *This presents a possible "mining" opportunity for banks to go lower and milk the lower income segments.*

According to the June 2018 Financial Stability Report produced by the Reserve Bank of Malawi (RBM), interest rates, another key variable for the banking sector, have been weakening, especially in the period between

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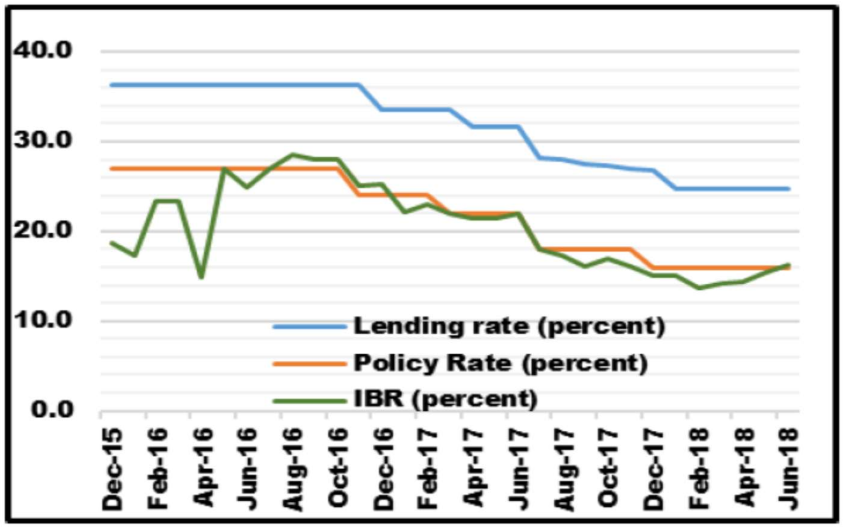
April 2017 and April 2018, with the Policy Rate declining from 33,6% to 16% p.a. In tandem, the banking sector reduced their lending rates by 600 basis points (bps) to 67,7% p.a in December 2017. The lending rates further weakened to 24.8% by half year.



Source; RBM Financial Stability Report – June 2018

In terms of growth, total assets in the sector declined 3.7% to MK1,5 trillion at half year, driven by decreases in balances with banks abroad and short-term securities and investments of 30% and 4.8%.

Deposits expanded marginally by 1.8% to MK1 trillion but showing a contrasting picture. On one hand, Malawi Kwacha deposits in the system increased by 7.5% to MK766 billion and on the other forex deposits declined by 13% to MK467 billion. With the Kwacha being stable and not appreciating, this reflects a significant decline the quantum of forex deposits.

Credit growth was in line with local currency deposit growth of 8.5% to MK487 billion. This gives a sector loan to deposit ratio of 48%. In theory Malawi banks should be very liquid and can be accused of not undertaking their intermediation role to their maximum potential. The counter argument is the lack of quality borrowers.

Credit quality remained under pressure, although, the NPLs ratio improved to 12.6% from 15,6% at December 2017. However, this remains a huge concern as it is way above the recommended international benchmark of 5%. As well, the improvement in the ratio was more a result of write-offs and increases in the loan book.

With regards to franchise, two big banks dominate the sector with combined total deposits for the two in excess of 51%. The sector remains exposed to high concentration risk due to the limited number of large creditworthy borrowers.

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On the macro-economic front, performance largely depends on weather conditions, which in the face of climatic changes are expected to be more variable. Thus, the economic outlook is greatly influenced by agriculture output, government management programs, commodity prices and donor support levels.

In terms of economic growth, according to the Reserve Bank of Malawi, economic growth rebounded to 4,5% in FY17 from the 2,7% recorded in 2016. The positive outturn was attributed to the recovery in agricultural output following good rains.

Elections in 2019 are expected to increase pressure on fiscal spending as the current administration strengthens its efforts to win a re-election. The 'empty coffers" hymn which usually accompanies an election, especially if there is a change in administration, presents elevated risks going forward.

Financial Review

6 months to 30 June 2018

The financial results of SBM in H1-FY18 showed that the trend exhibited in FY17 spilled into FY18. Income growth was muted, while expenses surged ahead. The result was a massive 32% year-on-year decline in PAT to MK5.5 billion.

The slide started at the top line, as interest revenues regressed 15% to MK20 billion. This was attributed to a drop in the lending rates from 30% p.a in June 2017 to 23%, a hefty 700 bps fall. At the same time, the all-important "loans to other banks" shrunk 38% to MK109 billion on the balance sheet. The 4% expansion in the credit book to MK98 billion, was not enough to counteract the negative effects of the drop in the "loans to other banks".

On the debit side, interest expenses galloped 15% to MK4.9 billion, reflecting the cost of funding which deteriorated 16bps to 3.39%. The bank had to pay up to attract funds as balance sheet deposits declined 8% to MK240 billion.

The net result was a 238bps decline in the net interest margin to 9% p.a, which is the lowest it has been since 2013.

Following the clean-up of the book and increased collections, provisions in the half year were MK996 million, down 56% when compared with MK2.2 billion of the same period last year. Non-funded income growth at 25% to MK11.3 billion, was another positive for the bank. Non-funded income contributed 44% to total income as opposed to 34% in the past, reflecting the lacklustre performance at net interest income line. These two developments saw the decline in total income being restricted to 2.3% to MK25.7 billion.

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Operating expenses were the bane for the bank, growing by 23% to MK17.6 billion attributed to higher amortisation of software acquisition costs and exchange losses arising from the outstanding liability on purchase of the software. The result was a deterioration in the cost to income ratio to 68% from 65% at year-end. This reflects the fixed nature of most of the costs in a bank, which cannot easily be re-calibrated to income flows.

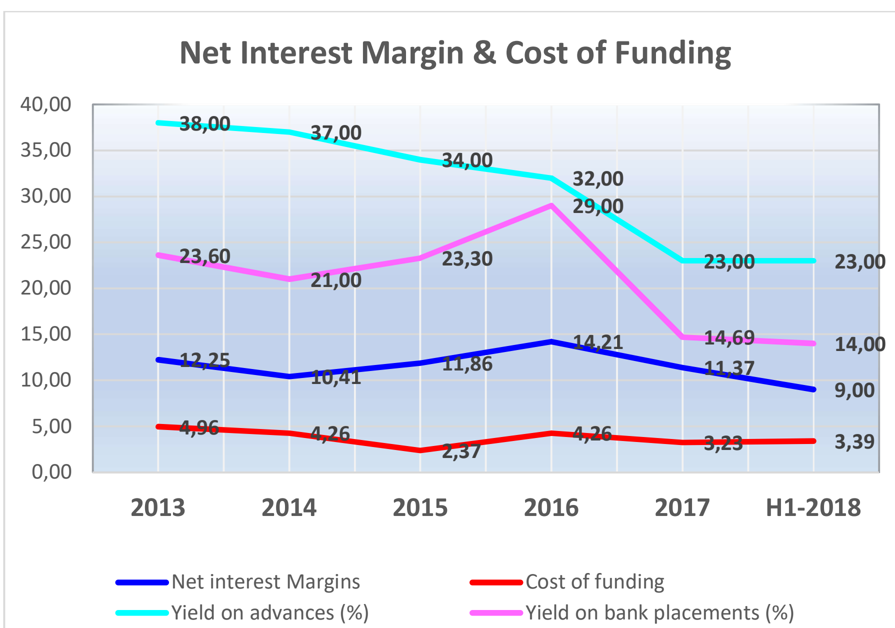
With the profits dropping, the ROE regressed by 300bps to 15%.

In term of the segmentation of the advances book, concentration remains high in agriculture which comprises 40% of the loan book and contributes MK12.2 billion out of the MK17.2 billion of NPLs. In fact, the farming book has 27% NPLs. The next biggest exposure is consumer segment at 22% which has been performing well with an NPLs ratio of 2%.

From the FY17 position, the interest earning portion of the balance sheet is shown to have shrunk by 17% to MK309 billion. Total assets also regressed by the same margin to MK357 billion.

5 years to 31 December 2017.

The last 5 years can be split into two periods; between 2013 and 2016 and post 2016. The two periods show a distinct pattern, with the former dominated by stellar performance expected of a subsidiary of a multinational bank. It is evident that the performance was driven by the high interest regime and the concomitant endowment effects. The chart below shows what has happened to yields on advances and bank placements which have been softening while the cost of funding has remained elevated, to the detriment of net interest margins which have gone south, post FY16.



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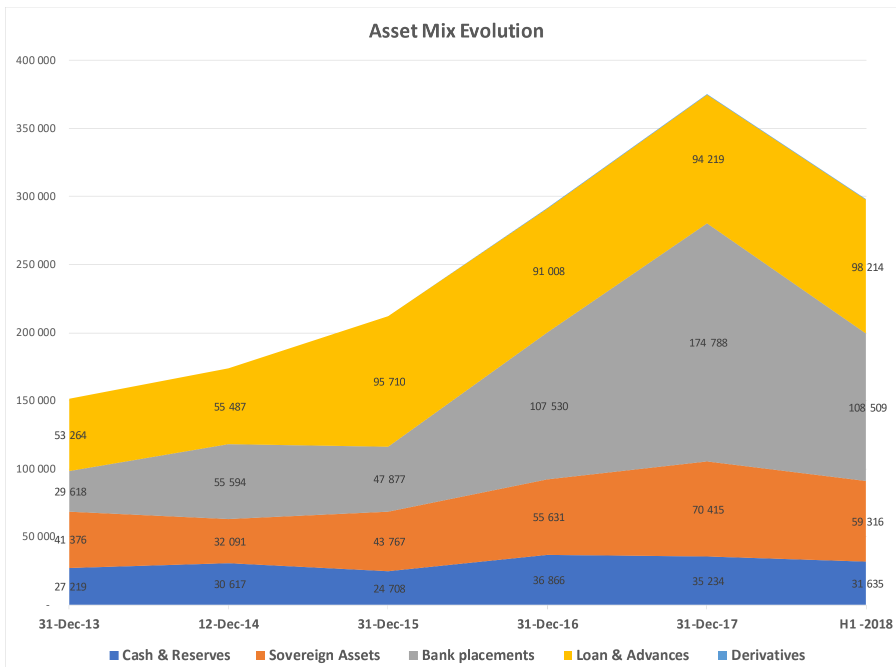
Source – Company Annual Reports and Cedar Capital Research

SBM's business model is anchored on the profitable deployment of deposits, into three channels; (a) the corporate and consumer sectors as normal advances; (b) to other banks, including group entities as placements/fixtures and (c) government securities. Thus, lending rates and yields on the advances and "loans to other banks" as well as the asset mix are key to performance.

Although the yield on advances or lending rates have been trending downwards since the peak of 38% p.a in FY13, the yields on bank placements/fixtures were initially strong before weakening post FY16. This coincided with the increasing share of bank placements in the interest earning assets portion of the balance sheet as depicted in the chart below.



Source – Company Annual Reports and Cedar Capital Research

From 20% of interest earnings assets in FY13, bank placements portion rose to a peak of 47% in FY17, whilst the loan book continued to average 34%. Overall, balance sheet assets have been growing at an average 29% year-on-year to reach MK375 billion at the end of FY17.

The result of the above balance sheet structuring is the net interest margin picture shown in the earlier chart. Its translation to the income statement is a strong 35% and 56% growth in net interest income recorded in FY15 and FY16 respectively, before a marginal 6% was notched in FY17. The two peak years coincide with the highest yields in bank placements. In summary, net interest income grew from MK16 billion in FY13 to MK38 billion in FY17.

Net interest margins also peaked at 14% in FY16 before closing FY17 at 11.4% p.a.

Asset quality is what has been the bank's undoing. The quality of the loan book, notwithstanding that the bank has not been lending that much, as evidenced by its loan to deposit ratio of 40%, has been deteriorating from year to year.

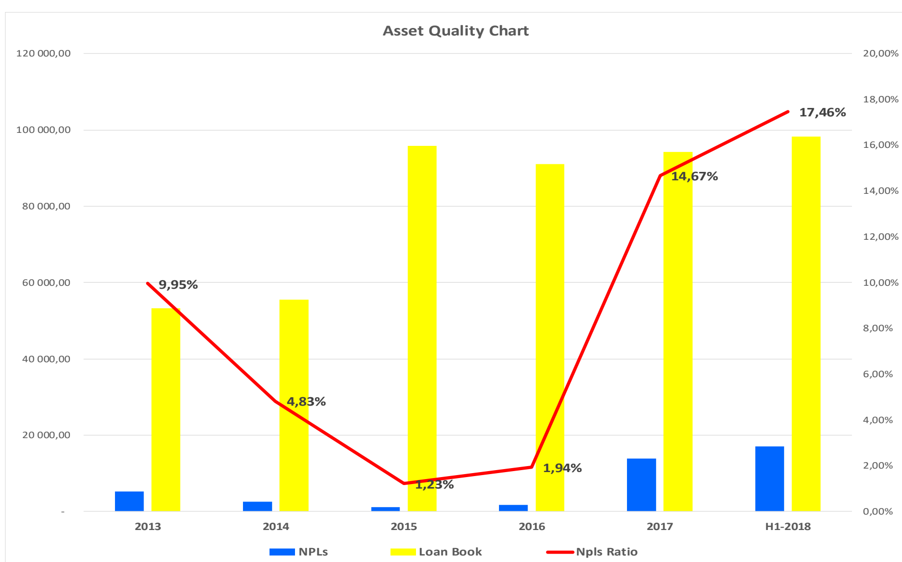
SBM has a high affinity for agriculture funding, manufacturing and household loans. The agriculture book, due to its susceptibility to weather conditions and commodity prices, has negatively affected the bank, contributing the most to NPLs. On the other hand, the portion advanced to the consumer sector has declined by 500bps and the transport and communication has all but vanished from the portfolio.

	H1 – 2018 Concentration	FY13 Concentration
Agriculture	39,6%	30,05%
Construction	0,9%	1,75%
Energy & Utilities	4,2%	0,69%
Financial Services	0,1%	0,50%
Individuals & Households	22,3%	27,63%
Manufacturing	18,0%	12,78%
Mining	0,4%	0,30%
Transport & Communication	2,2%	17,37%
Whole and Retail Trade	10,9%	7,81%
Real Estate, Restaurants etc	1,4%	1,10%

Source – Company Annual Reports

The peak profitability years have coincided with the years when the NPLs have been lower; that is in FY15 and FY16, when the ratio was below 2%.

Aligned to the performance of the credit book, is the amount of provisions charged to the income statement. The highest charge was of MK6.2 billion in FY17, which affected the bottom line.



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Source – Company Annual Reports and Cedar Capital Research

On the other hand, non-funded income growth has not been consistent, up strongly in one year and down in the next. The main culprit being 'income from forex' which has been declining from FY14 when MK12.4 billion was earned to around MK8.8 billion in FY16 before rebounding in FY17.

As highlighted earlier, costs in a bank are essentially fixed, with the number of employees not necessarily correlated to revenues. Thus, even when revenues or income is declining operating expenses continue rising. The result is that when income is weak, the cost to income ratio deteriorates markedly.

As the picture shows, the cost to income ratio has been under pressure as from FY13 to FY17 expenses consistently grew by 28% year-on-year. Consequently, the cost to income ratio worsened from an internationally respectable 41% in FY13 to the worrying level of 66% in FY17.

Source – Company Annual Reports and Cedar Capital Research

In F17, performance was out of character with a 37% fall in earnings, as a result of a massive spike in credit losses and provisioning, at a time when operating expenses were continuing to rise.

In terms of returns, the picture is not pretty, with the ROE weakening reflecting lower earnings and a growing net asset value.

	2013	*2014*	*2015*	*2016*	*2017*
ROE	53%	41%	32%	35%	18%
PAT Growth	52%	2%	9%	45%	-37%

Source- Company Annual Results and Cedar Capital Research

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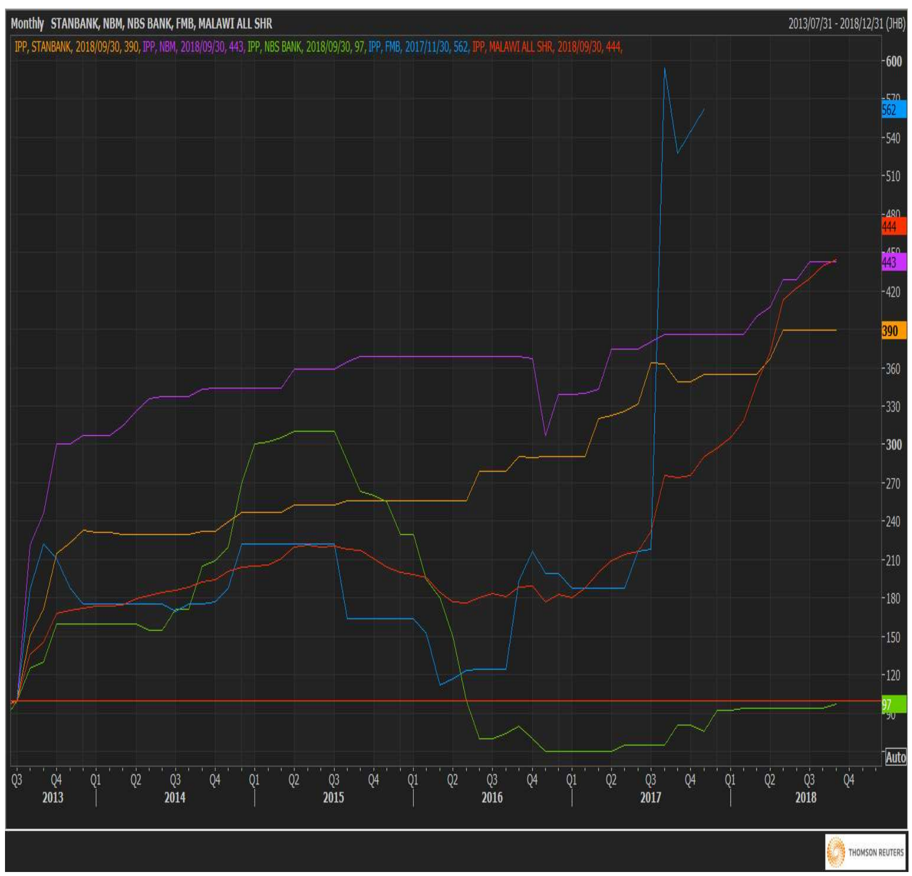
Outlook

FY17 was probably the watershed year, and after H1 2018, the bank is probably past the inflexion point. Loan book growth has been constrained as well as placement with other banks, with a focus on investment securities. It is obvious that a clean-up exercise is underway at the bank both at personnel level and on the loan book. It is expected that other pressures; especially softening lending rates will not let up. At the same time, inflation will continue to drive up expenses. At the very best, green shoots should start showing in FY19.

Shareholder Returns

Using the same 5-year period, the chart below shows that SBM (brown line) has not only underperformed the broad market represented by the All Share Index (red line) but has underperformed other banking stocks with the exception of NBS Bank. SBM has underperformed closest peer, NBM (purple).



Source – Thompson Reuters Eikon

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Valuation and Recommendation

We have applied equity valuation method summarised below which yield a fair value price for SBM of MK576.13, which is 14% lower than the current price of MK670. **REDUCE.**

Average ROTE in next 3 years	20,51%	
Cost of equity	17,16%	
- Risk free rate	14,00%	
- Beta	0,52	
-Equity Risk Premium	8%	
Multinational bank adjustment	-1,000	
Growth	20%	
Exit P/B multiple	2	
VALUATION	MK mn	Per Share
NAV in FY+3	118 026,30	502,95
x Exit P/B multiple	2	
Terminal value at Dec FY+3	236 052,59	1 005,90
x Discount factor	0,5095	
PV terminal value	120 271,33	512,52
+ PV Dividends (2017-18e)	8 656,91	36,89
Today's fair value	128 928,24	549,41
Roll forward by cost of equity less dividend yield	4,86%	
One year forward valuation	**135 198,45**	**576,13**
Current price		670
Capital return		**-14%**
Dividend yield		2%
Total return in next 12 months		**-12%**

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Income Statement
Annual YoY Growth in Millions of Malawi Kwachas

	2017	2016	2015	2014	2013	2012
Interest Income, Bank	46 729	44 282	26 627	22 790	21 380	11 823
1Y Growth	*5.5%*	*66.3%*	*16.8%*	*6.6%*	*80.8%*	*> 99%*
Interest & Fees on Loans	46 729	44 282	26 627	22 790	21 380	11 823
1Y Growth	*5.5%*	*66.3%*	*16.8%*	*6.6%*	*80.8%*	*> 99%*
Total Interest Expense	8 806,0	8 458,0	3 718,0	5 867,0	5 621,0	2 693,0
1Y Growth	*4.1%*	*> 99%*	*(36.6%)*	*4.4%*	*> 99%*	*> 99%*
Interest on Deposit	8 806,0	8 458,0	3 718,0	5 867,0	5 621,0	2 693,0
1Y Growth	*4.1%*	*> 99%*	*(36.6%)*	*4.4%*	*> 99%*	*> 99%*
Net Interest Income	37 923	35 824	22 909	16 923	15 759	9 130,0
1Y Growth	*5.9%*	*56.4%*	*35.4%*	*7.4%*	*72.6%*	*83.3%*
Loan Loss Provision	6 224,0	576,0	(673,0)	1 440,0	2 328,0	1 592,0
1Y Growth	*> 99%*	*> 99%*	*< (99%)*	*(38.1%)*	*46.2%*	*59.5%*
Net Interest Inc. After Credit Prov.	31 699	35 248	23 582	15 483	13 431	7 538,0
1Y Growth	*(10.1%)*	*49.5%*	*52.3%*	*15.3%*	*78.2%*	*89.3%*
Non-Interest Income, Bank	19 331	18 307	14 982	18 038	16 975	13 088
1Y Growth	*5.6%*	*22.2%*	*(16.9%)*	*6.3%*	*29.7%*	*> 99%*
Fees & Commissions from Operations	9 371,0	9 468,0	6 588,0	5 590,0	5 099,0	3 754,0
1Y Growth	*(1.0%)*	*43.7%*	*17.9%*	*9.6%*	*35.8%*	*63.1%*
Dealer Trading Account Profit	9 886,0	8 715,0	8 191,0	12 378	11 834	9 300,0
1Y Growth	*13.4%*	*6.4%*	*(33.8%)*	*4.6%*	*27.2%*	*> 99%*
Other Revenue	74,00	124,0	203,0	70,00	42,00	34,00
1Y Growth	*(40.3%)*	*(38.9%)*	*> 99%*	*66.7%*	*23.5%*	*41.7%*
Non-Interest Expense, Bank	(33 569)	(25 388)	(19 183)	(15 491)	(12 472)	(8 602,0)
1Y Growth	*(32.2%)*	*(32.3%)*	*(23.8%)*	*(24.2%)*	*(45.0%)*	*(72.7%)*
Labor & Related Expenses	(14 306)	(11 499)	(9 093,0)	(7 445,0)	(6 126,0)	(4 419,0)
1Y Growth	*(24.4%)*	*(26.5%)*	*(22.1%)*	*(21.5%)*	*(38.6%)*	*< (99%)*
Depreciation Expense	(2 599,0)	(1 619,0)	(1 522,0)	(1 166,0)	(820,0)	(623,0)
1Y Growth	*(60.5%)*	*(6.4%)*	*(30.5%)*	*(42.2%)*	*(31.6%)*	*(25.6%)*
Other Expense	(16 664)	(12 270)	(8 568,0)	(6 880,0)	(5 526,0)	(3 560,0)
1Y Growth	*(35.8%)*	*(43.2%)*	*(24.5%)*	*(24.5%)*	*(55.2%)*	*(47.3%)*
Net Income Before Taxes	17 461	28 167	19 381	18 030	17 934	12 024
1Y Growth	*(38.0%)*	*45.3%*	*7.5%*	*0.5%*	*49.2%*	*> 99%*
Provision for Income Taxes	5 299,0	8 742,0	6 028,0	5 741,0	5 865,0	4 059,0
1Y Growth	*(39.4%)*	*45.0%*	*5.0%*	*(2.1%)*	*44.5%*	*> 99%*
Net Income	12 162	19 425	13 353	12 289	12 069	7 965,0
1Y Growth	*(37.4%)*	*45.5%*	*8.7%*	*1.8%*	*51.5%*	*> 99%*

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Balance Sheet
Annual YoY Growth in Millions of Malawi Kwachas

	2017	2016	2015	2014	2013	2012
Assets (MWK Millions)						
Cash & Due from Banks	210 022	144 396	72 585	86 211	56 837	42 653
1Y Growth	*45.4%*	*98.9%*	*(15.8%)*	*51.7%*	*33.3%*	*> 99%*
Other Earning Assets, Total	70 415	55 631	43 767	31 529	41 376	12 305
1Y Growth	*26.6%*	*27.1%*	*38.8%*	*(23.8%)*	*> 99%*	*(11.1%)*
Trading Account Assets	23 522	18 008	8 839	11 369	14 096	8 932
1Y Growth	*30.6%*	*> 99%*	*(22.3%)*	*(19.3%)*	*57.8%*	*16.3%*
Total Investment Securities	46 893	37 623	34 928	20 160	27 280	3 373
1Y Growth	*24.6%*	*7.7%*	*73.3%*	*(26.1%)*	*> 99%*	*(45.2%)*
Net Loans	94 219	91 008	93 058	55 487	53 264	50 933
1Y Growth	*3.5%*	*(2.2%)*	*67.7%*	*4.2%*	*4.6%*	*29.2%*
PPE - Net	15 208	12 613	11 675	11 473	8 276	7 066
1Y Growth	*20.6%*	*8.0%*	*1.8%*	*38.6%*	*17.1%*	*15.9%*
Intangibles, Net	20 942	591	9	14	10	15
1Y Growth	*> 99%*	*> 99%*	*(35.7%)*	*40.0%*	*(33.3%)*	*(37.5%)*
Other Long-Term Assets	3 860	1 828	1 548	1 272	1 336	698
1Y Growth	*> 99%*	*18.1%*	*21.7%*	*(4.8%)*	*91.4%*	*29.0%*
Defered Income Tax	3 860	1 828	1 548	1 272	1 336	698
1Y Growth	*> 99%*	*18.1%*	*21.7%*	*(4.8%)*	*91.4%*	*29.0%*
Other Assets, Total	13 332	7 448	6 559	4 979	5 602	4 526
1Y Growth	*79.0%*	*13.6%*	*31.7%*	*(11.1%)*	*23.8%*	*> 99%*
Other Assets	13 332	7 448	6 559	4 979	5 602	4 526
1Y Growth	*79.0%*	*13.6%*	*31.7%*	*(11.1%)*	*23.8%*	*> 99%*
Total Assets	427 998	313 515	229 201	190 965	166 701	118 196
1Y Growth	*36.5%*	*36.8%*	*20.0%*	*14.6%*	*41.0%*	*56.3%*
Liabilities (MWK Millions)						
Total Deposits	320 147	223 644	169 591	141 261	134 157	92 575
1Y Growth	*43.2%*	*31.9%*	*20.1%*	*5.3%*	*44.9%*	*59.4%*
Interest Bearing Deposits	60 659	19 234	2 203	662	4 018	7 858
1Y Growth	*> 99%*	*> 99%*	*> 99%*	*(83.5%)*	*(48.9%)*	*> 99%*
Other Current liabilities	65	3 217	1 720	2 689	1 825	1 416
1Y Growth	*(98.0%)*	*87.0%*	*(36.0%)*	*47.3%*	*28.9%*	*> 99%*
Income Taxes Payable	65	3 217	1 720	2 689	1 825	1 416
1Y Growth	*(98.0%)*	*87.0%*	*(36.0%)*	*47.3%*	*28.9%*	*> 99%*
Deferred Income Tax	9 183	3 297	2 988	2 284	2 456	1 088
1Y Growth	*> 99%*	*10.3%*	*30.8%*	*(7.0%)*	*> 99%*	*(0.9%)*
Deferred Income Tax	9 183	3 297	2 988	2 284	2 456	1 088
1Y Growth	*> 99%*	*10.3%*	*30.8%*	*(7.0%)*	*> 99%*	*(0.9%)*
Other Liabilities, Total	26 371	20 557	7 867	7 639	5 353	6 684

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1Y Growth	*28.3%*	*> 99%*	*3.0%*	*42.7%*	*(19.9%)*	*83.2%*
Reserves	2 856	3 054	2 264	1 986	1 667	1 536
1Y Growth	*(6.5%)*	*34.9%*	*14.0%*	*19.1%*	*8.5%*	*> 99%*
Pension Benefits	85	113	140	143	113	118
1Y Growth	*(24.8%)*	*(19.3%)*	*(2.1%)*	*26.5%*	*(4.2%)*	*(25.8%)*
Other Liabilities	23 430	17 390	5 463	5 510	3 573	5 030
1Y Growth	*34.7%*	*> 99%*	*(0.9%)*	*54.2%*	*(29.0%)*	*70.2%*
Total Liabilities	355 766	250 715	182 166	153 873	143 791	101 763
1Y Growth	*41.9%*	*37.6%*	*18.4%*	*7.0%*	*41.3%*	*61.0%*
Equity (MWK Millions)						
Additional Paid-In Capital	8 492	8 492	8 492	8 492	854	854
1Y Growth	*0.0%*	*0.0%*	*0.0%*	*> 99%*	*0.0%*	*0.0%*
Retained Earnings	55 615	49 947	34 527	24 202	20 058	13 028
1Y Growth	*11.3%*	*44.7%*	*42.7%*	*20.7%*	*54.0%*	*46.0%*
Unrealized Gain (Loss)	7 533	4 211	4 211	4 211	2 381	2 381
1Y Growth	*78.9%*	*0.0%*	*0.0%*	*76.9%*	*0.0%*	*0.0%*
Other Equity, Total	358	(84)	(429)	(47)	(596)	(43)
1Y Growth	*> 99%*	*80.4%*	*< (99%)*	*92.1%*	*< (99%)*	*< (99%)*
Other Equity	358	(84)	(429)	(47)	(596)	(43)
1Y Growth	*> 99%*	*80.4%*	*< (99%)*	*92.1%*	*< (99%)*	*< (99%)*
Total Equity	72 232	62 800	47 035	37 092	22 910	16 433
1Y Growth	*15.0%*	*33.5%*	*26.8%*	*61.9%*	*39.4%*	*32.5%*
Total Liabilities & Equity	427 998	313 515	229 201	190 965	166 701	118 196
1Y Growth	*36.5%*	*36.8%*	*20.0%*	*14.6%*	*41.0%*	*56.3%*

Source – Thompson Reuters Eikon

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