

GROUP

2020 2019 Restated

Year ended 31 December

13,151,239

6,615,675)

6.535.564

(1.013.001)

858,204

2.517.522

10,015,005

(3,223,890)

(3,608,237)

(923,861)

2.259.017

1.913.887

(445,167)

270

Year ended 31 December

1.503.374

34,524,192

1.292.513

26,213,601

3,947,606

1.602.743

1,276,285

739,728

769,130

48,993,323

624.070

769.362

2.148.278

5,444

8,256,658

1.500.000

(2,473,730)

7.288.372

**114,130,242** 72,016,193 **114,145,031** 72,048,335

31 December 31 December 31 December 31 December

1.913.887

923.861

84.530

7.164.596

(7,899)

(737,742)

(10 146 143)

64,727,821

103,715

Year ended 31 December

16,593,065

7.842.335

(933.693)

3,631,351

1,622,970

2,459,206

15,534,531

(6,617,847)

(5,700,050)

(1,723,894)

1.492.740

1.748.404

2.243.309

2,243,309

2.243.309

4.038.113

43,019,986

10.651.088

43,246,136

5,155,557

2.362.170

2,217,786

1.945.694

1,264,035

79,193,555

1,285,799

1.742.820

6.594.502

5,444

8,256,658

1.500.000

9.447.565

1.748.404

1.723.894

30.200.232

(17 032 535)

(1,207,951)

661,729

160.823

CONSOLIDATED

2020 2019 Restated

104,682,677

114,130,242

412

CPOLID

2020 2019 Pestated

494,905

(21.331)

BANK

16,593,178

(8.749.743)

7.843.435

(933.693)

3,631,351

1.311.174

2,459,206

(6,359,123)

(5,681,851)

(1,712,716)

1.470.145

1.725.809

2.226.944

1,468,720 **2,226,944** 1,458,062

1.468.720 **2.226.944** 1.458.062

409

3.528.315

43,019,986

10.651.088

43,246,136

5 507 451

207,800

229,677

2.334.688

2,207,882

1,259,393

79,193,555

1.285.799

1.741.833

6.594.502

104,681,690

5,444

8,256,658

9.463.341

1.725.809

1,712,716

159.836

30.200.232

(17 032 535)

(1,470,099)

661,729

SEPARATE

2020 2019 Restated

1.900.033

923.612

84.701

7 164 596

(731, 275)

(10 146 143)

(1,365)

1.500.000

1,952.615

RANK

Year ended 31 December 31 December

2020 2019 Restated

501,135

(21.331)

Year ended 31 December 31 December

2020 2019 Restated

13,149,728

(6,615,675)

6.534.053

(1.013.001)

858,204

2.517.522

82,406

9,992,185

(3,211,898)

(3,611,512)

(923,612)

2.245.163

1.900.033 (441,971)

268

1.264.497

1.292.513

26,213,601

4.037.352

207,800

1.591.814

1,271,559

739,728

758,258

48,993,323

12,192,788

64,727,821

5,444

8,256,658

1.500.000

7.320.514

2.148.278

624.070

769.362

# SUMMARY OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31st DECEMBER 2020

(546.408)

5,000,284

(3,401,011)

(147.021)

(764.361)

(1,466,708)

1.500.000

8,439,780

(300.672)

(9,606,852)

(1,292,969)

2,795,887

32,256

15.957.688

3,233,984

(1.838.220)

(8.495.794)

(2,231,069) **(11,308,339)** (2,215,333)

8.119.437

(979.619)

(1.869.287)

5,270,531

11,622,393

306.749

(2,812,545) (1,450,972)

**14,179,403** 2,557,010

(547.339)

5.000.284

(3.401.011)

(147.021)

(764.361)

1.500.000

8.439.780

(300 672)

32,256

(9,606,852)

(1,278,164)

16.254.596

(1.838.220)

3.233.985

306.749

(8.495.794)

(2,838,533)

(11,334,327)

8,119,437

(979,619)

(1.869.287)

5,270,531

11,893,314

14,689,201

# **KEY HIGHLIGHTS**



**62%**1

**MK2.2 BN** 

ROF 27% 52%

### STATEMENTS OF COMPREHENSIVE INCOME

In thousands of Kwacha

INCOME
Interest and similar income
Interest expense and similar charges
Net interest income
Fee and commission income
Fee and commission expense
Net fee and commission income
Net (loss)/gains on derecognition of financial assets
Profit from dealing in foreign currencies
Gain on bargain purchase

## **EXPENDITURE**

Staff costs Depreciation and Amortisation Profit before recoveries and impairment losses Impairment credit/(losses) on loans to customers Profit before tax

Tax credit/(expense) Profit for the year OTHER COMPREHENSIVE INCOME

Items that may not be reclassified to profit or loss Items that may not be reclassified to profit or loss Total comprehensive income for the year net of tax

### Attributable to: Equity owners of the parent entity

STATEMENTS OF FINANCIAL POSITION In thousands of Kwacha

### ASSETS

Cash and funds with Reserve Bank of Malawi Government of Malawi treasury bills and notes Placements with other banks Loans and advances Other assets Investment in subsidiary Plant and equipmen Intangible assets

# Deferred tax asset

## LIABILITIES

Right of use asse

Customer deposits Other liabilities Lease liability External borrowings

## EQUITY

Capital and reserve Share capital

Capital contribution Accumulated losses Total equity

## Total equity and liabilities

STATEMENTS OF CASHFLOWS In thousands of Kwacha

# Profit before tax

Adjustments for: Depreciation/amortisation Interest on lease liability Common control fair value movement Changes in customer deposits Changes in other liabilities and provisions Changes in loans and advances Changes in other assets

Net cash generated from/(used in) operating activities Interest received

Interest paid Income tax paid

Net cash generated from operating activities Cash flows from investing activities

Investments with maturity over three months Purchase of plant, equipment and intangible assets

### Cash flows from financing activitie

Capital contribution proceeds from equity owners Issuance of medium term bond note Repayment of lease liabilities External borrowings

et increase/(decrease) in cash and cash equivalent Cash and cash equivalents at beginning of the year

Cash and cash equivalents at end of the year

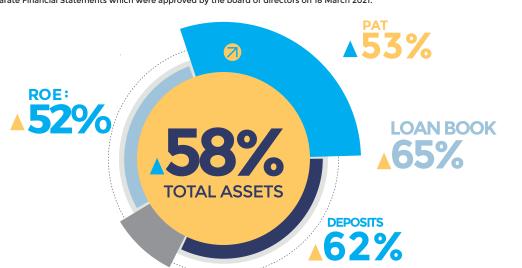
### STATEMENTS OF CHANGES IN EQUITY

<del>-</del> =/						
In thousands of Kwacha	Share Capital	Share Premium	Capital Contribution	Loan Loss Reserves	Accumulated Losses	Totals
2020						
Group						
As at 1 January 2020	5,444	8,256,658	1,500,000	-	(2,473,730)	7,288,372
Comprehensive income for the year	-	-	-	-	2,243,309	2,243,309
Regulatory reserve	-	-	-	(84,116)	-	(84,116)
As at 31 December 2020	5,444	8,256,658	1,500,000	(84,116)	(230,421)	9,447,565
2019						
2019 As at 1 January 2019	5.444	8.256.658		_	(4,216,552)	4,045,550
IFRS 9 Transition Adjustment	5,444	8,236,638	-	-	15,600	15,600
Capital Contribution		_	1.500.000	-	15,600	1,500,000
Comprehensive income for the year	_	_	1,500,000	_	1.468.720	1,468,720
Common control gain					258.502	258,502
<b>3</b>						
As at 31 December 2019	5,444	8,256,658	1,500,000	-	(2,473,730)	7,288,372
2020						
Bank						
As at 1 January 2020	5,444	8,256,658	1,500,000	-	(2,441,588)	7,320,514
Comprehensive income for the year	-		-	-	2,226,944	2,226,944
Transfer from loan loss reserve				(84,117)		(84,117)
As at 31 December 2020	5,444	8,256,658	1,500,000	(84,117)	(214,644)	9,463,341
2019						
As at 1 January 2019	5,444	8,256,658	_	-	(4,173,752)	4,088,350
IFRS 9 Transitional Adjustment				-	15,600	15,600
Capital Contribution		-	1,500,000			1,500,000
Comprehensive income for the year	-		-	-	1,458,062	1,458,062
Common control gain					258,502	258,502
As at 31 December 2019	5,444	8,256,658	1,500,000	-	(2,441,588)	7,320,514

## **NOTE TO THE SUMMARY FINANCIAL STATEMENTS**

### 1. BASIS OF PREPARATION

The Directors have prepared the summary consolidated and separate financial statements to meet the requirements of the Financial Services Act, 2010. The Directors have considered the requirements of the Financial Services Act, 2010 and believe that the summary statements of financial position, comprehensive income, changes in equity and cash flows are sufficient to meet the requirements of the users of the summary consolidated and separate financial statements. The amounts in the summary consolidated and separate financial statements are prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards. The summary consolidated and separate financial statements have been derived from the Annual Consolidated and Separate Financial Statements which were approved by the board of directors on 18 March 2021.



### 2020 2019 Net Loans Senior Management Kev Management 92.295 199.354 Total Related Party Balances 206,051 99,549 vestments in Subsidiaries

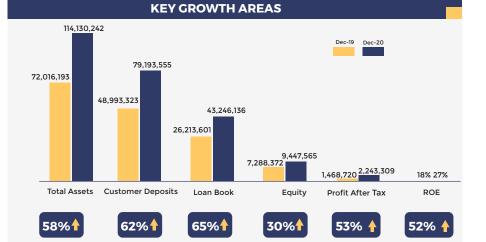
MyBucks Bureau De Charge	100%	207,800,000	207,800,000
Base Lending Rate			_
		31 December 2020	31 December 2019
Base Lending Rate (local currency)		12.30%	12.50%
Maximum Applicable Range (percentage points)		11.60%	11.60%
Base Lending Rate (foreign currency)		8.10%	8.10%

		13.30%
Deposit Rates		
Type of Deposit	31 December 2020 Rate	31 December 2019 Rate
Savings accounts	2.0%	4.0%
Current accounts	0.05%	0.15%
I month fixed deposit	3.5%	4.0%
2 months fixed deposit	4.0%	4.5%
3 months fixed deposit	5%	5.0%
6 months fixed deposit	Negotiable	Negotiable
Over 6 months fixed deposit	Negotiable	Negotiable

## $Total\ credit\ facilities\ including\ guarantees,\ acceptances\ and\ other\ similar\ commitments\ extended\ to\ any\ one\ customer$ or group of related customers where amounts exceed 25% of our core capital.

Sector of Borrower	As at	As at	As at	As at
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
		Exposure	% of Core Capital	Exposure

### Sector of Borrowe As at As at As at 31 December 2020 31 December 2020 31 December 2019 31 December 2019 Impaired Amount Exposure Agriculture 4 242 803 (164,069) 2 695 701 (657 102) Manufacturing 1.252.616 (48.440) 795.860 (21,916) Construction 835.078 (32.290) 530.574 (14.610) 12,526,165 (484,396) 7,958,606 (219,153) 417.539 (16.149) 265.287 (7,305) 1.252.616 (48,440) 795.860 (21,915) Transport and cor 835.078 (32,290) 530,574 (14,610) Financial services 22,788,797 (881.258) 14,479,056 (1,397,270) 835.078 (32.302) 530,574 (14,610)



We hereby present the summarised, audited financial results for the year ended 31st

Headline inflation averaged 7.6% in December 2020, compared to 11.5% in December 2019. The decrease was predominantly on account of easing pressure from food inflation. The Kwacha remained stable against the United States Dollar and the Euro but was under pressure from the currencies of trading partners in the region. The reference rate closed at 12.3% compared to 12.5% in 2019.

**BOOK** 

The Group continues to show strong performance year on year. The revenue grew by 26% driven by a 65% growth in loans and advances and 25% in treasury investments. Year on year the total asset base grew by 58% from Mk72 billion in 2019 to Mk114 billion in 2020; this was on account of a 65% growth in loans and advances and also a 25% growth in treasury ents. The Group's profit after tax of Mk2.2 billion was 53% above prior year. This was due to growth in interest generating assets, mainly the 65% growth in the loan book Non-interest revenue grew by \$23% above the same period prior year due to growth in transactions volume in the transactional business and investment income

Credit impairments were -174% below prior year due to decline of the non-performing loai

Operating costs grew by 81% as a result of the acquisition of Nedbank Malawi, one of the rate banks in Malawi. The merger resulted in the Group acquiring

Earnings per share for the year increased from K270 in 2019 to K412 in 2020.

The Group expects macroeconomic stability to continue in 2021 supported by stable food prices and lower than prior year projected global oil prices. However, we also expect the impact of COVID-19 on certain sectors of the economy will continue to be felt in the medium

As a Croup, we remain vigilant in monitoring and managing risks related to COVID-19. We also remain committed to ensuring customer satisfaction. In order to improve customer satisfaction and improve efficiencies, the Croup implemented a new digital banking system after year end. With the new system in place, we will drive the digitisation agenda to grow the business as well as enhance customer experience. We will also focus on cost rationalisation, prudent management of risk and liquidity, diversification of the balance sheet, whilst maintaining a healthy capital positi

The Group will continue to focus on achieving growth through acquisitions, mergers and



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Z. SHABA

Opinion

The summary consolidated and separate financial statements, (the "summary financial statements") of MyBucks Banking Corporation Limited which comprise the summary consolidated and separate statements of financial position as at 31 December 2020, the summary consolidated and separate statements of comprehensive income, changes in summary consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and the related notes are derived from the audited consolidated and separate financial statements of MyBucks Banking Corporation Limited for the year ended 31 December 2020.

In our opinion, the accompanying summary of consolidated and separate financial statements of MyBucks Banking Corporation Limited are consistent, in all material respects, with the audited consolidated and separate financial statements, in accordance with the basis of preparation note.

We have not audited the overall performance and outlook included in the summary of

Summary consolidated and separate financial statements

The summary consolidated and separate financial statements do not contain all the disclosures required by the International Financial Reporting Standards. Reading the summary consolidated and separate financial statements, and our report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements and our report thereon. The summary consolidated and separate financial statements and the audited consolidated and separate financial statements do not reflect the effects of events that occurred subsequent to that date of our report on the audited consolidated an

statements in our report dated 31 March 2021. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgement were of most significance in our audit of the consolidated and separate financial statement for the current year.

Our responsibility is to express an opinion on whether the summary consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Chartered Account Partner Lilongwe, Malawi



An instinct for growth

