National Bank of Malawi plc

SUMMARY OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTH PERIOD ENDED 30th JUNE 2025

	GROUP			COMPANY		
	30-Jun-25 Unaudited K'm	30-Jun-24 Unaudited K'm	31-Dec-24 Audited K'm	30-Jun-25 Unaudited K'm	30-Jun-24 Unaudited K'm	31-Dec-24 Audited K'm
SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME						
Interest income and similar income	151,945	107,260	236,516	138,116	94,912	210,164
Interest expense	(22,796)	(18,382)	(36,851)	(19,547)	(15,646)	(30,847)
Net interest and similar income	**129,149**	**88,878**	**199,665**	**118,569**	**79,266**	**179,317**
Insurance revenue	6,128	5,109	10,628	-	-	-
Other income	76,964	50,490	103,954	67,727	41,833	92,559
Net Revenue	**212,241**	**144,477**	**314,247**	**186,296**	**121,099**	**271,876**
Operating expenses	(70,742)	(65,873)	(134,437)	(53,913)	(44,857)	(100,198)
Profit before impairment losses on financial assets	**141,499**	**78,604**	**179,810**	**132,383**	**76,242**	**171,678**
Net impairment losses on financial assets	(12,737)	(8,438)	(12,663)	(13,410)	(7,364)	(10,896)
Profit before taxation	**128,762**	**70,166**	**167,147**	**118,973**	**68,878**	**160,782**
Taxation	(44,653)	(28,092)	(65,437)	(42,363)	(26,615)	(61,624)
Profit after tax	**84,109**	**42,074**	**101,710**	**76,610**	**42,263**	**99,158**
Other comprehensive income						
Surplus on revaluation of properties	-	5.00	9,183	-	-	9,127
Fair value gain on investment in unquoted shares	-	-	946	-	-	946
Deferred tax on revalued assets	-	-	(3,613)	-	-	(3,619)
Other comprehensive income net of tax	**-**	**5.00**	**6,516**	**-**	**-**	**6,454**
Total comprehensive income for the period	**84,109**	**42,079**	**108,226**	**76,610**	**42,263**	**105,612**
Profit attributable to shareholders						
Owners of the Parent	82,361	43,014	102,283	76,130	42,263	99,158
Non-Controlling Interest (Minorities)	1,748	(940)	(573)	-	-	-
	84,109	**42,074**	**101,710**	**76,130**	**42,263**	**99,158**
Comprehensive income attributable to shareholders						
Owners of the Parent	82,361	43,019	108,799	76,130	42,263	105,612
Non-Controlling Interest (Minorities)	1,748	(940)	(573)	-	-	-
	84,109	**42,079**	**108,226**	**76,130**	**42,263**	**105,612**
DIVIDENDS PAID						
Interim	17,398	13,999	12,999	17,398	13,999	12,999
Final (for prior year)	-	-	37,000	-	-	37,000
Total	**17,398**	**13,999**	**49,999**	**17,398**	**13,999**	**49,999**
Earnings per share (Kwacha)	176.36	92.11	217.79	164.05	90.50	212.33
Dividend per share (Kwacha)	37.25	29.98	107.06	37.25	29.98	107.06
Number of ordinary shares in issue (millions)	467	467	467	467	467	467
SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION						
LIABILITIES & EQUITY						
Customer deposits	1,600,968	1,067,670	1,328,427	1,248,026	853,593	1,034,137
Current income tax liabilities	26,819	17,428	34,287	25,314	16,397	32,623
Other liabilities	119,642	58,855	66,044	99,501	40,921	43,651
Insurance Contracts Liabilities	13,194	13,352	9,488	-	-	-
Re-Insurance Contracts Liabilities	78	138	203	-	-	-
Loans and borrowings	11,220	9,177	11,349	194	194	209
Lease liabilities	8,197	4,960	8,761	3,764	626	4,132
Deferred tax	747	5,070	972	726	5,067	726
Equity attributable to equity holders of the parent company	332,443	237,616	268,481	310,707	224,146	251,495
Non-controlling interest	3,941	1,938	2,193	-	-	-
Total liabilities and equity	**2,117,249**	**1,416,204**	**1,730,205**	**1,688,232**	**1,140,944**	**1,366,973**
ASSETS						
Cash and funds with Central Banks	171,741	80,559	171,927	141,034	58,846	142,136
Placements with other banks	202,333	168,782	101,662	202,333	168,241	100,778
Other money market investments	256,294	130,091	181,617	7,039	18,880	8,746
Other assets	61,101	39,198	52,940	55,021	32,861	48,055
Insurance Contracts Assets	999	1,592	109	-	-	-
Reinsurance Contracts Assets	3,246	3,437	2,605	-	-	-
Income Tax Receivable	-	2	-	-	-	-
Equity investments	24,895	11,782	18,761	21,816	10,354	17,081
Government Promissory Notes	6,760	-	-	6,760	-	-
Government Securities	714,290	433,007	628,542	661,241	395,423	573,132
Loans and advances to customers	567,974	460,216	467,783	478,248	365,048	372,467
Investment in subsidiaries	-	-	-	27,970	20,965	20,966
Property and equipment	70,675	59,119	69,126	67,446	56,461	66,203
Intangible assets	21,486	14,750	18,606	16,828	13,856	14,296
Investment properties	1,250	1,040	1,240	-	-	-
Right of use assets	5,041	3,159	6,132	2,496	9	3,113
Deferred tax	4,517	4,753	4,508	-	-	-
Goodwill	4,647	4,717	4,647	-	-	-
Total assets	**2,117,249**	**1,416,204**	**1,730,205**	**1,688,232**	**1,140,944**	**1,366,973**
Memorandum items						
Contingent liabilities - Letters of credit and guarantees	**87,557**	**53,532**	**81,894**	**87,557**	**53,532**	**77,616**
SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY						
As at beginning of period	**270,674**	**207,774**	**207,774**	**251,495**	**195,882**	**195,882**
Total comprehensive income for the year	84,109	42,079	108,226	76,610	42,263	105,612
Translation differences	(1,001)	2,163	3,206	-	-	-
Dividends paid	(17,398)	(14,047)	(50,047)	(17,398)	(13,999)	(49,999)
Transfer of minority interest from UGI	-	1,585	1,515	-	-	-
As at end of period	**336,384**	**239,554**	**270,674**	**310,707**	**224,146**	**251,495**
SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS						
Cash flows from operating activities						
Profit before tax	**128,762**	**70,166**	**167,147**	**118,973**	**68,878**	**160,782**
Adjustments for:						
Depreciation of property and equipment	3,512	3,039	6,293	2,937	2,517	5,319
Amortisation of intangible assets	1,287	694	1,645	842	694	1,451
Amortisation of right of use of assets	1,091	478	2,289	617	-	1,234
Interest on lease liability	1,046	1,202	2,274	610	731	1,271
Interest payable on loans	-	-	339	-	-	59
Net gains on financial instruments classified as held for trading	(12,864)	(971)	(7,299)	(10,816)	(941)	(6,807)
(Gains)/ loss on disposal of financial instruments classified as held for trading	(5,095)	25	56	(5,095)	25	56
(Profit)/ loss on disposal of property and equipment	(29)	60	(64)	(32)	61	(38)
Write-off of property and equipment	-	-	9	-	-	9
Dividends received	(323)	(127)	(426)	(1,290)	(107)	(1,603)
Net fair value loss on revaluation of property	-	-	(353)	-	-	(153)
Net losses on modified and restructured loans	(61)	(46)	(59)	(61)	(46)	(59)
Movement in allowance for impairment in loans and advances	15,550	10,548	16,950	15,407	8,948	14,057
Operating cashflows before working capital movements	**132,876**	**85,068**	**188,801**	**122,092**	**80,760**	**175,578**
Increase in operating assets	(126,356)	(71,530)	(98,586)	(127,804)	(58,951)	(90,330)
Movement in investments	16,548	35,941	87,536	14,186	33,941	103,362
Movement in liabilities to other banks	32,661	4,337	732	34,902	(1,631)	(6,103)
Increase in operating liabilities	296,460	102,017	373,560	234,438	101,694	292,948
Net cash flow from operating activities	**352,189**	**155,833**	**552,043**	**277,814**	**155,813**	**475,455**
Tax paid	(50,951)	(29,369)	(58,019)	(49,571)	(28,247)	(54,991)
Net cash generated from operating activities	**301,238**	**126,464**	**494,024**	**228,243**	**127,566**	**420,464**
Net cash outflow from investing activities	**(106,769)**	**(91,527)**	**(347,918)**	**(111,123)**	**(95,398)**	**(344,495)**
Net cash outflow from financing activities	**(19,307)**	**(18,964)**	**(54,368)**	**(18,374)**	**(19,122)**	**(57,229)**
Net increase in cash and cash equivalents	**175,162**	**15,973**	**91,738**	**98,746**	**13,046**	**18,740**
Cash and cash equivalents at beginning of the period	**455,206**	**363,468**	**363,468**	**251,660**	**232,920**	**232,920**
Cash and cash equivalents at end of the period	**630,368**	**379,441**	**455,206**	**350,406**	**245,966**	**251,660**

IMPAIRMENT LOSSES/NON PERFORMING CREDIT FACILITIES AND PROVISIONS FOR LOSSES BY INDUSTRY SECTOR

	30th June 2025			30th June 2024		
Sector	Outstanding Amount	Impaired Amount	Expected Credit Losses	Outstanding Amount	Impaired Amount	Expected Credit Losses
	K'm	K'm	K'm	K'm	K'm	K'm
Agriculture, Forestry, Livestock and Fishing	96,948	14,522	4,389	77,962	11,109	3,488
Manufacturing	79,539	6,302	1,141	42,027	2,088	874
Mining and Quarrying	2,618	217	41	2,652	2,377	1,067
Construction and Engineering	8,022	2,350	44	8,616	1,381	164
Energy/Electricity, Gas, Air conditioning, Water supply & Waste management	59,431	1,121	60	19,462	14,509	191
Transport/Storage	18,121	2,973	1,244	18,755	3,037	336
Communication	12,071	10,241	1,493	14,096	64	772
Financial/Insurance/Professional/Scientific & Technical services	14,977	6,336	214	15,158	4,855	2,387
Wholesale/Retail	70,863	4,353	1,202	67,033	7,171	1,652
Individual/Households	128,830	3,913	2,123	129,841	2,836	4,061
Real Estate	7,974	564	3	6,560	6	9
Tourism	52,990	34,722	143	47,796	26,764	325
Other	28,368	1,222	681	26,481	2,112	897
TOTAL	**580,752**	**88,837**	**12,778**	**476,439**	**78,309**	**16,223**

CREDIT CONCENTRATION

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 core capital.

SECTOR OF BORROWER

	30th June 2025		30th June 2024	
	K'm	% OF CORE CAPITAL	K'm	% OF CORE CAPITAL
Energy/Electricity, Gas, Air conditioning, Water supply & Waste management	54,923	30%	-	0%

LOANS TO DIRECTORS, SENIOR MANAGEMENT AND OTHER RELATED PARTIES

	30th June 2025	30th June 2024
	K'm	K'm
DIRECTORS:		
Balance at beginning of the half year	356	305
Loans granted during the half year	108	133
Repayments	(121)	(61)
Balance at end of half year	**343**	**377**
SENIOR MANAGEMENT OFFICIALS:		
Balance at beginning of year	1,255	900
Loans granted during the half year	372	343
Repayments	(79)	(36)
Balance at end of half year	**1,548**	**1,207**
OTHER RELATED PARTIES:		
Balance at beginning of half year	27,143	17,794
Loans granted during the half year	8,158	3,091
Repayments	(16,595)	(3,239)
Balance at end of half year	**18,706**	**17,646**
Total related party lending	20,597	19,230
Total related party lending as a percentage of core capital	12%	11%
Total related party lending	19,230	19,203
Total related party lending as a percentage of core capital	11%	16%

INVESTMENTS IN SUBSIDIARIES

	Name of Subsidiary	Percentage Holding
	30th June 2025	30th June 2024
NBM Capital Markets Limited	100%	100%
NBM Securities Limited	100%	100%
National Bank of Malawi Nominees Limited	100%	100%
NBM Bureau De Change Limited	100%	100%
NBM Development Bank Limited	100%	100%
NBM Pension Administration Limited	100%	100%
Akiba Commercial Bank	60.48%	60.48%
Stockbrokers Malawi Limited	75.00%	75.00%
United General Insurance	55%	55%

LENDING RATES

	30th June 2025	30th June 2024
Malawi Kwacha facilities		
Base Lending Rate	25.1%	25.1%
Lending Rate Spread	1.1% to 8%	1% to 11%
Foreign Currency facilities	7% to 12.5%	7% to 12%

DIRECTORS REMUNERATION, BONUSES AND MANAGEMENT FEES

	30th June 2025	30th June 2024
	K'm	K'm
Directors Remuneration	1,009	1,013
Total Bonuses Paid by the Group	7,145	5,881

DEPOSIT RATES

	30th June 2025	30th June 2024
Type of Deposit	**Rate %**	**Rate %**
Malawi Kwacha		
Current Account	0.00	0.00
Savings	5.75	5.75
Special savings	4.00	4.00
Savings Bond	12.00	12.00
Student Save	5.00	5.00
Fiesta Save	8.75	8.75
7 Day Call	5.00	5.00
30 Day Call	6.00	6.00
2 Months	6.50	6.50
3 Months	7.50	7.50
6 Months	8.00	8.00
9 Months	Negotiable	Negotiable
12 Months	Negotiable	Negotiable
Foreign Currency Denominated Accounts (FCDAs)		
USD	0.50	0.50
GBP	0.50	0.50
ZAR	1.50	1.50
EUR	0.25	0.25

Financial Highlights

100%	50%	67%	47%	52%
PROFIT AFTER TAX	CUSTOMER DEPOSITS	INVESTMENT IN FIXED INCOME SECURITIES	NET REVENUE	OTHER INCOME
K84.1b	K1,601.0b	K721.1b	K212.2b	K77.0b

SUMMARY OF UNAUDITED INTERIM RESULTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

The Board is pleased to present the unaudited interim results for the Group for the six-month period ended 30 June 2025.

PERFORMANCE

The Group registered a profit after tax of K84.1b representing a 100% increase from K42.1b reported in 2024. These results were largely driven by a significant increase in customer deposits, which in turn led to an expansion of our loan portfolio and fixed income securities. The Group also registered notable gains from capital appreciation of listed equity investments.

Customer deposits increased by 50% (2024: 30%) while the Bank's loan book registered growth of 23% (2024: 42%). Investment in fixed income securities grew by 67% (2024:19%), resulting in growth in Net revenue by 47% (2024: 42%).

In addition, other income grew by 52%, increasing from K50.5b to K77.0b, primarily arising from growth in profits on foreign exchange dealings related to agricultural contract farming loan financing schemes. Operating expenses were well managed increasing by a modest 7%, well below inflation, due to effective cost containment strategies.

However, credit impairment charges grew by 51%, increasing from K8.4b to K12.7b, mainly due to downgrades triggered by the challenging macroeconomic conditions. These factors affected the forward-looking impairment drivers associated with financial investments and loans extended to customers and banks.

All the subsidiaries of the Bank posted profits that positively contributed to the Group's overall performance, with the exception of Akiba Commercial Bank (ACB) in Tanzania. Despite recording a loss, ACB registered a significant improvement in its performance resulting in a reduced loss of K0.8b from K2.6b in the same period in 2024, due to strategic turnaround initiatives implemented.

The Group's shareholding in its non-life insurance subsidiary, United General Insurance Company Limited, registered a slight decline from 57% as at 31 December 2024 to 55%. This change occurred upon completion of share subscription by all shareholders in the period under review, which restored parity to the status as at 30 June 2024.

THE OPERATING ENVIRONMENT

The International Monetary Fund (IMF) has revised downwards Malawi's economic growth projection for 2025 to 2.4%, from an earlier estimate of 3.2%. This adjustment is attributed to a weaker-than-expected output from the agricultural season, the suspension of foreign aid by some donor agencies, and challenges faced by the private sector in importing essential goods for production. The World Bank anticipates an even slower growth rate of 2.0%, while the African Development Bank projects a growth rate of 3.0%. The actual economic growth recorded in 2024 was 1.8%.

Inflation for the second quarter of 2024 closed at 27.1%, a decrease from 30.5% at the end of the first quarter. This decline was primarily due to a slower rate of increase in food prices during the second quarter, attributed to seasonal price fluctuations during the peak harvesting season, which eased the food situation across the country. Food inflation fell to 31.6% in June 2025 from 36.0% recorded in January 2025, whilst non-food inflation rose from 16.9% to 20.1% during the same period, driven by factors such as, speculative pressure on the Malawi Kwacha in informal currency markets, a 16% increase in electricity tariffs implemented in January 2025 and a 10% increase in water tariffs that took effect on 1 September 2024.

The foreign exchange supply challenges continued to exert pressure on the local currency. Throughout the first half of 2025, the Malawi Kwacha traded at K1,751 to the US Dollar, albeit that it continued to weaken in informal currency markets.

DIVIDEND

An interim dividend of K16.64b (2024: K13.0b) has been declared for the half-year ended 30 June 2025 representing K35.64 per share (2024: K27.84 per share). The dividend will be paid in October 2025.

OUTLOOK

The projected economic growth prospects are likely to be influenced by a slowdown in the global economy, driven by trade wars precipitated by the policy direction adopted by the new USA administration, as well as the potential for escalating conflict in the Middle East, Europe, and Asia. In addition, factors such as persistent inflationary pressures on the local economy including potential fiscal slippages related to spending for the 2025 tripartite elections, challenges in foreign exchange supply, La Niña-induced weather conditions affecting agricultural production, and weak performance of the export sector are expected to place further strain on the economy. Consequently, the annual inflation forecast for 2025 has been revised upwards from 24.0% to 29.0%.

The Board anticipates a continued challenging operating environment as a result of these factors. However, the Bank is expected to sustain its enviable performance through its ability to leverage its core strengths, address challenges and exploit opportunities in the market.

BY ORDER OF THE BOARD

Harold N. Jiya
Chief Executive Officer

Daniel C. W. Jere
Chief Financial Officer

Dr. Grant P. Kabango
Director

Madalo C. Mwenelupembe (Mrs.)
Director

28 August 2025
Registered Office:
7 Henderson Street,
BLANTYRE