



SUMMARY OF UNAUDITED CONSOLIDATED RESULTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

PAT

MK90.23 BN

UP BY 23%

TOTAL ASSETS

MK1.61 TN

UP BY 21%

CUSTOMER DEPOSITS

MK1.15 TN

UP BY 33%

CUSTOMER LOAN & ADVANCES

MK358.71 BN

UP BY 30%

TOTAL INCOME

MK213.93 BN

UP BY 11%

COST TO INCOME RATIO

30%

UP FROM 27%

NPL RATIO

2.2%

DOWN FROM 3.5%

TOTAL CAPITAL

28.88%

UP FROM 26.17%

RETURN ON EQUITY

68%

DOWN FROM 90%

SUMMARY STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	CONSOLIDATED UNAUDITED 6 months to 30-Jun-26 MK'm	CONSOLIDATED UNAUDITED 6 months to 30-Jun-25 MK'm	CONSOLIDATED AUDITED 12 months to 31-Dec-25 MK'm	SEPARATE UNAUDITED 6 months to 30-Jun-26 MK'm	SEPARATE UNAUDITED 6 months to 30-Jun-25 MK'm	SEPARATE AUDITED 12 months to 31-Dec-25 MK'm
Interest income	215,536	174,535	417,942	215,536	174,535	417,942
Interest expense	(45,874)	(51,768)	(110,202)	(46,016)	(51,769)	(110,350)
Net Interest Income	169,662	122,767	307,740	169,520	122,766	307,592
Fees and other non-interest income	44,268	69,943	111,016	41,404	68,306	108,027
Total operating income	213,930	192,710	418,756	210,924	191,072	415,619
Operating expenses	(64,700)	(52,950)	(112,206)	(63,920)	(52,503)	(111,219)
Profit before impairment losses	149,230	139,760	306,550	147,004	138,569	304,400
Impairment provisions	(6,085)	(7,978)	(38,409)	(6,085)	(7,978)	(38,409)
Profit before tax	143,145	131,782	268,141	140,919	130,591	265,991
Income tax expense	(52,913)	(58,535)	(117,719)	(52,238)	(58,174)	(117,090)
Profit for the period	90,232	73,247	150,422	88,681	72,417	148,901
Earnings per share (MK)	29.42	25.24	51.68			
Weighted average ordinary shares in issue (million)	2,911	2,911	2,911			

STATEMENT OF OTHER COMPREHENSIVE INCOME

Profit for the period	90,232	73,247	150,422	88,681	72,417	148,901
Items that may be reclassified subsequently to profit or loss						
Net Fair value adjustments on Malawi Government treasury notes	(4,578)	220	(507)	(4,578)	220	(507)
Total Comprehensive Income	85,654	73,467	149,915	84,103	72,637	148,394

SUMMARY STATEMENTS OF FINANCIAL POSITION

	CONSOLIDATED UNAUDITED 30-Jun-26 MK'm	CONSOLIDATED UNAUDITED 30-Jun-25 MK'm	CONSOLIDATED AUDITED 31-Dec-25 MK'm	SEPARATE UNAUDITED 30-Jun-26 MK'm	SEPARATE UNAUDITED 30-Jun-25 MK'm	SEPARATE AUDITED 31-Dec-25 MK'm
ASSETS						
Cash and cash equivalents	145,200	164,099	134,622	145,133	164,070	134,610
Trading assets	63,114	61,611	125,869	63,114	61,611	125,869
Derivative assets	44,711	56,688	44,707	44,711	56,688	44,707
Placements with other institutions	66,019	51,778	93,765	63,720	51,778	92,667
Government securities	841,352	642,837	723,373	841,352	642,837	723,373
Loans and advances to customers	358,708	276,564	349,933	358,708	276,564	349,933
Financial investments	131	131	131	131	131	131
Investment in subsidiary	-	-	-	300	300	300
Other assets	36,243	26,255	17,561	36,383	26,344	17,559
Intangible assets	13,807	16,091	14,895	13,784	16,065	14,870
Right-of-use assets	939	2,262	1,612	889	2,207	1,570
Property and equipment	36,138	28,279	34,780	35,741	28,060	34,547
Deferred tax assets	2,673	-	-	2,598	-	-
Total Assets	1,609,035	1,326,595	1,541,248	1,606,564	1,326,655	1,540,136

LIABILITIES AND EQUITY

Liabilities						
Customer deposits	1,148,866	863,682	1,043,907	1,150,623	865,324	1,045,240
Liabilities to financial institutions	-	101,476	87,862	-	101,476	87,862
Derivative liabilities	44,926	56,961	45,043	44,926	56,961	45,043
Long-term loans	55,689	54,611	54,010	55,689	54,611	54,010
Lease liabilities	5,173	5,935	5,814	5,098	5,868	5,754
Other liabilities	43,509	35,443	48,703	43,171	35,360	48,408
Tax payable	43,541	37,885	30,944	43,281	37,723	30,775
Deferred tax liability	-	7,743	3,704	-	7,787	3,788
Total Liabilities	1,341,704	1,163,736	1,319,987	1,342,788	1,165,110	1,320,880
Equity						
Share capital	1,455	1,455	1,455	1,455	1,455	1,455
Share premium	12,104	12,104	12,104	12,104	12,104	12,104
Retained earnings	258,647	149,425	207,997	255,092	148,111	205,992
Loan loss reserve	622	-	623	622	-	623
Fair value reserve	(5,497)	(125)	(918)	(5,497)	(125)	(918)
Total Equity	267,331	162,859	221,261	263,776	161,545	219,256
Total Liabilities & Equity	1,609,035	1,326,595	1,541,248	1,606,564	1,326,655	1,540,136

SUMMARY STATEMENTS OF CHANGES IN EQUITY

As at the beginning of the year	221,261	112,094	112,094	219,256	111,610	111,610
Profit for the period	90,232	73,247	150,422	88,681	72,417	148,901
Other equity movements	(4,578)	220	(507)	(4,578)	220	(507)
Dividend paid	(39,583)	(22,702)	(40,748)	(39,583)	(22,702)	(40,748)
As at the end of year	267,332	162,859	221,261	263,776	161,545	219,256

SUMMARY STATEMENT OF CASH FLOWS

CASHFLOWS FROM OPERATING ACTIVITIES

Profit before income tax expense	143,145	131,782	268,141	140,919	130,591	265,991
Adjustments for non-cash items included within the income statement	24,506	12,878	49,313	24,352	9,589	49,232
Increase in interest earning assets	(81,470)	(148,683)	(366,243)	(80,425)	(145,505)	(365,145)
Increase in deposits and other liabilities	18,472	56,996	217,205	18,853	57,864	212,618
Interest paid	45,874	51,768	110,202	46,016	51,769	110,350
Interest received	(215,536)	(174,535)	(417,942)	(215,536)	(174,535)	(417,942)
Net finance income	163,334	122,469	268,579	163,729	122,829	273,365
Income tax paid	(44,158)	(29,321)	(105,968)	(44,017)	(29,292)	(105,259)
Net cash generated from operating activities	54,167	23,354	23,287	53,891	23,310	23,210

INVESTING ACTIVITIES

Acquisition of property and equipment and intangible assets	(4,815)	(8,621)	(18,193)	(4,627)	(8,535)	(18,090)
Proceeds from disposal of property and equipment	24	21	45	24	21	45
Net cash used in investing activities	(4,791)	(8,600)	(18,148)	(4,603)	(8,514)	(18,045)

FINANCING ACTIVITIES

Net proceeds from loans and borrowings	1,680	11,599	10,997	1,680	11,599	10,997
Dividends declared and paid	(39,583)	(22,702)	(40,748)	(39,583)	(22,702)	(40,748)
Proceeds on lease liability	(745)	(612)	(1,645)	(734)	(603)	(1,627)
Repayment of lease liabilities	(668)	(420)	(585)	(657)	(411)	(568)
Net cash used in financing activities	(39,316)	(12,135)	(31,981)	(39,294)	(12,117)	(31,946)
Net movement in cash and cash equivalents	10,060	2,619	(26,842)	9,994	2,679	(26,781)
Cash and cash equivalents at beginning of the year	134,622	161,395	161,395	134,610	161,349	161,349
Effects of exchange rate changes	519	85	69	529	42	42
Cash and cash equivalents at end of the year	145,201	164,099	134,622	145,133	164,070	134,610

REGULATORY DISCLOSURES

1. IMPAIRMENT LOSSES /NON PERFORMING CREDIT FACILITIES AND EXPECTED CREDIT LOSSES BY INDUSTRY SECTOR

Sector	30-Jun-26			30-Jun-25		
	Outstanding Amount	Impaired Amount	Expected credit loss	Outstanding Amount	Impaired Amount	Expected credit loss
	MK'm	MK'm	MK'm	MK'm	MK'm	MK'm
Agriculture	37,209	124	117	33,486	975	745
Mining	-	-	-	2	-	-
Manufacturing	20,791	116	112	35,942	155	214
Electricity, gas, water and energy	55,545	-	-	42,080	-	1
Construction	6,711	84	78	4,100	889	1,059
Wholesale & Retail	11,628	247	230	5,537	2,029	1,365
Restaurants & Hotels	19,501	579	20	10,936	799	825
Transport	843	46	44	2,582	9	243
Financial Services	5,802	15	14	5,644	-	-
Community	217,263	7,056	6,584	153,222	5,449	4,214
Real Estate	1,039	4	4	1,155	10	24
Other	-	-	-	-	-	-
Total	376,332	8,271	7,203	294,686	10,315	8,690

2. CREDIT CONCENTRATION

Total credit facilities including guarantees, acceptances and other similar commitments extended by the bank to any one customer or group of related customers where amounts exceeded 25% of core capital.

SECTOR OF BORROWER

	MK'm	30-Jun-26 % of Core Capital	MK'm	30-Jun-25 % of Core Capital
Electricity, gas, water and energy	54,463	24%	40,845	30.9%
Electricity, gas, water and energy	83,308	37%		

3. LOANS TO DIRECTORS, SENIOR MANAGEMENT AND OTHER RELATED PARTIES

Directors	30-Jun-26 MK'm	30-Jun-25 MK'm
Balance at the beginning of the period	178	268
Loans granted during the period	68	68
Repayments	(88)	(158)
Balance at end the of period	158	178

Senior Management Officials	30-Jun-26 MK'm	30-Jun-25 MK'm
Balance at the beginning of the period	2,571	925
Loans granted during the period	644	2,293
Repayments	(614)	(647)
Balance at end the of period	2,601	2,571

Total related party lending as a % of Capital	1.23%	2.08%
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INVESTMENTS IN SUBSIDIARIES	Number of shares 30-Jun-26	Percentage Holding 30-Jun-26	Number of shares 30-Jun-25	Percentage Holding 30-Jun-25
Name of subsidiary				
NBS Forex Bureau Limited	7,000,000	100%	7,000,000	100%

LENDING RATES	30-Jun-26	30-Jun-25
Malawi Kwacha facilities		
Reference rate	20.4%	25.1%
Lending rate spread above reference rate	0% to 13.5%	0% to 13.5%
Foreign Currency facilities rate	7.5% to 12%	8% to 10%

DIRECTORS' REMUNERATION AND EMPLOYEE BONUSES	30-Jun-26 MK'm	30-Jun-25 MK'm
Directors' remuneration	168	104
Total bonuses payable to employees	183	8,127
Management fees to related party	2,402	1,013

DEPOSIT RATES	30-Jun-26 Rate %	30-Jun-25 Rate %
Type of Deposit		
Malawi Kwacha		
Current account	0.10	0.10
Savings	2.20	2.00
7 Day Notice	5.00	5.00
30 Day Notice	5.50	5.50
2 Months	6.00	6.50
3 Months	6.00	6.00
6 Months	6.00	Negotiable
9 Months	6.00	Negotiable
12 Months	6.00	Negotiable

Foreign Currency Denominated Accounts(FCDAs)		
USD	3.5	4
GBP	2.5	2.25
ZAR	7.6	3
EUR	2.2	1.5

FINANCIAL REVIEW

The Board is pleased to present a summary of unaudited financial statements of the Group for the six months period ended 30 June 2026. The Group is made up of NBS Bank plc and its subsidiary, NBS Forex Bureau Limited.

The Operating Environment

The Malawi economy recorded a remarkable drop in the overall inflation rate from 26% as at 31 December 2025 to 21.10% as at 30 June 2026 according to Reserve Bank of Malawi. Similarly, interest rates trended downwards resulting in pressure on interest income over the period under review. The Malawi Kwacha remained stable at MK1 751 against the US Dollar despite persistent shortages of foreign currency in the economy. Improvements were noted in the availability of fuel in spite of the supply chain disruptions arising from the Iran war. The above-mentioned conditions created challenges and opportunities for the Bank requiring a shift in its approach to business compared to the prior period.

Performance

The Bank registered a consolidated Profit After Tax (PAT) of MK90.23 billion for the six-month period ended 30 June 2026, reflecting a 23% growth year-on-year compared to the MK73.25 billion reported for a similar period in 2025.

Total operating income grew by 11% year-on-year, reflecting a 38% increase in net interest income and a 37% decrease in non-interest income. The strong net interest income performance stemmed from the growth of customer loans and advances which contributed to increased interest income, the increase in customer deposits and the repricing of wholesale deposits which reduced interest expenses. The shortage of foreign currency negatively impacted trading income and contributed to a decrease in non-funded income. Within non-funded income, fees and commissions reported robust growth of 39% driven by new client acquisitions and an increased level of transactions on the digital platforms.

Operating expenses amounted to MK64.70 billion, representing a 22% increase from MK52.95 billion reported over a similar period in 2025. Imported inflation exerted pressure on costs with fuel, and cost of utilities rising notably over the period, among others. The Bank implemented several initiatives to manage growth in operating costs in response to falling interest rates. Notwithstanding that, the Bank's cost-to-income ratio rose from 27% as at 30 June 2025 to 30% as at 30 June 2026. The Bank remains committed to resourcing its strategy even in tough times. As such, investments in technology, people, customer service and sound risk management will continue.

Credit impairment provisions declined to MK6.09 billion over the six months to 30 June 2026 compared to MK7.98 billion over a similar period in 2025, representing a 24% drop year-on-year. The reduction in provisions is attributed to improved credit risk management. Credit recoveries and cures on previously defaulted accounts and counterparties were particularly strong in the period under review. The Bank's non-performing loans remained well within the Board-approved risk appetite, and materially below industry averages.

The Bank's total assets rose from MK1.33 trillion to close at MK1.61 trillion as at 30 June 2026 representing a 21% increase year-on-year. The major contributors to the expansion of total assets were the growth in customer deposits.

The Bank rebranded the Small and Medium Enterprises segment to Business Banking in the period under review. Business Banking comes with new and revised customer value propositions meant to respond to the needs of new and existing businesses.

Public Debt Restructuring

The Government of Malawi is exploring and implementing measures aimed at addressing the country's public debt position to achieving debt sustainability. Given the nature, complexity and implications of such measures, the solutions require engagement with several stakeholders. NBS Bank plc is in discussions with the Government of Malawi to identify sustainable solutions that appropriately balance the interests of the parties concerned. As at the date of publication of these financial results, no definitive agreement had been reached. Accordingly, there is currently no certainty as to the timing, terms or ultimate outcome of the discussions.