

	GROUP			COMPANY		
	30-Jun-20 Unaudited K'm	30-Jun-19 Unaudited K'm	31-Dec-19 Audited K'm	30-Jun-20 Unaudited K'm	30-Jun-19 Unaudited K'm	31-Dec-19 Audited K'm
<b>SUMMARY STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>						
Interest and similar income	26,636	25,952	50,904	26,237	25,690	50,234
Interest expense	(2,523)	(2,729)	(5,207)	(2,523)	(2,729)	(5,232)
<b>Net interest income</b>	<b>24,113</b>	<b>23,223</b>	<b>45,697</b>	<b>23,714</b>	<b>22,961</b>	<b>45,002</b>
Other income	12,847	11,050	24,546	12,398	10,491	23,025
<b>Net income</b>	<b>36,960</b>	<b>34,273</b>	<b>70,243</b>	<b>36,112</b>	<b>33,452</b>	<b>68,027</b>
Operating expenses	(19,908)	(19,520)	(40,480)	(19,017)	(19,016)	(39,015)
<b>Profit before impairment losses on loans and advances</b>	<b>17,052</b>	<b>14,753</b>	<b>29,763</b>	<b>17,095</b>	<b>14,436</b>	<b>29,012</b>
Net impairment losses on loans and advances	(3,787)	(1,432)	(4,412)	(3,787)	(1,432)	(4,412)
<b>Profit before taxation</b>	<b>13,265</b>	<b>13,321</b>	<b>25,351</b>	<b>13,308</b>	<b>13,004</b>	<b>24,600</b>
Income tax expense	(4,194)	(4,194)	(8,196)	(4,092)	(4,031)	(7,778)
<b>Profit after tax</b>	<b>9,071</b>	<b>9,127</b>	<b>17,155</b>	<b>9,216</b>	<b>8,973</b>	<b>16,822</b>
<b>Other comprehensive income</b>						
Gains on property valuations	0	0	2,985	0	0	2,985
Deferred tax on revalued assets	0	0	(146)	0	0	(146)
Fair value movement on available for sale assets	0	0	0	0	0	0
Other comprehensive income net of tax	0	0	2,839	0	0	2,839
<b>Total comprehensive income for the year</b>	<b>9,071</b>	<b>9,127</b>	<b>19,994</b>	<b>9,216</b>	<b>8,973</b>	<b>19,661</b>
<b>Profit attributable to shareholders</b>						
Owners of the Parent	9,050	9,100	17,106			
Non-Controlling Interest (Minorities)	21	27	49			
<b>Comprehensive income attributable to shareholders</b>	<b>9,071</b>	<b>9,127</b>	<b>17,155</b>			
Owners of the Parent	9,050	9,100	19,945			
Non-Controlling Interest (Minorities)	21	27	49			
<b>Comprehensive income attributable to shareholders</b>	<b>9,071</b>	<b>9,127</b>	<b>19,994</b>			
<b>DIVIDENDS PAID</b>						
Interim	1,569	1,499	2,498	1,569	1,499	2,498
Final (for prior year)	0	3,502	5,001	0	3,502	5,001
<b>Total</b>	<b>1,569</b>	<b>5,001</b>	<b>7,499</b>	<b>1,569</b>	<b>5,001</b>	<b>7,499</b>
Earnings per share (Kwacha)	19.38	19.49	36.63	19.73	19.21	36.02
Dividend per share (Kwacha)	3.36	10.71	16.06	3.36	10.71	16.06
Number of ordinary shares in issue (millions)	467	467	467	467	467	467
<b>STATEMENTS OF FINANCIAL POSITION</b>						
<b>LIABILITIES &amp; EQUITY</b>						
Customer deposits	334,187	311,740	318,470	308,710	288,441	298,279
Current income tax liabilities	3,059	3,325	3,501	2,990	3,239	3,357
Other liabilities	20,804	18,412	16,434	20,099	17,965	15,943
Lease liability	3,376	0	3,551	3,376	0	3,551
Deferred tax	4	0	5	0	0	0
Loans and borrowings	14,687	18,803	16,335	14,687	18,803	16,335
Equity attributable to equity holders of the parent company	111,031	92,415	100,762	108,906	90,279	98,469
Non-controlling interest	112	102	98	0	0	0
<b>Total liabilities and equity</b>	<b>487,260</b>	<b>444,797</b>	<b>459,156</b>	<b>458,768</b>	<b>418,727</b>	<b>435,934</b>
<b>ASSETS</b>						
Cash and funds with Reserve Bank of Malawi	26,315	37,333	18,345	26,315	37,333	18,345
Government of Malawi Treasury Bills and Treasury Notes	139,888	109,349	133,278	130,556	97,001	123,489
Equity investments	4,936	4,440	4,102	4,936	4,440	4,102
Investment in associates	1,301	1,275	1,390	992	992	992
Investment in subsidiaries	-	-	0	6,444	6,444	6,444
Placements with other banks	26,257	9,942	17,826	26,257	9,942	17,826
Loans and advances to customers	205,439	189,220	188,324	204,927	189,220	188,178
Other money market investments	19,495	30,558	32,997	0	15,760	18,498
Other assets	6,975	11,341	5,424	5,879	10,452	4,790
Property and equipment	31,951	29,730	32,236	31,866	29,646	32,154
Intangible assets	10,181	10,008	10,274	10,078	9,899	10,160
Right of use assets	2,702	0	3,140	2,702	0	3,140
Deferred tax	7,861	7,642	7,861	7,816	7,598	7,816
Goodwill	3,959	3,959	3,959	0	0	0
<b>Total assets</b>	<b>487,260</b>	<b>444,797</b>	<b>459,156</b>	<b>458,768</b>	<b>418,727</b>	<b>435,934</b>
<b>Memorandum Items</b>						
Contingent liabilities - Letters of credit and guarantees	16,548	21,524	22,550	16,548	21,524	22,550
<b>STATEMENTS OF CHANGES IN EQUITY</b>						
<b>As at beginning of period</b>						
Transition adjustment on adoption of IFRS 9	0	0	0	0	0	0
Total comprehensive income for the year	9,071	9,100	19,994	9,216	8,973	19,661
Dividends paid	(1,578)	(5,001)	(7,548)	(1,569)	(5,001)	(7,499)
Reinstatement of Expected Credit Losses as at 31st December 2019	2,790	0	0	2,790	0	0
<b>As at end of period</b>	<b>111,143</b>	<b>92,415</b>	<b>100,860</b>	<b>108,906</b>	<b>90,279</b>	<b>98,469</b>
<b>STATEMENTS OF CASH FLOWS</b>						
<b>Cash flows from operating activities</b>						
<b>Profit before tax</b>	<b>13,265</b>	<b>13,321</b>	<b>25,351</b>	<b>13,308</b>	<b>13,004</b>	<b>24,600</b>
Adjustments for:						
Depreciation of property and equipment	1,102	1,280	2,621	1,085	1,264	2,597
Amortisation of intangible assets	559	490	1,066	559	490	1,054
Amortisation of right of use of assets	393	0	634	393	0	634
Interest on lease liability	306	0	677	306	0	677
Net gains on financial instruments classified as held for trading	(462)	(72)	(144)	(462)	(72)	(144)
Profit on disposal of property and equipment	(10)	(11)	(60)	(10)	(11)	(5)
Gains on disposal of financial instruments classified as held for trading	0	(159)	(5)	0	(159)	(60)
Dividends received	22	(21)	(208)	(188)	(363)	(618)
Share of loss (profits) of associate	113	84	(100)	-	-	0
Impairment loss on intangible assets	0	0	96	0	0	96
Net fair value loss on revaluation of property	0	63	139	0	63	139
Net (gains) losses on modified and restructured loans	25	0	198	25	0	198
Movement in allowance for impairment in loans and advances	5,183	2,416	5,825	5,183	2,416	5,825
<b>Operating cashflows before working capital movements</b>	<b>20,496</b>	<b>17,391</b>	<b>36,090</b>	<b>20,199</b>	<b>16,632</b>	<b>34,993</b>
Increase in operating assets	(17,148)	(26,658)	(23,221)	(20,082)	(26,191)	(23,070)
Increase in operating liabilities	10,342	22,044	27,061	8,568	22,405	30,487
<b>Cash generated from operating activities</b>	<b>13,690</b>	<b>12,777</b>	<b>39,930</b>	<b>8,685</b>	<b>12,846</b>	<b>42,410</b>
Tax paid	(4,673)	(1,365)	(5,714)	(4,460)	(1,250)	(5,241)
<b>Net cash from/(used in) operating activities</b>	<b>9,017</b>	<b>11,412</b>	<b>34,216</b>	<b>4,225</b>	<b>11,596</b>	<b>37,169</b>
<b>Net cash outflow from investing activities</b>	<b>(8,422)</b>	<b>(15,670)</b>	<b>(41,006)</b>	<b>(8,635)</b>	<b>(17,032)</b>	<b>(44,863)</b>
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(3,715)</b>	<b>(5,650)</b>	<b>(11,516)</b>	<b>(3,706)</b>	<b>(5,626)</b>	<b>(11,467)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(3,120)</b>	<b>(9,908)</b>	<b>(18,306)</b>	<b>(8,116)</b>	<b>(11,062)</b>	<b>(19,161)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>68,516</b>	<b>86,822</b>	<b>86,822</b>	<b>54,017</b>	<b>73,178</b>	<b>73,178</b>
<b>Cash and cash equivalents at end of the period</b>	<b>65,396</b>	<b>76,914</b>	<b>68,516</b>	<b>45,901</b>	<b>62,116</b>	<b>54,017</b>

IMPAIRMENT LOSSES/NON PERFORMING CREDIT FACILITIES AND PROVISIONS FOR LOSSES BY INDUSTRY SECTOR						
Sector	30th June 2020			30th June 2019		
	Outstanding Amount K'm	Impaired Amount K'm	Expected Credit Losses K'm	Outstanding Amount K'm	Impaired Amount K'm	Expected Credit Losses K'm
Agriculture, Forestry, Livestock and Fishing	47,949	137	1,221	37,990	30	1,193
Manufacturing	22,235	2,430	752	25,571	1,619	861
Mining and Quarrying	25	8	9	98	-	-
Construction and Engineering	1,743	277	57	1,569	619	418
Energy/Electricity, Gas, Air conditioning, Water supply & Waste management	23,863	10,221	1,360	23,848	109	994
Transport/Storage	8,149	484	273	7,996	70	221
Communication	1,685	96	143	904	115	107
Financial/Insurance/Professional/Scientific & Technical services	3,360	71	64	4,983	26	33
Wholesale/Retail	42,301	10,863	4,185	43,402	2,826	2,301
Individual/Households	38,202	1,025	1,322	33,004	426	854
Real Estate	6,080	13	46	1,135	17	894
Tourism	14,001	1,433	181	14,731	55	282
Other	5,830	570	371	2,401	284	254
<b>TOTAL</b>	<b>215,423</b>	<b>27,628</b>	<b>9,984</b>	<b>197,632</b>	<b>6,196</b>	<b>8,412</b>
<b>CREDIT CONCENTRATION</b>						
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 2020		30th June 2019	
	K'm	% OF CORE CAPITAL	K'm	% OF CORE CAPITAL
None	-	-	-	-

LOANS TO DIRECTORS, SENIOR MANAGEMENT AND OTHER RELATED PARTIES		
	30th June 2020	30th June 2019
	K'm	K'm
<b>DIRECTORS:</b>		
Balance at beginning of the half year	576	488
Loans granted during the half year	68	184
Repayments	(96)	(113)
Balance at end of half year	548	559
<b>SENIOR MANAGEMENT OFFICIALS:</b>		
Balance at beginning of year	879	1,011
Loans granted during the half year	96	66
Repayments	(59)	(190)
Balance at end of half year	916	887

OTHER RELATED PARTIES:		
Balance at beginning of half year	7,827	8,425
Loans granted during the half year	1,888	1,834
Repayments	(4,184)	(1,995)
Balance at end of half year	5,531	8,264
Total related party lending	6,995	9,710
Total related party lending as a percentage of core capital	10%	18%

INVESTMENTS IN SUBSIDIARIES		
Name of Subsidiary	Percentage Holding	
	30th June 2020	30th June 2019
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%
Stockbrokers Malawi Limited	75%	75%

LENDING RATES		
	30th June 2020	30th June 2019
<b>Malawi Kwacha facilities</b>		
Base Lending Rate	13.4%	13.9%
Lending Rate Spread	1% to 11%	1% to 11%
Foreign Currency facilities	7.0% to 12%	7.0% to 12.0%
<b>DIRECTORS REMUNERATION, BONUSES AND MANAGEMENT FEES</b>		
	30th June 2020	30th June 2019
	K'm	K'm
Directors Remuneration	660	576
Total Bonuses Paid by the Group	2,816	1,735
<b>DEPOSIT RATES</b>		
Type of Deposit	30th June 2020	30th June 2019
	Rate %	Rate %
Malawi Kwacha		
Current Account	0.00	0.00
Savings	3.00	3.00
Special savings	1.00	1.00
Savings Bond	6.50	6.50
Student Save	2.50	2.50
Fiesta Save	6.00	6.00
7 Day Call	2.50	2.50
30 Day Call	2.25	2.25
2 Months	5.50	5.50
3 Months	5.25	5.25
6 Months	4.00	4.00
9 Months	Negotiable	Negotiable
12 Months	Negotiable	Negotiable
<b>FOREIGN CURRENCY DENOMINATED ACCOUNTS (FCDAS)</b>		
USD	0.50	0.50
GBP	0.50	1.75
ZAR	1.50	4.00
EUR	0.25	0.50

**PERFORMANCE**  
The Board is pleased to announce unaudited interim results for the Group for the six months period ended 30th June 2020.

The Bank registered a Group after tax profit of K9.1b (2019: K9.1b). Net interest income increased by 4% while non-interest income increased by 16%. Operating expenses and net impairment on loans increased by 2% and 164% respectively. Customer deposits and the loan book respectively grew by 7% and 9% year on year.

**THE OPERATING ENVIRONMENT**  
The macroeconomic environment in the first half of the year was stable. Inflation reduced from 11.1% recorded in January 202