

	CONSOLIDATED AND SEPARATE UNAUDITED 6 months to 30-Jun-22 MK'000	CONSOLIDATED AND SEPARATE UNAUDITED 6 months to 30-Jun-21 MK'000	CONSOLIDATED AND SEPARATE AUDITED 12 months to 31-Dec-21 MK'000
STATEMENT OF COMPREHENSIVE INCOME			
Interest income received	30,455,079	22,868,689	49,512,300
Interest payable	(12,477,203)	(8,309,079)	(18,717,974)
Net Interest Income	17,977,876	14,559,610	30,794,326
Other income	5,655,987	6,133,001	11,218,907
Net Income	23,633,863	20,692,611	42,013,233
Operating expenses	(15,451,578)	(12,944,526)	(27,330,443)
Profit before impairment losses	8,182,285	7,748,085	14,682,790
Impairment provisions	(500,416)	(1,279,836)	(3,193,103)
Profit before tax	7,681,869	6,468,249	11,489,687
Income tax expenses	(2,592,193)	(2,072,959)	(3,797,314)
Profit for the period	5,089,676	4,395,290	7,692,373
Other comprehensive income	(116,519)	-	76,916
Total Comprehensive Income	4,973,157	4,395,290	7,769,289
Earnings per share (MK)	1.71	1.51	2.64
Weighted average ordinary shares in issue (million)	2,913	2,913	2,913

	CONSOLIDATED UNAUDITED 30-Jun-22 MK'000	CONSOLIDATED UNAUDITED 30-Jun-21 MK'000	CONSOLIDATED AUDITED 31-Dec-21 MK'000	SEPARATE UNAUDITED 30-Jun-22 MK'000	SEPARATE UNAUDITED 30-Jun-21 MK'000	SEPARATE AUDITED 31-Dec-21 MK'000
STATEMENT OF FINANCIAL POSITION						
LIABILITIES AND EQUITY						
Liabilities						
Deposits from customers	280,723,669	174,244,862	224,857,719	280,736,249	174,257,442	224,870,299
Other borrowings	7,217,150	6,273,711	7,743,933	7,217,150	6,273,711	7,743,933
Deferred tax liability	1,490,817	1,195,967	1,092,470	1,460,482	1,165,632	1,062,135
Deposits from other banks	41,835,005	71,321,869	96,652,013	41,835,005	71,321,869	96,652,013
Lease liability	4,118,217	4,257,971	4,252,465	4,118,217	4,257,971	4,252,465
Other liabilities	6,113,410	3,990,878	5,581,362	6,025,522	3,902,990	5,493,474
Total Liabilities	341,498,268	261,285,258	340,179,962	341,392,625	261,179,615	340,074,319
Equity						
Share capital	1,455,291	1,455,291	1,455,291	1,455,291	1,455,291	1,455,291
Share premium	12,104,183	12,104,183	12,104,183	12,104,183	12,104,183	12,104,183
Fair value through other						
Comprehensive income reserve	(176,170)	(157,913)	(59,651)	(176,170)	(157,913)	(59,651)
Retained earnings	14,712,363	10,109,357	9,652,147	14,741,754	10,138,748	9,681,538
	28,095,667	23,510,918	23,151,970	28,125,058	23,540,309	23,181,361
Total Liabilities & Equity	369,593,935	284,796,176	363,331,932	369,517,683	284,719,924	363,255,680
ASSETS						
Cash and cash equivalents	32,512,023	16,662,238	34,955,484	32,512,023	16,662,238	34,955,484
Other receivables	6,716,729	9,403,786	11,434,186	6,685,988	9,373,045	11,403,445
Money market Investments	211,376,749	187,958,253	221,585,785	211,376,749	187,958,253	221,585,785
Equity investments	49,700	49,700	49,700	49,700	49,700	49,700
Loans and advances	106,349,258	57,472,220	82,182,625	106,349,258	57,472,220	82,182,625
Right of use assets	2,683,052	3,199,801	2,929,788	2,683,052	3,199,801	2,929,788
Intangible assets	3,714,160	3,909,595	4,010,413	3,714,160	3,909,595	4,010,413
Property, plant and equipment	6,192,264	6,140,583	6,183,951	6,146,753	6,095,072	6,138,440
Total Assets	369,593,935	284,796,176	363,331,932	369,517,683	284,719,924	363,255,680

	CONSOLIDATED	CONSOLIDATED	CONSOLIDATED	SEPARATE	SEPARATE	SEPARATE
	UNAUDITED	UNAUDITED	AUDITED	UNAUDITED	UNAUDITED	AUDITED
	30-Jun-22	30-Jun-21	31-Dec-21	30-Jun-22	30-Jun-21	31-Dec-21
	MK'000	MK'000	MK'000	MK'000	MK'000	MK'000
STATEMENT OF CHANGES IN EQUITY						
As at the beginning of the year	23,151,970	19,166,425	191,166,425	23,181,361	19,195,816	19,195,816
Other equity movements	(145,979)	(50,797)	76,916	(145,979)	(50,797)	76,916
Profit for the year	5,089,676	4,395,290	7,692,373	5,089,676	4,395,290	7,692,373
Dividend paid			(3,783,744)			(3,783,744)
As at the end of year	28,095,667	23,510,918	23,151,970	28,125,058	23,540,309	23,181,361
		CONSOLIDATED	CONSOLIDATED	CONSOLIDATED		
		UNAUDITED	UNAUDITED	AUDITED		
		30-Jun-22	30-Jun-21	31-Dec-21		
		MK'000	MK'000	MK'000		
STATEMENT OF CASH FLOWS						
CASH FLOWS FROM						
OPERATING ACTIVITIES						
Profit before income tax expense		7,681,869		6,468,249		11,489,687
Adjustments for non-cash items included within the income statement		2,443,532		2,979,089		6,897,752
Increase in interest earning assets		(6,574,921)		(75,522,319)		(134,202,451)
Increase in deposits and other liabilities		(5,272,351)		53,111,728		138,064,929
Interest paid		12,477,203		8,309,079		18,717,974
Interest received		(30,455,080)		(22,868,689)		(49,512,300)
Direct taxation paid		(247,688)		(726,824)		(3,144,218)
Net cash used in operating activities		(19,947,436)		(28,249,687)		(11,688,627)
INVESTING ACTIVITIES						
Net finance income		15,361,421		15,321,380		27,775,331
Acquisition of property and equipment		(1,313,493)		(1,281,970)		(2,956,799)
Proceeds from disposal of property and equipment		11,289		544,719		509,959
Net cash from investing activities		14,059,217		14,584,129		25,328,491
FINANCING ACTIVITIES						
Net proceeds from loans and borrowings		(526,783)		(534,310)		935,912
Dividends declared and paid		-		-		(3,783,744)
Repayment of lease liabilities		(240,484)		(955,507)		(352,055)
Net cash used in financing activities		(767,267)		(1,489,817)		(3,199,887)
Net movement in cash and cash equivalents		(66,554,86)		(15,155,375)		10,439,977
Cash and cash equivalents at beginning of the year		34,955,484		24,091,941		24,091,941
Effects of exchange rate changes		4,212,025		7,725,672		423,566
Cash and cash equivalents at end of the year		32,512,023		16,662,238		34,955,484
REGULATORY DISCLOSURES						
1. IMPAIRMENT LOSSES /NON PERFORMING CREDIT FACILITIES AND EXPECTED CREDIT LOSSES BY						
INDUSTRY SECTOR						
			30-Jun-22			30-Jun-21
	Outstanding	Impairment	Expected Credit	Outstanding	Impairment	Expected Credit
	Amount	Amount	Loss (Stage 3)	Amount	Amount	Loss (Stage 3)
Sector	MIK'cm	MIK'cm	MIK'cm	MIK'cm	MIK'cm	MIK'cm
Agriculture	21,315	1,165	753	4,083	337	181
Mining	70	5	3	1,212	285	152
Manufacturing	8,404	77	50	4,799	10	5
Elctricity	18,037	14	9	12,856	4	2
Construction	2,845	288	187	2,746	93	50
Wholesale & Retail	13,208	1,584	1,024	15,712	483	259
Restaurants & Hotels	727	137	88	1,477	166	88
Transport	1,861	552	357	1,357	68	36
Financial Services	11,407	297	192	4,571	181	97
Community	31,600	637	412	10,947	267	143
Real Estate	316	304	197	631	8	4
Other				477	534	283
Total	109,790	5,060	3,272	60,867	2,435	1,299

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		30-Jun-22		30-Jun-21
	MK'm	% of Core Capital	MK'000	% of Core Capital
Agriculture	17,247	66.1%	-	0.0%
Gas	8,209	31.5%	-	0.0%
Electricity	17,641	67.6%	6,822	31.1%
3. LOANS TO DIRECTORS, SENIOR MANAGEMENT AND OTHER RELATED PARTIES				
Directors		30-Jun-22		30-Jun-21
		MK'm		MK'm
Balance at the beginning of the period		28		23
Loans granted during the period		201		13
Repayments		34		(9)
Balance at end the of period		262		28
Other related parties		30-Jun-22		30-Jun-21
		MK'm		MK'm
Balance at the beginning of the period		2,313		208
Loans granted during the period		258		2,774
Repayments		(2,180)		(669)
Balance at end the of period		391		2,313
Senior management officials		30-Jun-22		30-Jun-21
		MK'm		MK'm
Balance at the beginning of the period		521		427
Loans granted during the period		323		164
Repayments		(180)		(70)
Balance at end the of period		664		521
Total related party lending as a % of Capital		5%		13%
INVESTMENTS IN SUBSIDIARIES				
	Number of shares	Percentage Holding	Number of shares	Percentage Holding
Name of subsidiary	30-Jun-22	30-Jun-22	30-Jun-21	30-Jun-21
NBS Forex Bureau	7,000,000	100%	7,000,000	100%
LENDING RATES				
Malawi Kwacha facilities		30-Jun-22		30-Jun-21
Reference rate		13.8%		12.2%
Lending rate spread above reference rate		0% to 10%		0% to 10%
Foreign currency facilities rate		8% to 10%		8% to 10%
DIRECTORS' REMUNERATION AND EMPLOYEE BONUSES				
		30-Jun-22		30-Jun-21
		MK'm		MK'm
Directors' remuneration		21		17
Total bonuses payable to employees		692		847
DEPOSIT RATES				
Type of Deposit		30-Jun-22		30-Jun-21
		Rate %		Rate %
Malawi Kwacha				
Current account		0.10		0.50
Savings		1.55		1.55
7 Day Notice		4.00		3.73
30 Day Notice		4.50		5.00
2 Months		5.50		6.00
3 Months		5.00		7.00
6 Months		Negotiable		Negotiable
9 Months		Negotiable		Negotiable
12 Months		Negotiable		Negotiable

	30-Jun-22	30-Jun-21
	Rate %	Rate %
Foreign Currency Denominated Accounts (FCDAs)		
USD	0.75	0.60
GBP	1.00	0.60
ZAR	0.60	0.60
EUR	0.75	0.60

FINANCIAL REVIEW

PERFORMANCE

The Bank continues to deliver a positive performance, responding effectively to a difficult operating environment with renewed focus on building resilience and a solid platform for future growth. Having successfully completed the first 5-year strategy covering the period 2017 to 2021, the Bank is driving further growth through a new five-year strategy (2022 to 2026) to increase market share and enhance efficiency. The strategy, which is being delivered through a detailed road map with clear targets will deliver a superior digital offering and deeper customer engagement.

The Bank grew profit before tax by 19% to MK7.7 billion for the six months ended 30 June 2022 when compared to a similar period to June 2021 of MK6.5 billion. The net profit after tax also grew by 16% to MK 5.1 billion when compared to the prior period to June 2021 of MK4.4 billion.

Net interest income grew by 23% in 2022 to MK18 billion compared to a similar period in 2021 of MK14.6 billion largely because of growth of loan book and effective management of investments in money market instruments. On the other hand, non-interest revenue registered a decrease of 8% to MK5.7 billion on a prior year performance of MK6.1 billion due to some once-off income realised in the prior period.

Operating expenses registered a 19% growth to MK15.5 billion from prior year expense of MK12.9 billion due to changes to compensation structure effected in second half of 2021 and increased investments in our operating systems aimed at increasing revenue generating activities. Impairment charges improved significantly to MK0.5 billion, down 61% from MK1.3 billion in 2021 due to enhanced portfolio management.

The Bank registered a 61% growth of customer deposits during the six months to 30th June 2022 to MK28 billion from MK17.4 billion in the prior period. Loans and advances grew by 85% to close at MK106 billion from MK57 billion on account of the conversion of some signature deals in the corporate space whilst money market investments growth was 12% at MK211 billion from MK188 billion on prior period. The improvement of the Bank's performance in the first half of 2022 amidst the current environmental challenges is due to flexibility in strategy implementation which has enabled the Bank to focus on high revenue generating activities.





OUTLOOK

The economic outlook for the second half 2022 is challenging. Just when the world was recovering from the Covid 19 crisis, Russia invaded Ukraine sending the global economy on yet another unpredictable course. As a result, various institutions project that the economy is expected to grow by an estimated average of 2.73% in 2022 from an initial Government projection of 4.1%. Inflationary pressures are likely to rise throughout 2022 due to global turbulence caused by the war in Europe and the continuous resurgence of new variants of the Corona virus. The Bank maintains robust capital and liquidity positions and is well-placed to pursue growth opportunities for growth in 2022.

The Bank will continue to monitor significant developments and changes in the monetary policy to make sure it mitigates market risk. The Bank continues to be resilient in its performance and is positive that its turnaround journey continues in full force despite the current challenges in the operating environment and projects a good 2022 and beyond.

DIVIDEND

The Board of Directors has recommended payment of an interim dividend for the half year ended 30 June 2022 of MK2.47 billion representing 85 tambala per share (June 2021: MK1.75 billion representing 60 tambala per share). This represents a 41% growth on prior year interim dividend. The dividend will be paid on Friday 2 September 2022 to shareholders appearing in the Register of Members as at close of business on Friday 2 September 2022. The Register of Members will be closed from 10 September 2022 to 12 September 2022.

V. Kumwenda

M. Mtumbuka

K. Nqwenya

Vera Zulu