NBS Bank
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SUMMARY OF UNAUDITED CONSOLIDATED RESULTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

PAT	TOTAL ASSETS	CUSTOMER DEPOSITS	NET LOANS	TOTAL INCOME	TOTAL OPERATING COSTS	COST TO INCOME RATIO	NPL RATIO	TOTAL CAPITAL
MK73.25 BN UP BY 124.4%	MK1.33 TN UP BY 36.4%	MK863.68 BN UP BY 33.2%	MK276.56 BN UP BY 49.3%	MK192.71 BN UP BY 112.7%	MK52.95 BN UP BY 70.5%	27.5% DOWN FROM 34.3%	3.5% DOWN FROM 4.8%	26.17% UP FROM 16.45%

SUMMARY STATEMENT OF COMPREHENSIVE INCOME

	CONSOLIDATED UNAUDITED 6 months to 30-Jun-25 MK'Million	CONSOLIDATED UNAUDITED 6 months to 30-Jun-24 MK'Million	CONSOLIDATED AUDITED 12 months to 31-Dec-24 MK'Million	SEPARATE UNAUDITED 6 months to 30-Jun-25 MK'Million	SEPARATE UNAUDITED 6 months to 30-Jun-24 MK'Million	SEPARATE AUDITED 12 months to 31-Dec-24 MK'Million
Interest income	174,535	98,802	239,794	174,535	98,802	239,795
Interest expense	(51,768)	(30,887)	(79,481)	(51,769)	(30,887)	(79,483)
Net interest income	**122,767**	**67,915**	**160,313**	**122,766**	**67,915**	**160,312**
Non-interest income	69,943	22,694	45,194	68,306	22,335	43,856
Total operating income	**192,710**	**90,609**	**205,507**	**191,072**	**90,250**	**204,168**
Operating expenses	(52,950)	(31,049)	(75,843)	(52,503)	(30,795)	(75,220)
Profit before impairment losses	**139,760**	**59,560**	**129,664**	**138,569**	**59,455**	**128,948**
Impairment provisions	(7,978)	(3,931)	(4,724)	(7,978)	(3,931)	(4,724)
Profit before tax	**131,782**	**55,629**	**124,940**	**130,591**	**55,524**	**124,224**
Income tax expense	(58,535)	(22,986)	(51,949)	(58,174)	(22,954)	(51,762)
Profit for the period	**73,247**	**32,643**	**72,991**	**72,417**	**32,570**	**72,462**
Earnings per share (MK)	25.24	11.10	25.06			
Weighted average ordinary shares in issue (million)	2,911	2,911	2,911.00			

STATEMENT OF OTHER COMPREHENSIVE INCOME

	CONSOLIDATED UNAUDITED 6 months to 30-Jun-25 MK'Million	CONSOLIDATED UNAUDITED 6 months to 30-Jun-24 MK'Million	CONSOLIDATED AUDITED 12 months to 31-Dec-24 MK'Million	SEPARATE UNAUDITED 6 months to 30-Jun-25 MK'Million	SEPARATE UNAUDITED 6 months to 30-Jun-24 MK'Million	SEPARATE AUDITED 12 months to 31-Dec-24 MK'Million
Profit for the period	**73,247**	**32,643**	**72,991.00**	**72,417**	**32,570**	**72,462**
Items that may be reclassified subsequently to profit or loss						
Net Fair value adjustments on Malawi Government treasury notes	220	(328)	(34.00)	220	(328)	(34)
Total comprehensive income	**73,467**	**32,315**	**72,957.00**	**72,637**	**32,242**	**72,428**

SUMMARY STATEMENTS OF FINANCIAL POSITION

	CONSOLIDATED UNAUDITED 30-Jun-25 MK'Million	CONSOLIDATED UNAUDITED 30-Jun-24 MK'Million	CONSOLIDATED AUDITED 31-Dec-24 MK'Million	SEPARATE UNAUDITED 30-Jun-25 MK'Million	SEPARATE UNAUDITED 30-Jun-24 MK'Million	SEPARATE AUDITED 31-Dec-24 MK'Million
ASSETS						
Cash and cash equivalents	164,099	145,330	161,395	164,070	144,616	161,349
Money market investments	812,914	596,370	733,764	812,914	596,370	733,764
Loans and advances to customers	276,564	185,231	234,942	276,564	185,231	234,942
Equity investments	131	131	131	431	431	431
Other receivables	26,255	9,441	20,268	26,344	9,916	20,265
Intangible assets	16,091	11,336	15,258	16,065	11,305	15,229
Right of use assets	2,262	3,671	2,901	2,207	3,633	2,873
Deferred tax asset	-	1,023	-	-	1,027	-
Property, plant and equipment	28,279	20,343	24,185	28,060	20,264	24,025
Total Assets	**1,326,595**	**972,876**	**1,192,844**	**1,326,655**	**972,793**	**1,192,878**
LIABILITIES AND EQUITY						
Liabilities						
Deposits from customers	863,682	648,599	726,734	865,324	648,899	727,943
Liabilities to financial institutions	158,437	194,366	251,220	158,437	194,366	251,220
Long-terms loans	54,611	8,076	43,012	54,611	8,076	43,013
Lease liability	5,935	6,431	6,314	5,868	6,391	6,279
Other liabilities	35,443	20,708	30,356	35,360	20,363	29,893
Tax payable	37,885	16,724	16,506	37,723	16,725	16,286
Deferred tax liability	7,743	-	6,608	7,787	-	6,634
Total Liabilities	**1,163,736**	**894,904**	**1,080,750**	**1,165,110**	**894,820**	**1,081,268**
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
Fair value through other comprehensive income reserve	(125)	(12)	(412)	(125)	(12)	(412)
Retained earnings	149,425	64,425	98,947	148,111	64,426	98,463
	162,859	**77,972**	**112,094**	**161,545**	**77,973**	**111,610**
Total Liabilities & Equity	**1,326,595**	**972,876**	**1,192,844**	**1,326,655**	**972,793**	**1,192,878**

SUMMARY STATEMENTS OF CHANGES IN EQUITY

	CONSOLIDATED UNAUDITED 30-Jun-25 MK'Million	CONSOLIDATED UNAUDITED 30-Jun-24 MK'Million	CONSOLIDATED AUDITED 31-Dec-24 MK'Million	SEPARATE UNAUDITED 30-Jun-25 MK'Million	SEPARATE UNAUDITED 30-Jun-24 MK'Million	SEPARATE AUDITED 31-Dec-24 MK'Million
As at the beginning of the period	112,094	50,023	50,023	111,610	50,097	50,068
Other equity movements	220	(328)	(34)	220	(328)	(34)
Profit for the year	73,247	32,643	72,991	72,417	32,570	72,462
Dividend paid	(22,702)	(4,366)	(10,886)	(22,702)	(4,366)	(10,886)
As at the end of period	**162,859**	**77,972**	**112,094**	**161,545**	**77,973**	**111,610**

SUMMARY STATEMENT OF CASH FLOWS

	CONSOLIDATED UNAUDITED 30-Jun-25 MK'Million	CONSOLIDATED UNAUDITED 30-Jun-24 MK'Million	CONSOLIDATED AUDITED 31-Dec-24 MK'Million	SEPARATE UNAUDITED 30-Jun-25 MK'Million	SEPARATE UNAUDITED 30-Jun-24 MK'Million	SEPARATE AUDITED 31-Dec-24 MK'Million
CASHFLOWS FROM OPERATING ACTIVITIES						
Profit before income tax expense	131,782	55,629	124,940	130,591	55,524	124,224
Adjustments for non-cash items included within the income statement	135,347	64,075	171,719	132,418	63,975	173,624
Increase in interest earning assets	(148,683)	(258,454)	(421,354)	(145,505)	(258,677)	(421,103)
Increase in deposits and other liabilities	56,996	276,613	405,143	57,864	276,263	404,343
Interest paid	51,768	30,887	79,482	51,769	30,887	79,483
Interest received	(174,535)	(98,802)	(239,794)	(174,535)	(98,802)	(239,795)
Income tax paid	(29,321)	(16,554)	(37,123)	(29,292)	(16,554)	(37,134)
Net cash generated from operating activities	**23,354**	**53,394**	**83,013**	**23,310**	**52,616**	**83,642**
INVESTING ACTIVITIES						
Acquisition of property and equipment	(8,621)	(11,094)	(22,191)	(8,535)	(11,016)	(22,095)
Proceeds from disposal of property and equipment	21	-	140	21	-	(163)
Net cash used in investing activities	**(8,600)**	**(11,094)**	**(22,051)**	**(8,514)**	**(11,016)**	**(22,258)**
FINANCING ACTIVITIES						
Net proceeds from loans and borrowings	11,599	3,468	7,492	11,599	3,468	7,492
Dividends declared and paid	(22,702)	(4,366)	(10,886)	(22,702)	(4,366)	(10,886)
Interest on lease liability	(612)	(856)	(1,724)	(603)	(850)	(1,714)
Repayment of lease liabilities	(420)	(40)	163	(411)	-	(155)
Net cash used in financing activities	**(12,135)**	**(1,794)**	**(4,955)**	**(12,117)**	**(1,748)**	**(5,263)**
Net movement in cash and cash equivalents	**2,619**	**40,506**	**56,007**	**2,679**	**39,852**	**56,121**
Cash and cash equivalents at beginning of the period	161,395	104,500	104,500	161,349	104,440	104,440
Effects of exchange rate changes	85	324	888	42	324	788
Cash and cash equivalents at end of the period	**164,099**	**145,330**	**161,395**	**164,070**	**144,616**	**161,349**

REGULATORY DISCLOSURES

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

	30-Jun-25			30-Jun-24		
	Outstanding Amount MK'm	Impaired Amount K'm	Expected credit loss (stage 3) K'm	Outstanding Amount K'm	Impaired Amount K'm	Expected credit loss (stage 3) K'm
Sector						
Agriculture	33,486	975	745	2,507	606	406
Mining	2	-	-	-	-	-
Manufacturing	35,942	155	155	7,864	90	61
Eletricity and Water	42,080	-	-	11,140	-	-
Construction	4,100	889	889	3,434	956	641
Wholesale&Retail	5,537	2,029	1,365	10,465	2,362	1,108
Restaurants & Hotels	10,936	799	799	1,328	824	552
Transport	2,582	9	9	2,472	280	189
Financial Services	5,644	-	-	7,482	5	3
Community	153,222	5,449	4,718	90,979	2,099	1,368
Real Estate	1,155	10	10	99	99	66
Total	**294,686**	**10,315**	**8,690**	**137,770**	**7,321**	**4,394**

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-25 % of Core Capital	MK'000	30-Jun-24 % of Core Capital
Water	40,845	30.9%	-	
Electricity	-	0.0%	11,140	27.9%

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

Directors	30-Jun-25 MK'm	30-Jun-24 MK'm
Balance at the beginning of the period	268	231
Loans granted during the period	68	51
Repayments	(158)	(14)
Balance at end the of period	**178**	**268**

Senior management officials	30-Jun-25 MK'm	30-Jun-24 MK'm
Balance at the beginning of the period	925	795
Loans granted during the period	2,293	371
Repayments	(647)	(241)
Balance at end the of period	**2,571**	**925**
Total related party lending as a % of Capital	**2.08%**	**2.99%**

INVESTMENTS IN SUBSIDIARIES

	Number of shares 30-Jun-25	Percentage Holding 30-Jun-25	Number of shares 30-Jun-24	Percentage Holding 30-Jun-24
Name of subsidiary				
NBS Forex Bureau Limited	7,000,000	100%	7,000,000	100%

LENDING RATES

Malawi Kwacha facilities	30-Jun-25	30-Jun-24
Reference rate	25.1%	25.1%
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-25 MK'm	30-Jun-24 MK'm
Directors' remuneration	104	48
Total bonuses payable	8,127	2,131
Management fees to related party	1,013	434

DEPOSIT RATES

Type of Deposit	31-Dec-24 Rate %	31-Dec-23 Rate %
Malawi Kwacha		
Current account	0.10	0.10
Savings	2.00	2.00
7 Day Notice	5.00	5.00
30 Day Notice	5.50	5.50
2 Months	6.50	6.50
3 Months	6.00	6.00
6 Months	Negotiable	Negotiable
9 Months	Negotiable	Negotiable
12 Months	Negotiable	Negotiable
Foreign Currency Denominated Accounts(FCDAs)		
USD	4.00	4.00
GBP	2.25	2.25
ZAR	3.00	3.00
EUR	1.50	1.50

Performance

The Bank recorded a consolidated Profit After Tax (PAT) of MK73.25 billion for the six-month period ended 30 June 2025, reflecting a 124% growth year-on-year compared to the MK32.65 billion reported for a similar period in 2024.

Total operating income registered robust year-on-year growth of 113%, driven by a 33% increase in customer deposits, which were deployed into customer loans and advances and money market instruments. This resulted in a significant uplift in interest income. Further, the Bank recorded notable improvement in its deposit mix, which contributed to improvement of interest margins. The remarkable growth of non-interest revenue emanated from higher transaction volumes across digital banking platforms, non-funded facilities, and foreign exchange transaction volumes and values.

Operating expenses amounted to MK52.95 billion, representing a 71% increase from MK31.05 billion reported in 2024. The increase was largely driven by inflationary pressures in the local economy, which prompted upward price adjustments by most suppliers and an increase in business activities of the Bank. The Bank sustained prudent cost management measures and strong income growth resulting in the drop of the cost-to-income ratio from 34% to 27% as at 30 June 2025. Nevertheless, the business environment remains challenging and pressure on operating costs is expected to continue into the foreseeable future.

Credit impairment provisions increased to MK7.98 billion from MK3.93 billion, representing a 103% rise year-on-year. Whilst the increase reflected the growth recorded in the loan book over the reporting period, forward-looking considerations and the impact of the withdrawal of aid by some development partners, the Bank's non-performing loans remained well within the Board-approved risk appetite as well as regulatory threshold. Further contributing to the rise were downgrades of exposures within the SME segment, where business operations have come under pressure due to the prevailing challenging economic environment.

The Bank's total assets rose from MK1.20 trillion to MK1.33 trillion over the six-month period ended 30 June 2025, representing an 11% increase. The major contributors to the expansion of total assets were the growth of customer deposits and the raising of affordable US$ funding to support clients in the agriculture sector.

Outlook

The Reserve Bank of Malawi projections indicate that the economy will expand by 3.2% in 2025 and by 4.2% in 2026. Food inflation rate is expected to reflect pressures in food prices on account of seasonal food shortages whereas non-food prices will face elevated pressure in the post tobacco sales season. Prospective resumption of mining and investments in irrigation may help to alleviate these pressures in the years ahead. Global GDP is expected to remain subdued due to trade-related tensions and fragile political relations.

The Bank remains committed to delivering long-term shareholders' value, continuously adapting its strategy and operations in response to the evolving economic landscape. Focus will remain on the Key Sectors which are showing potential to lift the economy. Investments in people and technology will also continue to be prioritized. The Bank continues to enhance and grow its digital footprint and over the past 6 months, the Bank introduced Pay-by-Link which enables sellers to receive card payments online This innovation enhanced the Bank's digital capabilities.

Dividend

The Board of Directors has recommended payment of an interim dividend for the half year ended 30 June 2025 of MK13.68 billion representing a dividend per share of MK4.70 (June 2024: MK4.66 billion representing a dividend per share of MK1.60). The dividend will be paid on Monday ,15 September 2025 to shareholders appearing in the Register of Members as at close of business Friday, 5 September 2025. The Register of Members will be closed from Saturday, 6 September 2025 to Monday, 8 September 2025. The ex-dividend date is Wednesday, 3rd September 2025.

V. Kumwenda	H. Kalua	T. Simwaka	E. Tembo
Chairman	Director	Chief Executive Officer	Chief Finance Officer

NBS Bank is regulated by the Reserve Bank of Malawi which can be contacted on 01 770 600. The Bank principal office is at Ginnery Corner Blantyre.

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