

# SUMMARY OF UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2023

## KEY HIGHLIGHTS

PAT  
201%

TOTAL  
INCOME  
64%

TOTAL  
ASSETS  
12%

DEPOSITS  
70%

BORROWING  
-79%



### INCOME STATEMENT

In thousands of Malawi Kwacha

	Six Months to 30 June 2023	Consolidated Six Months to 30 June 2022	Year ended 31 Dec 2022	Six Months to 30 June 2023	Separate Six Months to 30 June 2022	Year ended 31 Dec 2022
<b>Income</b>						
Interest and similar income	7,823,552	8,282,021	15,052,481	7,823,552	8,282,021	15,052,481
Interest expense and similar charges	(2,527,042)	(4,944,808)	(7,794,577)	(2,524,887)	(4,941,196)	(7,814,588)
Net interest income	5,296,510	3,337,214	7,257,904	5,298,665	3,340,825	7,237,893
Fee and Commission income	3,177,071	2,515,852	4,779,579	3,177,071	2,515,852	4,779,579
Fee and Commission expense	(686,536)	(673,877)	(1,145,973)	(686,536)	(673,877)	(1,145,973)
Net fee and commission income	2,490,534	1,841,974	3,633,606	2,490,534	1,841,974	3,633,606
Net loss on derecognition of financial assets	-	(296,982)	(731,291)	-	(296,982)	(731,291)
Profit from dealing in foreign currencies	2,532,026	1,396,306	2,248,345	2,341,001	1,356,265	2,103,272
<b>Total income</b>	<b>10,319,070</b>	<b>6,278,511</b>	<b>12,408,564</b>	<b>10,130,200</b>	<b>6,242,082</b>	<b>12,243,480</b>

### Expenditure

Staff costs	(3,918,161)	(3,486,716)	(6,997,143)	(3,847,620)	(3,451,409)	(6,802,907)
Other operating expenditure	(3,582,510)	(3,041,355)	(6,507,631)	(3,545,752)	(3,015,923)	(6,444,167)
Depreciation and Amortisation	(900,521)	(864,874)	(1,704,642)	(882,757)	(843,199)	(1,660,402)
<b>Total expenditure</b>	<b>(8,401,192)</b>	<b>(7,392,944)</b>	<b>(15,209,416)</b>	<b>(8,276,129)</b>	<b>(7,310,531)</b>	<b>(14,907,476)</b>
Profit before recoveries and impairment losses	1,917,878	(1,114,433)	(2,800,852)	1,854,072	(1,068,449)	(2,663,996)
Impairment losses on loans to customers	(430,829)	(203,774)	(1,226,321)	(430,829)	(203,774)	(1,226,321)
Profit before tax	1,487,049	(1,318,207)	(4,027,173)	1,423,243	(1,272,223)	(3,890,317)
Income tax credit	(516,637)	358,986	1,082,468	(498,565)	358,986	1,040,371
<b>Profit/(Loss) for the period</b>	<b>970,412</b>	<b>(959,222)</b>	<b>(2,944,705)</b>	<b>924,678</b>	<b>(913,238)</b>	<b>(2,849,946)</b>

### OTHER COMPREHENSIVE INCOME

Items that may not be reclassified to profit or loss

<b>Total comprehensive income/(loss) for the year net of tax</b>	<b>970,412</b>	<b>(959,222)</b>	<b>(2,944,705)</b>	<b>924,678</b>	<b>(913,238)</b>	<b>(2,849,946)</b>
--	----------------	------------------	--------------------	----------------	------------------	--------------------

### Attributable to:

Equity owners of the parent entity	970,412	(959,222)	(2,944,705)	924,678	(913,238)	(2,849,946)
------------------------------------	---------	-----------	-------------	---------	-----------	-------------

### Earnings per share (K)

	69	(159)	(487)	66	(151)	(471)
--	----	-------	-------	----	-------	-------

### SUMMARY STATEMENTS OF FINANCIAL POSITION

In thousands of Kwacha

	As at 30 June 2023	Consolidated As at 30 June 2022	As at 31 Dec 2022	As at 30 June 2023	Separate As at 30 June 2022	As at 31 Dec 2022
<b>ASSETS</b>						
Cash and funds with Reserve Bank of Malawi	7,828,665	6,115,164	3,571,407	6,670,700	5,410,717	2,672,820
Placements with other banks	5,973,361	2,968,135	1,903,841	5,973,361	2,968,135	1,903,841
Government of Malawi treasury bills and notes	26,720,520	25,724,790	14,166,015	26,720,520	25,724,790	14,166,015
Loans and advances	55,609,151	48,932,939	49,904,402	55,609,151	48,932,939	49,904,402
Other assets	5,964,332	6,254,793	2,308,959	5,964,332	6,254,791	3,169,912
Investments in subsidiary	-	-	-	207,800	207,800	-
Tax receivable	248,839	230,177	234,613	243,903	229,677	229,677
Plant and equipment	1,921,592	2,095,091	1,858,644	1,896,931	2,070,377	1,830,895
Intangible assets	3,001,938	2,680,416	2,821,721	2,996,464	2,672,126	2,814,839
Right of use asset	521,776	868,952	764,636	500,033	835,374	725,700
Deferred tax asset	2,037,583	1,835,177	2,558,659	2,011,317	1,832,937	2,514,321
<b>Total assets</b>	<b>109,827,758</b>	<b>97,705,634</b>	<b>80,092,897</b>	<b>108,794,513</b>	<b>97,139,662</b>	<b>80,140,222</b>

### LIABILITIES AND EQUITY

<b>LIABILITIES</b>						
Customer deposits	84,256,478	49,641,939	57,100,235	84,256,478	49,641,939	57,100,235
Other liabilities	2,761,114	2,147,554	2,195,681	1,724,352	1,599,236	2,195,681
Lease liability	548,213	998,989	855,359	503,673	936,319	808,893
Medium term bond note	3,500,000	6,475,724	6,499,375	3,500,000	6,475,724	6,499,375
External borrowings	4,314,438	30,680,871	7,667,174	4,314,438	30,680,871	7,667,174
<b>Total liabilities</b>	<b>95,380,243</b>	<b>89,945,078</b>	<b>74,317,824</b>	<b>94,298,941</b>	<b>89,334,090</b>	<b>74,271,358</b>

### EQUITY

<b>Capital and reserves</b>						
Share capital	13,986	6,048	6,048	13,986	6,048	6,048
Share premium	17,450,151	9,756,054	9,756,054	17,450,151	9,756,054	9,756,054
Capital contribution	-	-	-	-	-	-
Accumulated losses	(3,016,622)	(2,001,546)	(3,987,029)	(2,968,565)	(1,956,530)	(3,893,238)
<b>Total equity</b>	<b>14,447,515</b>	<b>7,760,556</b>	<b>5,775,073</b>	<b>14,495,573</b>	<b>7,805,572</b>	<b>5,868,864</b>
<b>Total equity and liabilities</b>	<b>109,827,758</b>	<b>97,705,634</b>	<b>80,092,897</b>	<b>108,794,513</b>	<b>97,139,662</b>	<b>80,140,222</b>

### SUMMARY STATEMENTS OF CASHFLOWS

In thousands of Kwacha

	Six Months to 30 June 2023	Consolidated Six Months to 30 June 2022	Year ended 31 Dec 2022	Six Months to 30 June 2023	Separate Six Months to 30 June 2022	Year ended 31 Dec 2022
<b>Cash flows from operating activities</b>						
Profit/(loss) before tax	1,487,049	(1,318,207)	(4,027,173)	1,423,243	(1,272,223)	(3,890,317)
Adjustments for:						
Depreciation/amortisation	900,521	864,874	1,704,642	882,757	-	1,660,402
Interest on lease liability	63,863	72,819	135,494	57,471	69,207	128,316
Customer deposits	27,156,243	(92,117,994)	(35,017,759)	27,156,243	(92,117,994)	(35,017,759)
Other liabilities and provisions	555,647	1,171,751	1,219,878	(481,116)	(851,404)	1,344,277
Loans and advances	(5,704,749)	49,180,343	(724,059)	(5,704,749)	49,180,343	(724,059)
Other assets	(3,655,381)	(1,459,606)	2,475,049	(2,794,426)	7,010,401	2,136,863
<b>Net cash (used in)/generated from operating activities</b>	<b>20,803,193</b>	<b>(43,606,020)</b>	<b>(34,233,928)</b>	<b>20,539,422</b>	<b>(37,981,670)</b>	<b>(34,362,277)</b>
<b>Cash flows from investing activities</b>						
Investments with maturity over three months	(12,554,505)	41,963,990	27,797,975	(12,554,505)	41,963,990	27,797,975
Purchase of plant and equipment	(903,284)	(721,669)	(1,310,138)	(903,127)	(721,669)	(1,303,702)
<b>Net cash generated from/(used in) investing activities</b>	<b>(13,457,790)</b>	<b>41,242,321</b>	<b>26,487,837</b>	<b>(13,457,633)</b>	<b>41,242,321</b>	<b>26,494,273</b>
<b>Cash flows from financing activities</b>						
Lease payments	(368,544)	(435,003)	(686,405)	(364,309)	(428,138)	(643,400)
Capital	7,702,030	-	-	7,702,030	-	-
External borrowings	(6,352,111)	(17,643,239)	(3,476,690)	(6,352,111)	(17,643,239)	(3,476,690)
<b>Net cash used in financing activities</b>	<b>981,375</b>	<b>(18,078,242)</b>	<b>(4,163,095)</b>	<b>985,611</b>	<b>(18,071,377)</b>	<b>(4,120,090)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>8,326,778</b>	<b>(20,441,941)</b>	<b>(11,909,186)</b>	<b>8,067,400</b>	<b>(14,810,726)</b>	<b>(11,988,094)</b>
Cash and cash equivalents at beginning of the year	5,475,248	17,384,434	17,384,434	4,576,661	16,564,755	16,564,755
Cash and cash equivalents at end of the year	13,802,026	(3,057,507)	5,475,248	12,644,061	1,754,029	4,576,661

### SUMMARY STATEMENTS OF CHANGES IN EQUITY

In thousands of Kwacha

	Six Months to 30 June 2023	Consolidated Six Months to 30 June 2022	Year ended 31 Dec 2022	Six Months to 30 June 2023	Separate Six Months to 30 June 2022	Year ended 31 Dec 2022
Opening equity at period beginning	5,775,073	8,719,778	8,719,778	5,868,864	8,718,810	8,718,810
New Capital	7,702,030	-	-	7,702,030	-	-
Profit/(Loss) for the year	970,412	(959,222)	(2,944,705)	924,678	(913,238)	(2,849,946)
Closing equity at period end	14,447,515	7,760,556	5,775,073	14,495,572	7,805,572	5,868,864

### REGULATORY DISCLOSURES

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

SECTOR OF BORROWER	30 JUNE 2023			30 JUNE 2022		
	Exposure	Impaired Amount	Expected Credit Losses	Exposure	Impaired Amount	Expected Credit Losses
1. Agriculture	886,937	212,315	209,670	834,386	698,916	613,877
2. Manufacturing	1,367,363	266	11	1,641,042	-	-
3. Construction	4,513,963	5,549	29	2,068,339	10,132	779
4. Wholesale and retail trade	20,403,270	2,021,764	380,691	22,961,364	1,178,856	212,697
5. Tourism	390,480	3,627	-	543,564	4,801	-
6. Transport and communications	1,144,861	166,793	3	1,816,680	154,599	10,441
7. Financial services	209,210	20,865	-	805,122	-	-
8. Community, social and personal services	28,142,843	964,368	307,314	19,801,961	299,525	174,453
9. Other	94,602	-	-	121,815	-	-
<b>10. TOTAL</b>	<b>57,153,530</b>	<b>3,395,548</b>	<b>897,718</b>	<b>50,594,272</b>	<b>2,346,828</b>	<b>1,012,247</b>

### 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 our core capital.

SECTOR BORROWING	30 JUNE 2023		30 JUNE 2022	
	Exposure	% of Core Capital	Exposure	% of Core Capital
None	-	-	-	0%

### LOANS TO DIRECTORS, SENIOR MANAGEMENT AND OTHER RELATED PARTIES

	30 June 2023 Net Loans	30 June 2022 Net Loans
<b>DIRECTORS</b>		
Balance at period beginning	-	566
New loans	-	-
Repayments	-	(566)
Balance at period end	-	-
<b>SENIOR MANAGEMENT</b>		
Balance at period beginning	368,394	542,676
New loans	508,134	98,018
Repayments	(154,181)	(184,773)
Balance at period end	722,347	455,921
<b>OTHER RELATED PARTIES</b>		
Balance at period beginning	-	-
New loans	-	-
Repayments	-	-
Balance at period end	-	-

### INVESTMENTS IN SUBSIDIARY

Name of Subsidiary	30 June 2023		30 June 2022	
	Share-holding	Share Capital	Share-holding	Share Capital
Centenary Bureau De Change	100%	208	100%	208

### DIRECTORS REMUNERATION, BONUSES AND MANAGEMENT FEES

	30 June 2023	30 June 2022
Directors' remuneration	90,623	114,966
Bonuses paid to staff	-	-
Management fees	-	-