

## SUMMARY STATEMENTS OF COMPREHENSIVE INCOME

In millions of Malawi Kwacha	CONSOLIDATED			SEPARATE		
	30-Jun-22 Unaudited	30-Jun-21 Unaudited	31-Dec-21 Audited	30-Jun-22 Unaudited	30-Jun-21 Unaudited	31-Dec-21 Audited
Interest income	17,837	15,151	31,337	17,837	15,151	31,337
Interest expense	(4,160)	(3,352)	(6,228)	(4,160)	(3,352)	(6,228)
<b>Net interest income</b>	<b>13,677</b>	<b>11,799</b>	<b>25,109</b>	<b>13,677</b>	<b>11,799</b>	<b>25,109</b>
Fees and commissions	8,267	7,140	15,995	8,267	7,140	15,995
Income from investments	724	347	2,422	724	347	2,422
	8,991	7,487	18,417	8,991	7,487	18,417
<b>Total operating income</b>	<b>22,668</b>	<b>19,286</b>	<b>43,526</b>	<b>22,668</b>	<b>19,286</b>	<b>43,526</b>
Staff and training costs	4,643	4,183	8,672	4,643	4,183	8,672
Premises and equipment costs	1,855	1,533	3,241	1,855	1,533	3,241
Depreciation expense	1,115	1,096	2,197	1,115	1,096	2,197
Other expenses	4,759	3,972	7,629	4,759	3,972	7,629
Impairment loss on financial assets	(56)	759	1,401	(56)	759	1,401
<b>Total expenses</b>	<b>12,316</b>	<b>11,543</b>	<b>23,140</b>	<b>12,316</b>	<b>11,543</b>	<b>23,140</b>
<b>Profit before income tax expense</b>	<b>10,352</b>	<b>7,743</b>	<b>20,386</b>	<b>10,352</b>	<b>7,743</b>	<b>20,386</b>
Income tax expense	(2,992)	(2,295)	(5,619)	(2,992)	(2,295)	(5,619)
<b>Profit for the period</b>	<b>7,360</b>	<b>5,448</b>	<b>14,767</b>	<b>7,360</b>	<b>5,448</b>	<b>14,767</b>
<b>Other comprehensive income</b>						
<b>Items that will never be classified to profit or loss</b>						
Deferred tax on revalued property	-	(120)	-	-	(120)	-
<b>Total comprehensive income for the period</b>	<b>7,360</b>	<b>5,328</b>	<b>14,767</b>	<b>7,360</b>	<b>5,328</b>	<b>14,767</b>
<b>Profit or loss attributable to:</b>						
<b>Owners of the parent</b>	<b>7,360</b>	<b>5,448</b>	<b>14,767</b>	<b>7,360</b>	<b>5,448</b>	<b>14,767</b>
Non-controlling interest	-	-	-	-	-	-
<b>Profit for the period</b>	<b>7,360</b>	<b>5,448</b>	<b>14,767</b>	<b>7,360</b>	<b>5,448</b>	<b>14,767</b>
<b>Total comprehensive income attributable to:</b>						
<b>Owners of the parent</b>	<b>7,360</b>	<b>5,328</b>	<b>14,767</b>	<b>7,360</b>	<b>5,328</b>	<b>14,767</b>
Non-controlling interest	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>7,360</b>	<b>5,328</b>	<b>14,767</b>	<b>7,360</b>	<b>5,328</b>	<b>14,767</b>
<i>Basic and diluted earnings per share (tambala)</i>	315	233	632			

## SUMMARY STATEMENTS OF FINANCIAL POSITION

In millions of Malawi Kwacha	CONSOLIDATED			SEPARATE		
	30-Jun-22 Unaudited	30-Jun-21 Unaudited	31-Dec-21 Audited	30-Jun-22 Unaudited	30-Jun-21 Unaudited	31-Dec-21 Audited
<b>Assets</b>						
Cash and cash equivalents	48,685	18,624	46,300	48,685	18,624	46,300
Money market investments	105,532	152,545	134,816	105,532	152,545	134,816
Loans and advances to customers	121,669	104,502	101,043	121,669	104,502	101,043
Amounts due from related parties	562	327	379	562	327	379
Repurchase agreements	29,577	54,101	45,129	29,577	54,101	45,129
Current tax asset	44	44	44			
Investments at fair value through profit or loss	3,483	3,949	5,387	3,483	3,949	5,387
Investment in subsidiary companies				209	209	209
Right of use assets	452	540	431	452	540	431
Intangible assets	2,402	3,269	2,867	2,402	3,269	2,867
Property and equipment	19,367	19,159	19,155	19,367	19,159	19,155
Assets held for sale	216	216	216	216	216	216
Other assets	2,645	1,271	1,477	2,618	1,244	1,450
<b>Total assets</b>	<b>334,634</b>	<b>358,547</b>	<b>357,244</b>	<b>334,772</b>	<b>358,685</b>	<b>357,382</b>
<b>Liabilities and equity</b>						
<b>Liabilities</b>						
Balances due to other banks	66,144	142,960	123,168	66,144	142,960	123,168
Customer deposits	204,134	162,427	172,901	204,452	162,745	173,219
Income tax payable	1,516	795	1,822	1,505	785	1,812
Other payables	10,516	8,708	8,731	10,697	8,888	8,911
Lease liabilities	580	640	526	580	640	526
Provisions	908	608	843	908	608	843
Deferred tax liabilities	555	1,627	1,532	558	1,630	1,535
<b>Total liabilities</b>	<b>284,353</b>	<b>317,765</b>	<b>309,523</b>	<b>284,844</b>	<b>318,256</b>	<b>310,014</b>
<b>Equity</b>						
Share capital	117	117	117	117	117	117
Share premium	1,565	1,565	1,565	1,565	1,565	1,565
Property revaluation reserve	7,717	7,597	7,717	7,717	7,597	7,717
Loan loss reserve	737	1,374	515	737	1,374	515
Retained earnings	40,145	30,129	37,807	39,792	29,776	37,454
<b>Total equity</b>	<b>50,281</b>	<b>40,782</b>	<b>47,721</b>	<b>49,928</b>	<b>40,429</b>	<b>47,368</b>
<b>Total equity and liabilities</b>	<b>334,634</b>	<b>358,547</b>	<b>357,244</b>	<b>334,772</b>	<b>358,685</b>	<b>357,382</b>

## SUMMARY STATEMENTS OF CHANGES IN EQUITY

In millions of Malawi Kwacha	CONSOLIDATED			SEPARATE		
	30-Jun-22 Unaudited	30-Jun-21 Unaudited	31-Dec-21 Audited	30-Jun-22 Unaudited	30-Jun-21 Unaudited	31-Dec-21 Audited
<b>As at the beginning of the period</b>	<b>47,721</b>	<b>37,554</b>	<b>37,554</b>	<b>47,368</b>	<b>37,201</b>	<b>37,201</b>
Net profit for the period	7,360	5,448	14,767	7,360	5,448	14,767
Other comprehensive income	-	(120)	-	-	(120)	-
<b>Comprehensive income attributable to owners</b>	<b>55,081</b>	<b>42,882</b>	<b>52,321</b>	<b>54,728</b>	<b>42,529</b>	<b>51,968</b>
Dividends paid	(4,800)	(2,100)	(4,600)	(4,800)	(2,100)	(4,600)
<b>Balance at the end of the period</b>	<b>50,281</b>	<b>40,782</b>	<b>47,721</b>	<b>49,928</b>	<b>40,429</b>	<b>47,368</b>

## SUMMARY STATEMENTS OF CASH FLOWS

In millions of Malawi Kwacha	CONSOLIDATED			SEPARATE		
	30-Jun-22 Unaudited	30-Jun-21 Unaudited	31-Dec-21 Audited	30-Jun-22 Unaudited	30-Jun-21 Unaudited	31-Dec-21 Audited
<b>Cash flows from operating activities</b>						
Interest and fees received	26,276	21,134	44,865	26,276	21,134	44,865
Interest paid	(4,160)	(3,352)	(6,228)	(4,160)	(3,352)	(6,228)
Cash paid to suppliers and employees	(10,209)	(9,126)	(18,833)	(10,209)	(9,126)	(18,833)
	11,907	8,656	19,804	11,907	8,656	19,804
Increase in net customer balances	(44,662)	36,098	30,754	(44,662)	36,098	30,754
<b>Cash generated from operations</b>	<b>(32,755)</b>	<b>44,754</b>	<b>50,558</b>	<b>(32,755)</b>	<b>44,754</b>	<b>50,558</b>
Dividend received net of tax	47	76	229	47	76	229
Income taxes paid	(4,276)	(3,534)	(5,806)	(4,276)	(3,534)	(5,806)
<b>Cash flows from operating activities</b>	<b>(36,984)</b>	<b>41,296</b>	<b>44,981</b>	<b>(36,984)</b>	<b>41,296</b>	<b>44,981</b>
<b>Cash flows from investing activities</b>						
Maturities/(purchases) of investment securities	29,283	(62,337)	(44,591)	29,283	(62,337)	(44,591)
Maturities of repurchase agreements	15,552	3,814	12,786	15,552	3,814	12,786
Proceeds from sale of equipment	-	-	113	-	-	113
Sale of shares in listed companies	2,581	114	599	2,581	114	599
Acquisition of property and equipment	(863)	(421)	(1,110)	(863)	(421)	(1,110)
<b>Cash outflows applied to investing activities</b>	<b>46,553</b>	<b>(58,830)</b>	<b>(32,203)</b>	<b>46,553</b>	<b>(58,830)</b>	<b>(32,203)</b>
<b>Cash flows from financing activities</b>						
Dividend paid to shareholders of the parent	(4,800)	(2,100)	(4,600)	(4,800)	(2,100)	(4,600)
Repayment of long-term borrowings and lease liabilities	(2,211)	(1,738)	(3,184)	(2,211)	(1,738)	(3,184)
<b>Cash flows from financing activities</b>	<b>(7,011)</b>	<b>(3,838)</b>	<b>(7,784)</b>	<b>(7,011)</b>	<b>(3,838)</b>	<b>(7,784)</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,558</b>	<b>(21,372)</b>	<b>4,994</b>	<b>2,558</b>	<b>(21,372)</b>	<b>4,994</b>
Cash and cash equivalents at 1 January	46,300	38,840	38,840	46,300	38,840	38,840
Effect of changes in exchange rates	(173)	1,156	2,466	(173)	1,156	2,466
<b>Cash and cash equivalents at 30 June</b>	<b>48,685</b>	<b>18,624</b>	<b>46,300</b>	<b>48,685</b>	<b>18,624</b>	<b>46,300</b>

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

In millions of Malawi Kwacha	30-Jun-22			30-Jun-21		
	Out-standing amount	Impaired amount	Specific provision	Out-standing amount	Impaired amount	Specific provision
<b>Industry Sector</b>						
Agriculture	26,985	510	131	29,138	477	39
Mining	21	-	-	61	-	-
Financial Services	338	39	16	1,032	12	12
Construction	7,004	313	18	8,070	92	5
Energy/Electricity/Gas /Water	6,512	-	-	3,541	-	-
Manufacturing	29,219	-	-	17,850	288	54
Wholesale and Retail	29,653	2,836	2,038	27,442	2,639	1,585
Individual/Households	17,998	468	334	8,926	534	404
Real Estate	274	-	-	216	-	-
Tourism and Leisure	3,082	319	17	3,349	1,055	-
Transport and Communication	3,506	52	15	7,405	2,399	238
	124,592	4,537	2,569	107,030	7,496	2,337

## CREDIT CONCENTRATIONS

Sector of Borrower	30-Jun-22		% of Core Capital	
	Amount	%	Amount	%
Agriculture	20,099,701	64.54%	-	-
Transport and Communication	10,260,901	26.72%	-	-
Wholesale and Retail	8,758,556	31.78%	-	-

Note: Credit concentration represents 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.

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

In thousands of Malawi Kwacha	30-Jun-22	30-Jun-21	31-Dec-21
	<b>Corporate bodies directly or indirectly related to directors:</b>		
Balance at the beginning of the year	1,902,029	1,745,586	1,745,586
Loans granted during the period	-	652,588	156,443
Repayments	6,869	-	-
<b>Balance at the end of the period</b>	<b>1,895,160</b>	<b>2,398,174</b>	<b>1,902,029</b>
<b>Senior management</b>			
Balance at the beginning of the year	316,004	306,297	306,297
Loans granted during the period	59,395	50,188	83,965
Repayments	(78,761)	(45,701)	(74,258)
<b>Balance at the end of the period</b>	<b>296,638</b>	<b>310,784</b>	<b>316,004</b>

All loans to bodies directly or indirectly linked to directors were made on arm's length commercial terms.

## INVESTMENT IN SUBSIDIARY COMPANIES

Institution	Shares ('000)	Holding	2022	2021
			(K'000)	(K'000)
ICB Malawi Limited	7,149	100.0%	148,791	148,791
FMB Capital Markets Limited	500	100.0%	50,000	50,000
FMB Forex Bureau	10,000	100.0%	10,000	10,000
FMB Pensions Limited	1,000	100.0%	-	-
			208,791	208,791

## BASE LENDING RATE

	30-Jun-22	30-Jun-21	31-Dec-21
Base lending rate (local currency loans)	13.80%	12.20%	12.20%
Maximum applicable range (percentage points)	11.10%	11.10%	11.10%
Base lending rate (foreign currency loans)	0.00	0.00	0.00
Maximum applicable range (percentage points)	9.50	9.50	9.50
Reference rate	13.80%	12.20%	12.20%