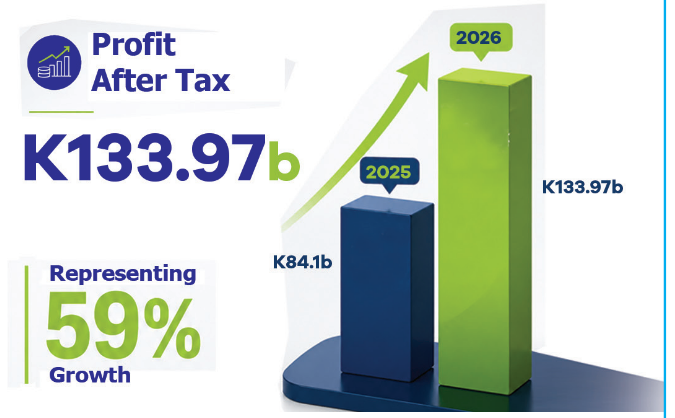
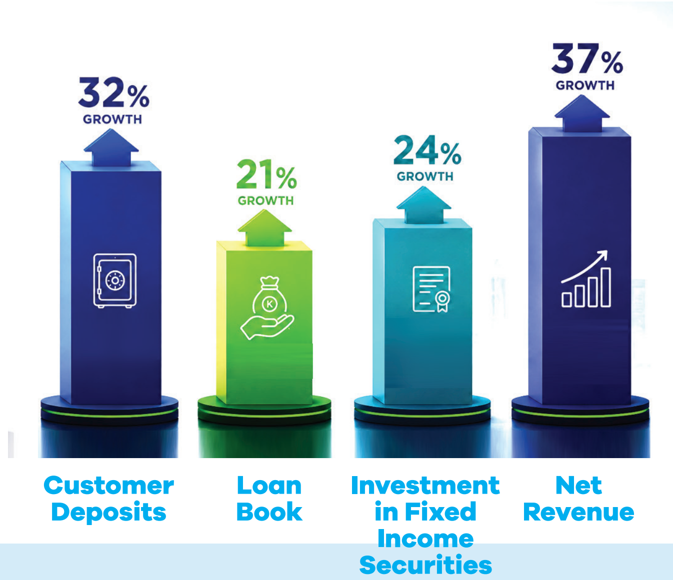
National Bank of Malawi plc

SUMMARY OF UNAUDITED INTERIM RESULTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

	GROUP			COMPANY		
	30-Jun-2026 Unaudited K'm	30-Jun-2025 Unaudited K'm	31-Dec-2025 Audited K'm	30-Jun-2026 Unaudited K'm	30-Jun-2025 Unaudited K'm	31-Dec-2025 Audited K'm
SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME						
Interest income and similar income	205,308	151,945	348,957	189,580	138,116	320,334
Interest expense	(26,483)	(22,796)	(54,894)	(23,036)	(19,547)	(48,164)
Net interest and similar income	**178,825**	**129,149**	**294,063**	**166,544**	**118,569**	**272,170**
Insurance revenue	7,849	6,128	13,772	-	-	-
Other income	103,623	76,964	200,776	92,978	67,727	176,579
Net Revenue	**290,297**	**212,241**	**508,611**	**259,522**	**186,296**	**448,749**
Operating expenses	(94,409)	(70,742)	(167,590)	(73,184)	(53,913)	(129,946)
Profit before impairment losses on financial assets	**195,888**	**141,499**	**341,021**	**186,338**	**132,383**	**318,803**
Net impairment losses on financial assets	286	(12,737)	(21,388)	378	(13,410)	(20,859)
Profit before taxation	**196,174**	**128,762**	**319,633**	**186,716**	**118,973**	**297,944**
Income tax expense	(62,201)	(44,653)	(121,663)	(57,890)	(42,363)	(115,894)
Profit after tax	**133,973**	**84,109**	**197,970**	**128,826**	**76,610**	**182,050**
Other comprehensive income						
Surplus on revaluation of properties	-	-	12,643	-	-	12,643
Fair value gain on investment in unquoted shares	-	-	1,264	-	-	1,264
Fair value gain on investment in treasury notes	82	-	-	-	-	-
Deferred tax on revalued assets	-	-	(5,597)	-	-	(5,564)
Other comprehensive income net of tax	**82**	**-**	**8,310**	**-**	**-**	**8,343**
Total comprehensive income for the period	**134,055**	**84,109**	**206,280**	**128,826**	**76,610**	**190,393**
Profit attributable to shareholders						
Equity holders of the parent	132,533	82,361	194,557	128,826	76,130	182,050
Non-controlling interest (Minorities)	1,440	1,748	3,413	-	-	-
	133,973	**84,109**	**197,970**	**128,826**	**76,130**	**182,050**
Comprehensive income attributable to shareholders						
Equity holders of the parent	132,615	82,361	202,867	128,826	76,130	190,393
Non-Controlling Interest (Minorities)	1,440	1,748	3,413	-	-	-
	134,055	**84,109**	**206,280**	**128,826**	**76,130**	**190,393**
DIVIDENDS PAID						
Interim (for prior year)	23,543	17,398	16,641	23,498	17,398	16,641
Final (for prior year)	-	-	45,997	-	-	45,997
Total	**23,543**	**17,398**	**62,638**	**23,498**	**17,398**	**62,638**
Earnings per share (Kwacha)	283.80	176.36	416.61			
Dividend per share (Kwacha)	50.42	37.26	134.15			
Number of ordinary shares in issue (millions)	467	467	467			
SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION						
LIABILITIES & EQUITY						
Customer deposits	2,118,860	1,600,968	1,908,502	1,646,635	1,248,026	1,462,589
Current income tax liabilities	32,811	26,819	55,056	29,888	25,314	51,733
Other liabilities	143,550	119,642	78,732	121,154	99,501	55,260
Insurance contracts liabilities	16,808	13,194	10,824	-	-	-
Re-insurance contracts liabilities	24	78	152	-	-	-
Loans and borrowings	12,468	11,220	13,464	-	194	194
Lease liabilities	6,389	8,197	7,330	3,017	3,764	3,419
Deferred tax	-	747	7,106	-	726	7,106
Equity attributable to equity holders of the parent company	517,865	332,443	408,066	484,578	310,707	379,250
Non-controlling interest	6,962	3,941	5,567	-	-	-
Total liabilities and equity	**2,855,737**	**2,117,249**	**2,494,799**	**2,285,272**	**1,688,232**	**1,959,551**
ASSETS						
Cash and funds with central banks	313,845	171,741	170,785	291,889	141,034	136,517
Placements and deposits with other banks	246,574	202,333	197,819	239,442	202,333	194,086
Money market investments	462,476	256,294	446,674	66,332	7,039	95,362
Other assets	63,672	61,101	54,019	51,751	55,021	43,883
Current income tax asset	262	-	414	-	-	-
Insurance contracts assets	-	999	348	-	-	-
Reinsurance contracts assets	5,112	3,246	2,406	-	-	-
Equity investments	59,802	24,895	48,156	53,238	21,816	42,168
Government securities	887,815	721,050	836,329	855,600	668,001	803,460
Loans and advances to customers	690,047	567,974	614,615	577,853	478,248	510,839
Investment in subsidiaries	-	-	-	41,472	27,970	31,472
Property and equipment	81,097	70,675	81,728	78,513	67,446	78,740
Intangible assets	26,283	21,486	25,412	22,699	16,828	21,114
Investment properties	2,547	1,250	2,547	-	-	-
Right of use assets	1,476	5,041	3,878	1,293	2,496	1,910
Deferred tax	10,082	4,517	5,022	5,190	-	-
Goodwill	4,647	4,647	4,647	-	-	-
Total assets	**2,855,737**	**2,117,249**	**2,494,799**	**2,285,272**	**1,688,232**	**1,959,551**
Memorandum items						
Contingent liabilities - Letters of credit and guarantees	**129,409**	**87,557**	**64,174**	**129,409**	**87,557**	**61,092**
SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY						
As at beginning of the period	**413,633**	**270,674**	**270,674**	**379,250**	**251,495**	**251,495**
Total comprehensive income for the year	134,055	84,109	206,280	128,826	76,610	190,393
Translation differences	682	(1,001)	(644)	-	-	-
Dividends paid	(23,543)	(17,398)	(62,677)	(23,498)	(17,398)	(62,638)
As at end of the period	**524,827**	**336,384**	**413,633**	**484,578**	**310,707**	**379,250**
SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS						
Cash flows from operating activities						
Profit before tax	**196,174**	**128,762**	**319,633**	**186,716**	**118,973**	**297,944**
Adjustments for:						
Depreciation of property and equipment	4,131	3,512	7,332	3,451	2,937	6,094
Amortisation of intangible assets	1,439	1,287	2,769	779	842	1,683
Amortisation of right of use of assets	1,091	1,091	2,317	617	617	1,234
Interest on lease liabilities	1,046	1,046	2,032	631	610	1,124
Interest payable on loans	-	-	406	-	-	-
Fair value gains on financial instruments classified as held through profit and loss	(13,859)	(12,864)	(35,977)	(13,282)	(10,816)	(31,693)
Loss/(Gains) on disposal of financial instruments classified as held through profit and loss	958	(5,095)	(6,180)	958	(5,095)	(6,180)
Profit on disposal of property and equipment	(54)	(29)	(29)	(15)	(32)	(33)
Dividends income	(437)	(323)	(635)	(4,914)	(1,290)	(3,653)
Net fair value gain on properties	-	-	(1,202)	-	-	(194)
Net gains on modified and restructured loans	-	(61)	(61)	-	(61)	(61)
Impairment losses on financial assets	2,121	15,550	28,122	1,681	15,407	26,505
Operating cashflows before working capital movements	**192,610**	**132,876**	**318,527**	**176,622**	**122,092**	**292,770**
Movement in operating assets	(85,420)	(126,356)	(174,769)	(75,957)	(127,804)	(159,441)
Movement in investments	(52,306)	16,548	202,153	(52,962)	14,186	175,893
Movement in liabilities to other banks	36,481	32,661	2,981	42,135	34,902	1,591
Movement in operating liabilities	243,607	296,460	589,782	207,402	234,438	438,470
Cash flows from operating activities	**334,972**	**352,189**	**938,674**	**297,240**	**277,814**	**749,283**
Tax paid	(96,317)	(50,951)	(101,285)	(91,680)	(49,571)	(95,968)
Net cash generated from operating activities	**238,655**	**301,238**	**837,389**	**205,560**	**228,243**	**653,315**
Net cash outflow from investing activities	**(3,962)**	**(106,769)**	**(412,728)**	**(9,138)**	**(111,123)**	**(403,984)**
Net cash outflow from financing activities	**(27,076)**	**(19,307)**	**(64,589)**	**(24,724)**	**(18,374)**	**(75,026)**
Net increase in cash and cash equivalents	**207,617**	**175,162**	**360,072**	**171,698**	**98,746**	**174,305**
Cash and cash equivalents at beginning of the period	**815,278**	**455,206**	**455,206**	**425,965**	**251,660**	**251,660**
Cash and cash equivalents at end of the period	**1,022,895**	**630,368**	**815,278**	**597,663**	**350,406**	**425,965**





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

Sector	30-Jun-2026 Outstanding amount K'm	30-Jun-2026 Impaired Amount K'm	30-Jun-2026 Expected Credit Losses K'm	30-Jun-2025 Outstanding amount K'm	30-Jun-2025 Impaired Amount K'm	30-Jun-2025 Expected Credit Losses K'm
Agriculture, Forestry, Livestock and Fishing	108,475	564	1,917	96,948	14,522	4,389
Manufacturing	66,182	1,105	864	79,539	6,302	1,141
Mining and Quarrying	2,809	1,680	44	2,618	217	41
Construction and Engineering	17,858	4,240	491	8,022	2,350	44
Energy/Electricity, Gas, Air conditioning, Water supply & Waste management	49,667	272	712	59,431	1,121	60
Transport/Storage	19,672	1,929	1,027	18,121	2,973	1,244
Communication	14,039	11,727	3,703	12,071	10,241	1,493
Financial/Insurance/Professional/Scientific & Technical services	25,361	291	392	14,977	6,336	214
Wholesale/Retail	88,710	4,708	3,589	70,863	4,353	1,202
Individual/Households	221,887	5,443	12,221	128,830	3,913	2,123
Real Estate	8,745	265	47	7,974	564	3
Tourism	65,338	26,780	444	52,990	34,722	143
Other	27,415	6,172	662	28,368	1,222	681
TOTAL	**716,159**	**65,175**	**26,111**	**580,752**	**88,837**	**12,777**

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 core capital.

SECTOR OF BORROWER

	30-Jun-2026 K'm	30-Jun-2026 % OF CORE CAPITAL	30-Jun-2025 K'm	30-Jun-2025 % OF CORE CAPITAL
Energy/Electricity, Gas, Air conditioning, Water supply & Waste management	-	0%	54,923	30%

LOANS TO DIRECTORS, SENIOR MANAGEMENT AND OTHER RELATED PARTIES

	30-Jun-2026 K'm	30-Jun-2025 K'm
DIRECTORS:		
Balance at beginning of the half year	297	356
Loans granted during the half year	372	108
Repayments	(47)	(121)
Balance at end of the half year	622	343
SENIOR MANAGEMENT OFFICIALS:		
Balance at beginning of the half year	1,810	1,255
Loans granted during the half year	298	372
Repayments	(231)	(79)
Balance at end of the half year	1,876	1,548
OTHER RELATED PARTIES:		
Balance at beginning of half year	30,176	27,143
Loans granted during the half year	8,442	8,158
Repayments	(3,165)	(16,595)
Balance at end of the half year	35,453	18,706
Total related party lending	37,951	20,597
Total related party lending as a percentage of core capital	13%	12%

INVESTMENTS IN SUBSIDIARIES

Name of Subsidiary	Percentage Holding 30-Jun-2026	Percentage Holding 30-Jun-2025
NBM Capital Markets Limited	100.00%	100.00%
NBM Securities Limited	100.00%	100.00%
National Bank of Malawi Nominees Limited	100.00%	100.00%
NBM Bureau De Change Limited	100.00%	100.00%
NBM Development Bank Limited	100.00%	100.00%
NBM Pension Administration Limited	100.00%	100.00%
Akiba Commercial Bank (Tanzania) plc	77.33%	60.48%
Stockbrokers Malawi Limited	75.00%	75.00%
United General Insurance Company Limited	55.12%	55.12%

LENDING RATES

	30-Jun-2026	30-Jun-2025
Malawi Kwacha facilities		
Base Lending Rate	20.4%	25.1%
Lending Rate Spread	-2% to 11%	1.1% to 8%
Foreign Currency facilities	7% to 12%	7% to 12.5%

DIRECTORS REMUNERATION, BONUSES AND MANAGEMENT FEES

	30-Jun-2026 K'm	30-Jun-2025 K'm
Directors Remuneration	2,479	1,009
Total Bonuses Paid by the Group	10,892	7,145

DEPOSIT RATES

Type of Deposit	30-Jun-2026 Rate %	30-Jun-2025 Rate %
Malawi Kwacha		
Current Account	0.00	0.00
Savings	5.75	5.75
Special savings	4.00	4.00
Savings Bond	12.00	12.00
Student Save	5.00	5.00
Fiesta Save	8.75	8.75
7 Day Call	5.00	5.00
30 Day Call	6.00	6.00
2 Months	6.50	6.50
3 Months	7.50	7.50
6 Months	8.00	8.00
9 Months	Negotiable	Negotiable
12 Months	Negotiable	Negotiable
Foreign Currency Denominated Accounts (FCDAs)		
USD	0.50	0.50
GBP	0.50	0.50
ZAR	1.50	1.50
EUR	0.25	0.25

SUMMARY OF UNAUDITED INTERIM RESULTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

The Board is pleased to present the unaudited interim results for the Group for the six-month period ended 30 June 2026.

Performance

The Group registered a profit after tax of K133.97b representing a 59% increase from K84.1b reported in 2025. These results were largely driven by an increase in customer deposits, which in turn led to an expansion of our loan portfolio and fixed income securities as well as significant reduction in net credit impairment charges. The Group also registered notable gains from capital appreciation on its listed equity investments.

Customer deposits increased by 32% (2025: 50%) while the Bank's loan book registered growth of 21% (2025: 23%). Investment in fixed income securities grew by 24% (2025: 67%), resulting in growth in net revenue by 37% (2025: 47%).

In addition, other income grew by 35% (2025: 52%), increasing from K77.0b to K103.6b, primarily arising from growth in commissions and fees on transactional banking services and profits on foreign exchange dealings. Operating expenses increased by 33%, largely driven by non-food inflation.

Net credit impairment charges fell by 102%, from a charge of K12.7b in prior year to a net recovery of K0.3b, mainly due to improved performance of the loan portfolio and recoveries on some significant non-performing facilities despite the challenging macroeconomic conditions. In addition, a review of the forward-looking impairment drivers associated with financial investments resulted in a significant drop in the related impairment charges compared to the prior year. Except for Akiba Commercial Bank plc and Stockbrokers Malawi Limited, all subsidiaries of the Bank continued to register better performances compared to the previous year to contribute positively to the Group's profitability. Efforts to turnaround Akiba Commercial Bank in Tanzania continue, albeit that the incidence of non-recurrent events affected its performance in the first half of 2026.

The Operating Environment

The Malawi economy exhibited signs of stabilization in the first half of 2026, following the 2025 general elections and the subsequent launch of the National Economic Recovery Plan. The Reserve Bank of Malawi (RBM) cut its policy rate by 200 basis points to 24% in March 2026, after nearly two years, and has since held the rate steady. Inflation for the second quarter of 2026 closed at 21.1%, a decrease from 23.8% at the end of the first quarter. This decline was primarily due to post-harvest food supplies which eased the food inflation to 14.7% from 26.5% in December 2025. However, non-food inflation rose to 32.1% in June 2026 from 25.2% in December 2025, driven by factors such as fuel price increases, utility and transport costs and pricing of imported goods by merchants using the informal market exchange rates.

The foreign exchange supply challenges continued to exert pressure on the local currency, albeit that the official exchange rate for the Malawi Kwacha has remained stable against the US Dollar for over two years. This is despite foreign exchange reserves remaining thin and the import cover falling below internationally recommended levels. This has resulted in a persistent wide gap between the official exchange rates and exchange rates prevailing in informal currency markets.

Dividend

An interim dividend of K30.00b (2025: K16.64b) has been declared for the half-year ended 30 June 2026 representing K64.25 per share (2025: K35.64 per share). The dividend will be paid in October 2026.

Outlook

Malawi's economic recovery in the second half of 2026 is expected to slow down more than initially anticipated, with the Reserve Bank of Malawi revising its growth forecast down to 2.8% from 3.8%, while international institutions project growth rates in the range 2.3% - 2.8%. The RBM's revised forecast is premised on weaker non-agricultural sector performance, even as it expects agriculture to be the strongest-growing sector this year.

The outlook for the remainder of 2026 is one of continued gradual disinflation, a policy rate likely to remain on hold through at least the October 2026 Monetary Policy Committee meeting amid fears of El Nino weather conditions in the coming agriculture season, an exchange rate that should stay administratively stable in the near term (barring a shift tied to a new IMF programme), and growth that will depend heavily on the scale of the tobacco marketing season's forex contribution and food security conditions heading into the 2026/27 rainy season. In addition, the planned domestic sovereign debt reprofiling brings uncertainty over liquidity, profitability and capital positions in the financial markets.

The Board, therefore, anticipates a continued challenging operating environment as a result of these factors which will likely impact financial performance across the financial services industry. However, the Bank remains committed to navigating these challenges by leveraging its core strengths to counter the headwinds ahead.

BY ORDER OF THE BOARD

Dr. Grant P. Kabango
Chairman

Madalo C. Mwenelupembe (Mrs.)
Director

Harold N. Jiya
Chief Executive Officer

Daniel C. W. Jere
Chief Financial Officer

27 August 2026
Registered Office:
7 Henderson Street,
BLANTYRE