



INVESTMENT BANK

➤ Summary of results for the six months ended 30th June 2020

(Published pursuant to the Financial Services Act and Banking Act of the Laws of Malawi)



Summary statements of profit or loss and other comprehensive income

	Unaudited 30-Jun-20 K'000	Unaudited 30-Jun-19 K'000	Audited 31-Dec-19 K'000
Interest income	7,174,046	7,352,767	14,916,480
Interest expense	(4,007,313)	(4,549,369)	(8,648,803)
Net interest income	3,166,733	2,803,399	6,267,677
Non-interest income	1,845,348	1,186,706	2,269,535
Operating income before impairment losses on loans and advances to customers	5,012,081	3,990,105	8,537,212
Net impairment losses on loans and advances to customers	(1,039,696)	(516,951)	285,800
Income after impairment losses on loans and advances to customers	3,972,385	3,473,153	8,823,012
Operating expenses	(2,639,869)	(2,683,030)	(5,542,445)
Profit before income tax	1,332,516	790,124	3,280,567
Income tax expense	(405,993)	(241,155)	(971,918)
Profit and comprehensive income for the year	926,523	548,969	2,308,649



Summary statements of financial position

	Unaudited 30-Jun-20 K'000	Unaudited 30-Jun-19 K'000	Audited 31-Dec-19 K'000
Assets			
Cash and cash equivalents	10,252,248	4,022,343	6,708,237
Financial assets at fair value through profit or loss	52,902,691	54,652,018	48,916,015
Investment securities	4,205,287	-	1,433,596
Loans and advances to related party	2,089,307	3,016,274	3,012,329
Loans and advances to other banks	1,786,264	2,360,326	2,023,252
Loans and advances to customers	34,534,461	21,166,274	30,540,364
Amounts due from related parties	-	66,759	-
Assets held for sale	14,252	-	-
Other assets	795,401	2,418,432	1,842,100
Other investments	280,000	280,000	280,000
Equipment	2,095,046	2,326,572	1,942,627
Intangible assets	48,945	67,890	69,034
Deferred tax asset	46,671	61,511	72,805
Total assets	109,050,573	90,438,399	96,840,359
Capital, reserves and liabilities			
Share capital and reserves	11,420,159	4,837,726	10,493,636
Balances due to other banks	5,208,090	2,601,828	-
Customer deposits	39,447,489	33,341,815	40,322,718
Investment funds	48,659,880	45,344,270	41,636,566
Other liabilities and accruals	2,442,714	2,580,547	2,240,787
Income tax payable	272,241	132,214	546,652
Subordinated liability	1,600,000	1,600,000	1,600,000
Total capital, reserves and liabilities	109,050,573	90,438,399	96,840,359



Summary statements of changes in equity

	Unaudited 30-Jun-20 K'000	Unaudited 30-Jun-19 K'000	Audited 31-Dec-19 K'000
As at the beginning of the period	10,493,636	4,288,757	4,288,757
Transitional adjustment on IFRS 16 adoption at 1 Jan 2019	-	-	(5,384)
New issue of shares	-	-	3,901,614
Total comprehensive income for the year	926,523	548,969	2,308,649
As at the end of the year	11,420,159	4,837,726	10,493,636



Summary statements of cashflows

	Unaudited 30-Jun-20 K'000	Unaudited 30-Jun-19 K'000	Audited 31-Dec-19 K'000
Cash generated from operating activities	5,215,443	(141,220)	2,192,982
Advance payment of income tax	(654,271)	(31,907)	(359,523)
Cash flows from /used in operating activities	4,561,172	(173,128)	1,833,459
Proceeds from sale of equipment	331	-	473
Acquisition of equipment and intangible assets	(59,894)	(1,997)	(69,404)
Non-cash adjustment on IFRS 16 Leases	(570,752)	-	(2,328,360)
Acquisition of equity investment	-	(250,000)	(250,000)
Net cash used in investing activities	(630,315)	(251,997)	(2,647,291)
Cash flows from financing activities	-	-	3,901,614
Proceeds from issue of shares	(399,289)	-	(827,651)
Repayment of lease liabilities	(399,289)	-	3,073,963
Net cash from financing activities	3,531,568	(425,125)	2,260,131
Net increase in cash and cash equivalents	12,443	6,139	6,777
Effects of exchange rate fluctuations on cash and cash equivalents	6,708,237	4,441,329	4,441,329
Cash and cash equivalents at the beginning of the period	10,252,248	4,022,343	6,708,237
Cash and cash equivalents at end of the period			

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Operating income before impairment losses on loans and advances to customers	5,012,081	3,990,105
Net impairment losses on loans and advances to customers	(1,039,696)	(516,951)
Income after impairment losses on loans and advances to customers	3,972,385	3,473,153
Operating expenses	(2,639,869)	(2,683,030)
Profit before income tax	1,332,516	790,124
Income tax expense	(405,993)	(241,155)
Profit and comprehensive income for the year	926,523	548,969

Sector	Impairment losses/ non performing credit facilities and provisions for losses					
	30-Jun-20		30-Jun-19			
	Outstanding amount K'000	Impaired loans outstanding balances K'000	Specific provisions K'000	Outstanding amount K'000	Impaired loans outstanding balances K'000	Specific provisions K'000
Agriculture	3,095,623	51,685	49,901	1,267,274	555	-
Construction	578,851	95,952	15,129	663,219	92,037	12,317
Manufacturing	8,738,484	-	-	7,472,940	-	-
Real estate	161,454	-	-	259,344	-	-
Tourism and leisure	808,397	-	-	1,099,238	-	-
Transport/storage	538,800	7,542	7,542	438,381	7,562	7,542
Wholesale and retail	13,259,562	-	-	8,413,426	1,743,312	522,894
Community, social, personal services	5,041,935	15,257	11,702	660,194	16,443	14,653
Other	2,311,355	1,745,482	1,745,482	892,258	2,503	2,503
	34,534,461	1,915,918	1,829,756	21,166,274	1,862,412	559,909

Economic sector	Credit concentration				Deposit rates	
30-Jun-20		30-Jun-19		Jun-20	Jun-19	
Outstanding K'000	% of core capital	Outstanding K'000	% of core capital			

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