



**2 0 2 3**

**ANNUAL REPORT /  
ANNUAL GENERAL  
MEETING PACK**



*“We remain  
committed  
to delivering  
exceptional  
results, adhering  
to our investment  
philosophy, and  
serving the best  
interests of our  
investors.”*

---

**Esther Gondwe**  
NITL Chairperson

22nd

**ANNUAL REPORT /  
ANNUAL GENERAL  
MEETING PACK**

CONTENTS

Notice and Agenda of Annual General Meeting	04
Minutes of the 21st Annual General Meeting	07
2023 Annual Report	09
Proxy Form	69



# 22ND ANNUAL GENERAL MEETING

## NOTICE AND AGENDA OF THE 22ND ANNUAL GENERAL MEETING OF NATIONAL INVESTMENT TRUST PLC

NOTICE IS HEREBY GIVEN THAT THE 22ND ANNUAL GENERAL MEETING OF NATIONAL INVESTMENT TRUST PLC WILL BE HELD AS A PHYSICAL MEETING AT MOUNT SOCHE HOTEL ON 26TH JULY 2024 FROM 14:30 HOURS TO TRANSACT THE FOLLOWING BUSINESS:

### AGENDA

#### 1. Financial Statements

To receive and consider the Audited Financial Statements of the company for the year ended 31 December 2023, together with the reports of the Directors and Auditors thereon.

#### 2. Dividend

To declare a final dividend of MK675,000,000.00 (2022: MK317,250,000.00) representing 500 tambala per share (2022: 235 tambala) for the year ended 31 December 2023 as recommended by the Board of Directors.

An interim dividend of K202,500,000.00 million (2022: MK108,000,000.00) representing 150 tambala per share (2022: 80 tambala) was paid in October 2023. If the proposal to pay a final dividend is approved, the total dividend for the year will be MK877,500,000.00 (2022: MK425,250,000.00) representing 650 tambala per share (2022: 315 tambala).

#### 3. Re-Appointment of External Auditors

To re-appoint AMG Global, Certified Public Accountants, as Auditors for the year ending 31 December 2024 and to authorize the Directors to fix their remuneration.

#### 4. Directors' Remuneration

To fix the remuneration of the Chairman and other Directors as follows:



#### 4.1 Directors Fees:

Chairperson	: K7,920,000.00 (2023: K6,000,000.00) per annum, payable quarterly.
Directors	: K6,336,000.00 (2023: K4,800,000.00) per annum, payable quarterly.

#### 4.2 Directors Sitting Allowances

Chairperson	: K400,000.00 (2023: K283,722.00) per sitting
Directors	: K350,000.00 (2023: K211,202.00) per sitting

### 5. Directors' Re-election

#### 5.1 Directors' re-election

**a. To re-elect Mr. Peter Nkata who retires by rotation and being eligible, offers himself for re-election.**

Mr. Peter Kamunkwala Nkata is a Chartered Mechanical Engineer and holds an Honors Bachelor of Science Degree in Mechanical Engineering obtained from the University of Nairobi, Kenya. He is a member of various professional bodies which include the Institute of Mechanical Engineers, the Board of Engineers and the Malawi Group of Professional Engineers. Mr. Nkata is currently a Consultant for Globe Group of companies. For the past 10 years, he was Managing Director of Beehive Limited and also its co-founder, having previously worked for 10 years as Country Director and co-founder of Mary's Meals. He commenced his career as a Graduate Engineer with the Ministry of Works and Supplies in Kenya and later worked for the Malawi Government. He joined the private sector in various senior roles including Projects Engineer at Shell and BP Refinery, Durban, South Africa; General Manager of Chesebrough Ponds Malawi; Detergents Factory Manager of Lever Brothers Zimbabwe; System Engineer at CRAIGMILLER factory in the United Kingdom; Logistic Director, Lever Brothers, Zambia; and Sourcing Manager, Unilever South Africa, Durban.

**b. To re-elect Mrs. Lissa Machinjili who retires by rotation and being eligible, offers herself for re-election.**

Mrs. Lissa Machinjili is a Fellow of the Association of Chartered Certified Accountants (FCCA) and a member of the Institute of Chartered Accountants in Malawi (ICAM) with over 20 years working experience. Her vast experience in auditing and finance is largely in the banking sector. She also holds an MBA from University of Derby and a Bachelor of Accountancy Degree from University of Malawi obtained from the Polytechnic. She is currently the Internal Audit & Risk Manager for Public Procurement & Disposal of Assets Authority. She previously worked as Head of Internal Audit at Mwaiwathu Private Hospital, Indebank Limited and as an Internal Audit Manager at Standard Bank Malawi Plc. Early on in her career, she worked as Assistant Audit Manager at KPMG Malawi.

**c. To re-elect Mrs. Esther Gondwe who retires by rotation and being eligible, offers herself for re-election.**

Esther Gondwe holds a Bachelor's Degree in Social Sciences from the University of Malawi, an ACCA Certified Diploma in Accounting and Finance and a Master's Degree in Business Administration from Brunel University in London, UK. She has over 10 years' experience in Project



Management having worked and held senior positions at the Malawi Development Corporation, a former Development Financial Institution in Malawi. She also has over 15 years' experience in research and grants management having held management positions at the Blantyre Malaria project, an affiliate of the Kamuzu University of Health Sciences, formerly University of Malawi, College of Medicine. She has managed research grants from the US National Institutes of Health (NIH), the Bill and Melinda Gates Foundation, the European Development Clinical Trials Partnership (EDCTP), the Wellcome Trust and the Medical Research Council. She has also participated in training and policy development for grants management and research administration in the University.

### 6. Other Business

To transact any other business prior notice of which shall have been given to the Company Secretaries by members of the Company not less than 21 days before the date of the Annual General Meeting.

Dated 28 June 2024

#### **By Order of the Board**

NICO Asset Managers Limited  
Company Secretaries

### Notes

---

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the company.
  2. The instrument appointing a proxy and, if applicable, the authority under which it is signed, must be deposited with Nico Asset Managers Limited, Company Secretaries at Chibisa House, 19 Glyn Jones Road, Blantyre not less than 48 hours before the time appointed for holding the meeting. The proxy form can also be sent through email to **memory.chipembere@nicoassetmanagers.com**. The instrument appointing a proxy shall be in the form attached in the AGM Pack or a form as near thereto as circumstances permit.
- 



# MINUTES OF THE 21ST ANNUAL GENERAL MEETING

## MINUTES OF THE 21ST ANNUAL GENERAL MEETING OF THE NATIONAL INVESTMENT TRUST PLC HELD ON 20 JULY 2023 AT RYALLS HOTEL, BLANTYRE FROM 10:00 HOURS

### **Present**

Mrs. E. Gondwe	-	Chairperson
Mr. Msisha	-	Director
Mr. Nkata	-	Director
Mrs. Machinjili	-	Director
Mr. Manyenje	-	Director
Mr. Kadumbo	-	Director

### **Shareholders in Person**

### **Shareholders by Proxy**

Shareholder	Proxy
-------------	-------

### **Observers**

As per Attendance Register that can be inspected at the Company's registered office.

## **21/1 Quorum**

Upon confirmation of quorum by the Company Secretary, the meeting was declared duly constituted at 10:00 hours.

## **21/2 Minutes of the Previous Meeting Held on 9 August 2022**

The Minutes of the previous meeting held on 9 August 2022 were noted by the shareholders.

## **21/3 Financial Statements for the Year Ended 31 December 2022, Reports of the Directors, and Auditors**

The Audited Financial Statements for the year ended 31 December 2022, together with the reports of the Directors and Auditors thereon were received by the shareholders.

## **21/4 Dividend**

It was resolved that a final dividend of K317,250,000.00 (Three Hundred and Seventeen Million Two Hundred and Fifty Thousand Kwacha) representing 235 tambala per share be paid as recommended by the Directors.



## 21/5 Re-Appointment of Auditors

It was resolved that AMG Global be re-appointed as auditors for the Company for the year ending 31 December 2023 and the Directors be authorized to fix their remuneration.

## 21/6 Non-Executive Directors' Remuneration

It was resolved that Directors' remuneration be increased with effect from 1 January 2023 as follows:

### Fees:

Chairperson : K6,000,000.00 per annum payable quarterly in arrears  
(2022: K4,324,320.00)

Non-Executive Directors : K4,800,000.00 per annum payable quarterly in arrears  
(2022: K3,786,760.00)

### Sitting Allowances:

Chairperson : K283,722.00 per sitting (2022: K204,484.00)

Non-Executive Directors : K211,202.00 per sitting (2022: K166,619.00)

## 21/7 Directors' Re-Election

### 21/7/1 Re-election of Mr. Davis Manyenje

It was resolved that Mr. Davis Manyenje be re-elected as Director.

### 21/7/2 Re-election of Mr. Michael Kadumbo

- Shareholders expressed concern that Mr. Michael Kadumbo was being re-elected when the shareholder, First Capital Bank Limited who had nominated him no longer had shareholding in the company.
- The Chairperson took note of the concern and requested shareholders to allow the motion and that a resolution be passed in favour of Mr. Kadumbo's re-election and that the matter be considered by the directors by the next Annual General meeting.
- It was resolved that Mr. Michael Kadumbo be re-elected as Director.
- Members noted that there were 3 shareholders that voted against the resolution.

### 21/7/3 Re-election of Mr. Terence Nsamala

It was resolved that Mr. Terence Nsamala be re-elected as Director.

There was no other business prior notice of which had been given to the Company Secretaries by members of the Company not less than 21 days before the date of the Annual General Meeting.

The meeting was declared closed by the Chairperson.

-----  
Chairperson

-----  
Date





2023


## ANNUAL REPORT

### CONTENTS

Chairperson's Statement	10
Profiles of Directors	13
Investment Policy	16
Fund Manager's Report	18
Directors' Report	23
Statement of Directors' Responsibilities	31
Independent Auditors' Report	32
Statement of Financial Position	36
Statement of Comprehensive Income	37
Statement of Changes in Equity	38
Statement of Cash Flows	39
Notes to the Financial Statements	40



# CHAIRPERSON'S STATEMENT



NITL continued its impressive performance trajectory in 2023, with a year-on-year increase in profit after tax (PAT) of MK21.50 billion from MK6.99 billion in 2022, representing a **207.49% growth.**

## Dear Investors and Stakeholders,

I am pleased to present the annual report of National Investment Trust plc (NITL) for the year ended December 31, 2023. Despite the challenging economic and market conditions, I am proud to report that in two consecutive years our fund has exceeded expectations and achieved significant growth. Our commitment to disciplined investment strategies, rigorous risk management, and in-depth market analysis has been instrumental in generating attractive returns for our investors.



## Operating Environment:

The operating environment faced several challenges which included high inflation, rising interest rates, scarcity of forex and slow economic activity. Furthermore, the country was impacted by Cyclone Freddy whose effects adversely impacted the economy. The Malawi All Share Index (MASI) registered a very strong performance in the year to deliver a return of 78.85% (2022: 19.89%). The average inflation for the year was recorded at 28.80% compared to 21.00% in 2022. The Reserve Bank of Malawi declared another 44% devaluation of the Kwacha in November 2023, adding to the 25% decrease in April 2023 and occasional minor currency devaluations along the way. The repercussions of this currency depreciation persistently affect all sectors of the economy. The low forex reserves continue to put pressure on the local currency and the exchange rate continues to remain volatile in the short term.

Interest rates increased further during the year following the change in the monetary policy rate to 24% from 18% at the beginning of the year. This led to an increase in interest rates on investments, particularly fixed deposits, and all government securities. The economic outlook continues to face downside risks from high government debt levels, low forex reserves and rising inflation.

## Financial Performance:

NITL continued its impressive performance trajectory in 2023, with a year-on-year increase in profit after tax (PAT) of MK21.50 billion from MK6.99 billion in 2022, representing a 207.49% growth. Total investment income grew to MK21.86 billion from MK7.35 billion, a 197.43% increase year-on-year. This growth was driven by significant share revaluation gains of MK20.40 billion against MK6.58 billion in the same period last year and MK1.41 billion dividend income compared to MK713.69 billion in 2022 due to higher dividends declared by investee companies. Interest income marginally decreased by 22% on account of a decrease in funds available for investments.

Our investment assets grew to MK45.27 billion from MK24.33 billion in 2022, reflecting an 86.04% year-on-year increase. The gross annualized return stood at 89.10% against the MASI return of 78.85%, average all-type Treasury Bill rate of 17.87%, and average inflation for 2023 of 28.80%. Operating expenses rose by 51% owing to the general increase in costs and the growth in Assets Under Management, as compared to the previous year.

The operating environment faced several challenges which included high inflation, rising interest rates, scarcity of forex and slow economic activity.

Total investment income grew to **MK21.86 billion** from MK7.35 billion, a **197.43% increase** year-on-year.

investment assets grew to **MK45.27 billion** from MK24.33 billion in 2022, reflecting an **86.04% year-on-year increase**.



## Dividend:

The Company declared an interim dividend of MK202.50 million for the year ended 31 December 2023 (2022: MK108.00 million) representing MK1.50 per share (2022: MK0.80 per share). The Directors proposed a final dividend of MK675.00 million in respect of the 2023 profits to be approved at the forth coming Annual General Meeting (2022: MK317.25 million) representing MK5.00 per share (2022: MK2.35 per share). This will bring the total dividends from the 2023 profits to MK877.50 million (2022: MK425.25 million) representing MK6.50 per share (2022: MK3.15 per share).

Total  
Dividends  
**MK877.50  
million**  
(2022:  
MK425  
million)

## Investment Philosophy and Strategy:

Our investment philosophy revolves around a long-term, research-driven approach to identify opportunities with attractive risk-return profiles. We maintain a diversified portfolio across asset classes and sectors to mitigate risk and capitalize on emerging trends. Through thorough analysis and due diligence conducted by our investment committee and NICO Asset Managers Limited, we identify undervalued assets and growth potential, aiming to generate alpha for our investors. We remain committed to disciplined investing, prudent risk management, and adherence to ethical principles.

## Outlook:

Looking ahead, the economic operating environment is expected to remain challenging in 2024 coupled with rising inflation, high interest rates and the volatile forex market. Additionally, the impact of the dry spells across the country will affect crop harvests. These variables will directly impact performance of our investee companies. However, we are optimistic about our prospects for continued growth and success. With our strong financial position, diverse portfolio of investments, and the execution of our strategic objectives running to 2024, we believe we are well-positioned to mitigate these emerging risks.

In conclusion, I extend my sincere appreciation to all the Directors and committees for their unwavering commitment to the mission of NITL. The Investment Committee has been instrumental in shaping our investment strategy, while the Finance and Audit Committee has played a pivotal role in ensuring responsible financial management.

Furthermore, I would like to express my heartfelt gratitude to NICO Asset Managers Limited, the portfolio managers, and our shareholders for their unwavering support and continuous backing and commitment to our organization which has been vital to our company's achievements.

As we move forward, we remain committed to delivering exceptional results, adhering to our investment philosophy, and serving the best interests of our investors. We look forward to navigating the investment landscape together and achieving our shared objectives.

**Esther Gondwe**  
Chairperson



# BOARD OF DIRECTORS

---



## **Mrs. Esther Gondwe**

Chairperson

Esther Gondwe holds a Bachelor's Degree in Social Sciences from the University of Malawi, an ACCA Certified Diploma in Accounting and Finance and a Master's Degree in Business Administration from Brunel University in London, UK. She has over 10 years experience in Project Management having worked and held senior positions at the Malawi Development Corporation, a former Development Financial Institution in Malawi. She also has over 15 years experience in research and grants management having held management positions at the Blantyre Malaria project, an affiliate of the Kamuzu University of Health Sciences, formerly University of Malawi, College of Medicine. She has managed research grants from the US National Institutes of Health (NIH), the Bill and Melinda Gates Foundation, the European Development Clinical Trials Partnership (EDCTP), the Wellcome Trust and the Medical Research Council. She has also participated in training and policy development for grants management and research administration in the University.



## **Mr. Terence Nsamala**

Chairman – Investment Committee

Mr. Terence Nsamala holds a Bachelor of Accountancy Degree from the University of Malawi – the Polytechnic. He is a Fellow of the Association of Chartered Certified Accountants (FCCA). He has over 25 years work experience in equity and money market trading, investment and development banking and financial management. He currently manages a family investment trust with interests in listed securities and real estate. He is the Chairman of Select Financial Services Limited and serves as a director on the Boards of Vanguard Life Assurance Limited and Vanguard Pensions Limited.



## **Mr. Godfrey Mutaya Msisha**

Chairman – Finance and Audit Committee

Mr. Godfrey Mutaya Msisha is a lawyer and the Principal Partner at M & Z Associates. He has expertise in legal drafting, particularly in matters concerning commercial law and practice. Mr. Msisha holds a Bachelor of Laws (LLB) degree from Rhodes University, South Africa; a Master of Arts in Economics from Colorado State University, USA and a Bachelor of Arts in Economics from Ohio Dominican University, USA. Mr. Msisha worked as a Mutual Fund Accountant in Columbus Ohio; was a Senior Associate at Nyirenda & Msisha Law Offices; and was the Legal Services Manager at National Oil Company of Malawi Limited ("NOCMA").





### **Mr. Davis Winstone Manyenje**

Director

Mr. Davis Winstone Manyenje is a businessman running a Commodity Trade House and General Supplies Enterprise and holds a Master of Business Administration [MBA] Degree and a Bachelor of Business Administration [BBA] Degree from University of Malawi – The Polytechnic (now MUBAS). He also has certifications in financial services from SAIFM [RPE-Equities], MEFMI and UNITAR. He has over 22 years practical financial services and trade experience in capital markets, corporate finance and asset management and commodities trading.

He started his career with MUSSCO, propagating savings and credit cultures at grassroots under an AfDB funded Women in Development (WID) Project before moving to Reserve Bank of Malawi as a Capital Market analyst and later as a Money Market Analyst. Later, he moved into asset management in the private sector through CDH Asset Management Limited before joining stockbroking at Trust Securities Limited and later FDH Stockbrokers Limited. He previously worked as the General Manager for AHL Commodities Exchange Limited and later as the Group Operations Executive for AHL Group Plc. He has recently been working as a local Capital Market consultant for The World Bank Group.



### **Mrs. Lissa Machinjili**

Director

Mrs. Lissa Machinjili is a Fellow of the Association of Chartered Certified Accountants (FCCA) and a member of the Institute of Chartered Accountants in Malawi (ICAM) with over 20 years working experience. Her vast experience in auditing and finance is largely in the banking sector. She also holds an MBA from University of Derby and a Bachelor of Accountancy Degree from University of Malawi obtained from the Polytechnic. She is currently the Internal Audit & Risk Manager for Public Procurement & Disposal of Assets Authority. She previously worked as Head of Internal Audit at Mwaiwathu Private Hospital, Indebank Limited and as an Internal Audit Manager at Standard Bank Malawi Plc. Early on in her career, she worked as Assistant Audit Manager at KPMG Malawi.



**Mr. Peter Nkata**

Director

Mr. Peter Kamunkwala Nkata is a Chartered Mechanical Engineer and holds an Honors Bachelor of Science Degree in Mechanical Engineering obtained from the University of Nairobi, Kenya. He is a member of various professional bodies which include the Institute of Mechanical Engineers, the Board of Engineers and the Malawi Group of Professional Engineers. Mr. Nkata is currently a Consultant for Globe Group of companies. For the past 10 years, he was Managing Director of Beehive Limited and also its co-founder, having previously worked for 10 years as Country Director and co-founder of Mary's Meals. He commenced his career as a Graduate Engineer with the Ministry of Works and Supplies in Kenya and later worked for the Malawi Government. He joined the private sector in various senior roles including Projects Engineer at Shell and BP Refinery, Durban, South Africa; General Manager of Chesebrough Ponds Malawi; Detergents Factory Manager of Lever Brothers Zimbabwe; System Engineer at CRAIGMILLER factory in the United Kingdom; Logistic Director, Lever Brothers, Zambia; and Sourcing Manager, Unilever South Africa, Durban.



**Mr. Michael Kadumbo**

Director

Mr. Michael Kadumbo is an experienced accountant, rising from Finance Manager to the current role as Chief Finance Officer for First Capital Bank Plc. He holds a Bachelor of Accountancy Degree from the University of Malawi – The Polytechnic. He is a fellow of the Association of Chartered Certified Accountants (FCCA) and a member of the Institute of Chartered Accountants in Malawi (CA (Malawi)). He has more than 19 years working experience in accountancy and finance. Prior to joining First Capital Bank, he worked for ADMARC Investment Holding Company. He also serves as a Director for FMB Capital Markets Ltd, Livingstone Fitness Centre and a Trustee for First Capital Bank Pension Fund.



# INVESTMENT POLICY

For the year ended 31 December 2023



The company's investment portfolio is managed by an independent fund manager, NICO Asset Managers Limited, whose management is subject to the overall direction of the Board of Directors of the company.

The principal objective of the company is to provide a vehicle to facilitate broad public participation in a diverse portfolio of investments. The company invests in various instruments including listed equities, bonds, money market, properties, and unlisted equities.

The company's investment portfolio is managed by an independent fund manager, NICO Asset Managers Limited, whose management is subject to the overall direction of the Board of Directors of the company. The Fund Manager has day-to-day control and discretion in the management of the investment portfolio in accordance with the investment policy. The investment portfolio is managed with a view to providing shareholders with a return by way of both annual income and capital growth. Subject to cash flow considerations, net after tax income, other than income from investment switches and unrealised net gains on the investment portfolio, is distributed to shareholders.

The Board of Directors recognises that there will always be a risk present in any portfolio of investments but has adopted an investment policy which seeks to minimize that risk by defining permitted investments and placing limits on the extent of exposure to individual investments as follows:-

## Equities

Up to 100% of the investment portfolio may be invested in equities provided that no more than 40% of the portfolio may be invested in any single listed company and no more than 10% of the portfolio may be invested in any single unlisted company. Further limitations on investment in equities of property companies are set out below.

The investment portfolio is managed with a view to providing shareholders with a return by way of both annual income and capital growth.

Up to 100% of the investment portfolio may be invested in equities





## Property and Equity of Property Companies

Up to 25% of the investment portfolio may be invested in properties or equity of property companies provided that no more than 10% of the investment portfolio may be invested in any single property investment.

## Bonds

Up to 25% of the investment portfolio may be invested in public or private sector bonds provided that no more than 10% of the portfolio may be invested in any single bond issue or series of bonds of a single private sector issuer. It is a requirement that bonds must have a fixed redemption date and period to redemption of not more than ten years. Private sector bonds must be fully secured and public sector bonds must be guaranteed by the Government of Malawi.

## Cash Equivalents

No restrictions are placed on short-term investments in the form of Treasury Bills, Treasury Notes or deposits with licensed financial institutions.

Up to  
**25%** of the  
investment  
portfolio may  
be invested  
in public or  
private sector  
bonds

Up to  
**25%** of the  
investment  
portfolio may  
be invested  
in properties  
or equity  
of property  
companies

## Restrictions

The Fund Manager may not without the consent of the majority of the Board of Directors:

- acquire or dispose of any unlisted equities or bonds;

- enter into a contract on behalf of the company to acquire or dispose of any unlisted equities or bonds;

- borrow money in the name of the company; and

- pledge any property or assets belonging to the company or create charges or mortgages thereon.



# FUND MANAGER'S REPORT

For the year ended 31 December 2023

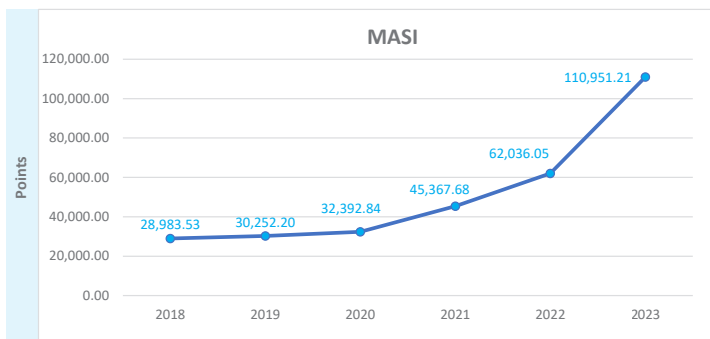


## Economic indicators

During the reporting period, the Malawi Kwacha depreciated against the United States Dollar, British Pound, South African Rand and the Euro by 64.00%, 73.71%, 50.01% and 70.39% respectively. As at 31 December 2023, the Malawi Kwacha was trading at K1,683.37/US\$ (31 December 2022: K1,026.43/US\$), representing a 64% annual devaluation in comparison with the prior year. As at 31 December 2023, total foreign currency reserves stood at US\$675.59 million (2.70 months of import cover), a decrease from US\$304.65 million (1.22 months of import cover) registered at the end of 31 December 2022.

The stock market yielded bullish gains in 2023 as the Malawi All Share Index (MASI) registered a return of 78.85%, compared to 2022 which stood at 36.74%. The MASI closed at 110,951.21 points on 31 December 2023 from 62,036.05 points on 31 December 2022.

Below is a chart showing the MASI trend over the last 6 years.



## Economic indicators (Continued)

MPICO was the only loss-making counter year on year at (27% loss), the market registered 15 gainers, with the top five gainers being FDHB (303%), NBS (238% increase), NITL (228% increase), FMBCH (184% increase) and NICO (151% increase).

The table below shows the closing share prices as at 31 December 2023, as compared to 31 December 2022:

Listed Equity				
Counter	Share Price (K) 31 Dec 2023	Share Price (K) 31 Dec 2022	2023 Return	
FDHB	70.00	17.37	↑	303%
NBS	114.90	34.00 2	↑	38%
NITL	409.99	124.99	↑	228%
FMBCH	315.00	110.86	↑	184%
NICO	150.40	60.00	↑	151%
ILLOVO	1,260.03	540.00	↑	133%
SUNBIRD	191.07	92.06	↑	108%
STD	3,950.00	2,000.16	↑	97%
OMU	1,500.00	985.00	↑	52%
ICON	17.85	11.95	↑	49%
NBM	2,101.25	1,542.05	↑	36%
TNM	18.70	14.00	↑	34%
BHL	13.00	10.97	↑	19%
PCL	2,506.99	2,181.37	↑	15%
AIRTEL	60.00	56.64	↑	6%
MPICO	15.00	20.64	↓	-27%
MALAWI ALL SHARE INDEX	110,951.21	62,036.05	↑	79%

The Malawi All Share Index (MASI) delivered a return of 78.85% in the year, an increase from 36.74% in the previous year.

The Monetary Policy Committee (MPC) raised the policy rate by 400 basis points from 18.00% at the start of the year to 22.00% in Q2 of 2023; the rate was further raised by 200 basis points in Q3 of 2023 to 24.00%, which was the closing rate for the year.

Interest rates on the money market increased following the upward revision of the monetary policy rate. The all-type Treasury bill yield for the year 2023 increased to 17.87% from 14.15% in 2022. Meanwhile, returns for 2 years, 3 years, 5 years, 7 years and 10-year notes averaged 25.40%, 26.67%, 28.71%, 30.24% and 31.82% respectively. Fixed deposit rates increased to an average of 17.53% in 2023 from 14.50% recorded in 2022.



## Investment portfolio (Continued)

As at 31st December 2023, total assets stood at K45.27 billion (31 December 2022: K24.33 billion) representing 85.82% growth year-on-year (YoY). The gross annualized return for the fund was 89.10% (31 December 2022: 34.98%) against the MASI return of 78.85%, average all-type Treasury Bill rate of 17.83% and average inflation of 28.68%.

Total investment income was K21.86 billion as compared to K7.35 billion during the same period last year, representing a 195.13% increase YoY. Investment income excluding revaluation gains was K1.45 billion (2022: K770.32 million).

The company approved and paid an interim dividend of K202.5 million, representing K1.50 per share (2022 interim: MK108.0 million representing K0.80 per share).

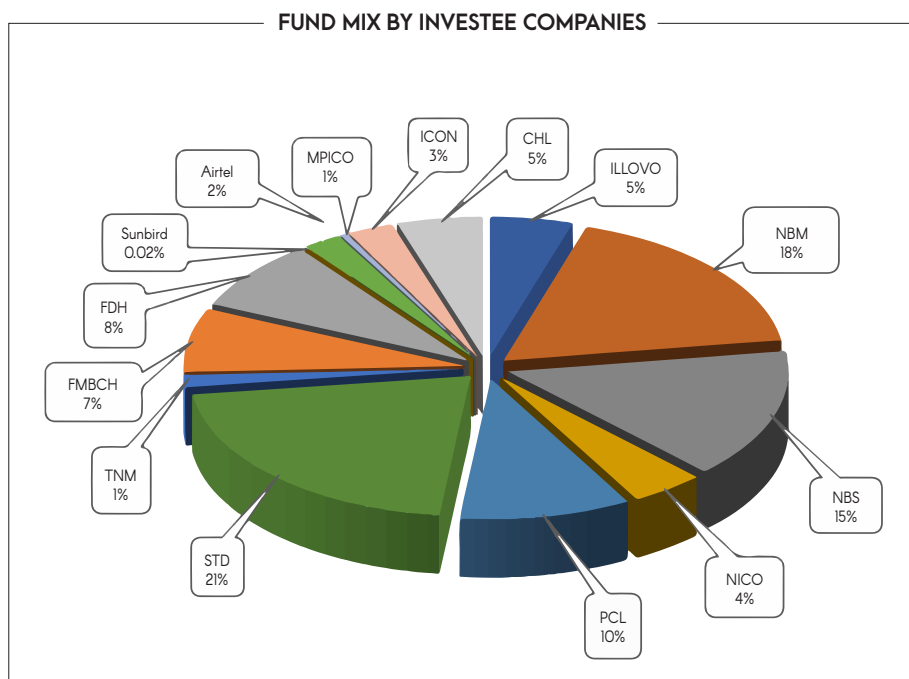
Below is a table showing how the fund was invested as at 31 December 2023:

NITL INVESTMENTS				
Counter	Number of shares	Share Price (K)	Valuation (K'million)	Fund %
Standard Bank	2,392,190	3,950.00	9,449	20.9%
National Bank	3,810,295	2,101.25	8,006	17.7%
NBS Bank	58,316,945	114.90	6,701	14.8%
PCL	1,763,358	2,506.99	4,420	9.8%
FDH Bank	51,714,506	70.00	3,620	8.0%
FMBCH	10,439,970	315.00	3,289	7.3%
CHL	7,128,640	311.14	2,218	4.9%
ILLOVO	1,700,454	1,260.03	2,143	4.7%
NICO	12,640,331	150.40	1,901	4.2%
ICON	66,797,612	17.85	1,192	2.6%
Airtel	16,500,000	60.00	990	2.2%
TNM	33,565,081	18.70	628	1.4%
MPICO	12,391,445	15.00	186	0.4%
Sunbird	37,000	191.07	7	0.0%
Cash & Deposits			513	1.0%
<b>Total Investment Assets</b>			<b>45,264</b>	<b>100.0%</b>



## Investment portfolio (Continued)

The pie chart below shows the fund mix as at 31 December 2023



The Directors believe that the fund remains well diversified across listed entities on the Malawi Stock Exchange and private equity in line with the Investments Policy.

Below is a high-level performance review as at 31 December 2023 of the counters that the company had invested in on the stock market:

### Standard Bank Plc

Standard Bank registered a profit after tax of MK52.52 billion (FY22: MK39.20 billion) for FY23, 34.1% above the prior corresponding period. The Bank's growth was primarily driven by a 60.3% increase in net interest income to MK122.84 billion as a result of elevated base lending rates through the year. Customer deposits grew by 33.3%, propelling total assets to MK1.11 trillion (FY22: MK829.35 billion), 34.1% higher than the prior year. The Bank is set to maintain a strong balance sheet and expand their loan book.

### National Bank of Malawi Plc

National Bank registered a profit after tax of MK71.96 billion for FY23, 56.6% above the prior corresponding period (FY22: MK45.94 billion). The Bank's growth was largely driven by a 32.9%



## Investment portfolio (Continued)

increase in net interest income to MK131.45 billion and a remarkable increase of 86.4% in non-interest income to K84.31 billion. Additionally, customer deposits grew by 19.8% to MK969.41 billion and total assets by 19.5% to K1.27 trillion (FY22: MK1.02 trillion). National Bank is set to continue posting strong earnings as they enhance digital offerings, grow customer deposits, and take advantage of high-yielding financial instruments.

### FDH Bank Plc

FDH Bank's profit after tax for FY23 was recorded at MK35.65 billion, 55.4% above the prior corresponding period (FY22: MK22.93 billion). The Bank's upward trajectory was primarily driven by a 60.4% increase in net interest income to MK59.85 billion. Additionally, customer deposits grew by 35.3% to MK443.96 billion and total assets by 30.3% to K566.06 billion. The Bank has taken encouraging strides in lowering cost of funding and improving credit underwriting proficiency, and coupled with the trajectory of interest income, performance outlook is positive.

### FMB Capital Holdings Plc

FMB Capital Holdings registered a profit after tax of USD78.74 million (USD61.20 million) for FY23, of which USD52.63 million (FY22: USD40.09 million) was attributable to shareholders, 31.3% above the prior corresponding period. The Bank's performance was largely due to a 25.3% increase in net interest income to USD136.54 million. The bank-holding company posted steady balance sheet growth with increases of 5.5% in customer deposits to USD1.10 billion, and 9.8% in total assets to USD1.52 billion. Four out of six of the Group's subsidiaries churned registered year-on-year growth in profit while Zambian and Mauritian operations saw decreases of 11.0% and 91.0%, respectively, with the latter registering a net profit loss.

The outlook on the Group is dependent on continued gains from growing subsidiaries and turnaround from the two regions exhibiting net profit decline. Barring extensive foreign exchange instability across exposed regions, the Bank is in position to maintain earnings growth.

### NBS Bank Plc

NBS Bank registered a profit after tax of MK29.38 billion (FY22: MK18.91 billion), 55.4% above the prior year. The Bank's performance was largely driven by a 31.6% increase in net interest income to MK67.69 billion and a surge of 147.0% in non-interest income which closed at MK34.95 billion. Customer deposits increased by 43.0% to MK538.53 billion, while total assets were up by 53.9% to MK657.72 billion (FY22: MK462.21 billion). While faced with unideal operating margins and cost of funding, NBS Bank is set to sustain their momentum amid high yielding sovereign debt and base lending rates, in addition further boosts to non-interest income.

### Illovo Sugar Plc

Illovo Sugar registered a profit after tax of MK56.75 billion for FY23 (FY22: MK26.63 billion), a 113.1% increase, while revenue was up by 46.0% to close at MK272.46 billion (FY22: MK186.64). The remarkable growth in net profit was a result of improved efficiency as evidenced in their gross and operating margins. While there is uncertainty surrounding the company amid weather and foreign exchange risk, there is optimism following increased prices of sugar and cane, in addition to potentially capitalizing on their export market.

### NICO Holdings Plc

NICO Holdings registered a profit after tax of MK59.08 billion (MK37.01 billion) for FY23, of which



## Investment portfolio (Continued)

K31.10 billion (FY22: MK19.65 billion) was attributable to shareholders, 58.2% above the previous year. Except for NICO General, all the Group's subsidiary companies reported a profit and positive year-on-year growth. The prime catalysts for the Group's performance were their banking and life insurance operations, NBS Bank and NICO Life.

### Press Corporation Plc

Press Corporation registered a profit after tax of MK75.05 billion (FY23: MK36.34) for FY23, of which MK40.42 billion (FY23: MK13.62 billion) was attributable to shareholders, 196.7% higher than the prior year. The Group's performance was largely driven by their banking operations, while their energy segment showed strong growth, and the Group made progress in ceasing operations in long-term loss-making subsidiaries.

### Airtel Malawi Plc

Airtel retracted financial statements for FY23 and further stated that they would release revised figures. The company announced that they would report a loss after tax for FY23 and had closed the year in a position of negative retained earnings. This was due to large losses due to their foreign denominated exposures in trade and payable; debt borrowings; a re-assessment of the accounting treatment for certain USD indexed tower lease contracts— as has been stated by the company following retraction of summary statements.

### TNM Plc

TNM registered a loss of – MK4.93 billion (FY22: loss of MK1.78 billion) for FY23, marking a second consecutive year of losses for the company. TNM took a MK9.71 billion loss in foreign exchange losses as a result of the devaluation of the Malawi Kwacha. Despite a tough year and an uncertain outlook, the company grew total revenue and data revenue by 15% and 19%, respectively. Additionally, TNM's mobile money operations posted a 29.0% increase in revenue to MK18.54 billion.

### Sunbird Tourism Plc

Sunbird registered a profit after tax of MK5.25 billion (FY22: MK3.05 billion), 72.2% higher than the prior year. Profitability was driven by a 35.7% increase in revenue that was a result of occupancy rates rising to 57.0% from 48.0% in the preceding year. Additionally, catering revenue was up by 31.0% year-on-year. Sunbird's outlook is positive as their rates steadily increase and they can capitalize on foreign denominated income; the company also boasts a strong portfolio of property that has been built through years of consistent capital expenditure (both expansion and maintenance capital expenditure).

### ICON Properties Plc

ICON properties registered a profit of MK19.16 (FY22: MK16.71 billion), an increase of 14.7% year-on-year. This can be attributed to revaluation gains of MK11.85 billion and a tax credit of MK2.17 billion (FY22: tax expense of MK2.86 billion). ICON's net asset value increased by 11.1% to close at MK120.87 billion. The company's outlook is uncertain as they face pressure on operating expenses amid rising inflation while rental income growth has been stagnant for the past few years.

### MPICO Plc

MPICO registered a –13.2% decrease in profit after tax to MK7.07 billion for FY23 (FY22: MK8.14 billion). The decline in performance was partly due to a once-off deferred tax adjustment of MK2.6 billion following de-recognition of prior year deferred tax asset relating to investment properties and stagnation in rental income which was recorded at MK6.88 billion (FY22: MK6.84 billion), 0.6% above the prior year. MPICO's net asset value grew by 8.7% to MK82.16 billion. The company's outlook is



## Investment portfolio (Continued)

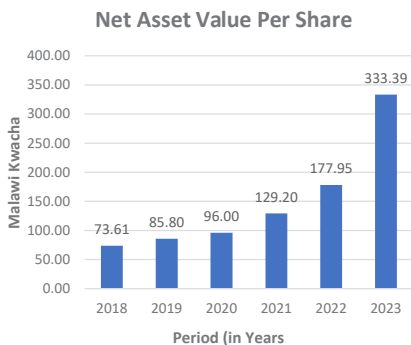
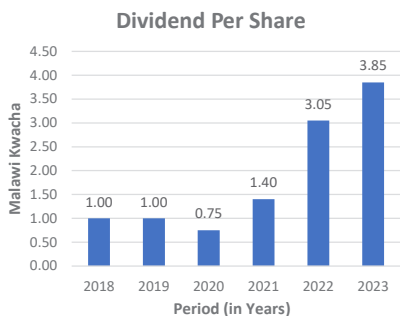
dependent on increasing rental income to boost cash flows, their expansion pipeline, and diversifying their client base to lower dependence on government tenants – which exposes them to a drag on liquidity.

### Continental Holdings Limited

CHL, for FY23, reported a profit of K11.45 billion (FY22: K8.37 billion), of which K9.49 billion (FY22: K7.04 billion) was attributable to owners of the parent, representing an increase of 34.77% year-on-year. The holdings company also saw its net asset value grow by 26.65% to K33.25 billion.

CHL's performance was largely driven by their investment banking subsidiary: CDH Investment Bank. The Bank registered 47.87% growth in profit to K11.14 billion and growth of 39.85% in total income to K 28.75 billion. This was driven by boosts of 51.47% in interest income to K49.77 billion and 76.62% in non-interest income to K11.61 billion; the growth was however partially offset by interest expense growing at a faster rate than interest revenue and credit impairments growing to K1.37 billion (FY22: K11.82 million). Additionally, the Bank's customer deposits increased by 42.16% to K133.46 billion.

The net asset value (NAV) per share of National Investment Trust plc as at 31 December 2023 increased to K333.39 from K177.95 recorded in 2022. The NAV was lower than the Malawi Stock Exchange quoted share price of K409.99, representing a premium of 22.97%. As at 31 December 2022, NITL's quoted share price was trading K124.99 compared to K177.95 book value which represented a discount of 42.37%. The earnings per share as at close of the year stood at K159.29 compared to K51.80 in 2022. The graphs below show the 6-year historical movements in the above parameters.





## Investment portfolio (Continued)

### Investment Transactions

National Investment Trust plc sold some shares in Old Mutual Group plc in 2023 amounting to a total of K75.0 million. The company acquired shares and further increased exposure in FMBCH plc and FDH Bank plc in 2023 totalling to K170.8 million.

### Outlook

According to the Ministry of Finance, the real GDP growth estimate for 2023 is at 1.5%, slightly higher than 1.1% realized in 2022. The growth estimate is attributed to lower-than-anticipated growth in the agriculture, wholesale and retail and manufacturing sectors, stemming from persistent shortages of foreign exchange, tight monetary conditions, high inflation, weather shocks, and fuel shortages.

For 2024, the economy is expected to grow by 3.2% (Ministry of Finance), a rebound from 2023. The growth estimates are on account of growth in Agriculture, Mining and Quarrying, and Manufacturing, Accommodation and Food services, Wholesale and Retail Trade, as well as Information and Communication sectors. Major challenges to growth persist, including weather shocks that affect the country's rain-fed agriculture sector, limited concessional financing, low investor confidence, acute foreign exchange shortages and high inflation. Globally, slowing global growth, shocks to commodity prices posed by geopolitical tensions, and high global interest rates are expected to have negative impact on domestic growth.

However, in the medium term, commercialization of agriculture, increased activity in the mining sector, together with expenditure rationalization and the prioritization of capital expenditure under IMF guidance may result in real GDP averaging 4.0% growth in the 2025–27 forecast window, from an estimated average of 2.1% in 2022–24. Growth is expected to reach 4.8% in 2025.

In 2023, using the RBM middle exchange rates, the Malawi Kwacha depreciated against the US Dollar and closed the year at K1,683.37/US\$1 compared to K1,026.43/US\$1 registered at the end of 2021. During the year in review, the Reserve Bank of Malawi (RBM), as mandated under the RBM Act of 2018 to manage foreign exchange transactions in the country, devalued the Malawi Kwacha exchange rate against the United States Dollar by 44.0% on 10 November 2024. The decision was aimed at improving external sector competitiveness, aligning the exchange rate with market fundamentals as well as improving the circulation of foreign exchange in the market. The exchange rate is expected to be determined through the foreign exchange auctions held with Authorised Dealer Banks (ADB's). For 2024, the exchange rate is expected to follow the path of the auctions to arrive at a market clearing rate. Foreign exchange inflows are expected to improve following the Extended Credit Facility program that was granted by the International Monetary Fund (IMF) in late 2023. Concessional financing is also expected to improve once Malawi has reached a debt restructuring deal with its private creditors.





## FINANCIAL STATEMENTS

For the year ended 31 December 2023

Directors' Report	27 – 30
Statement of Directors' Responsibilities	31
Independent Auditors' Report	32 – 35
Statement of Financial Position	36
Statement of Comprehensive Income	37
Statement of Changes in Equity	38
Statement of Cash Flows	39
Notes to the Financial Statements	40 – 68



# DIRECTORS' REPORT



For the year ended 31 December 2023

## Nature of Business

The company is a closed end collective investment scheme established with the objective of providing investors with the opportunity to invest in a diversified portfolio of equity investments, bonds, property and equity of property companies and money market investments in Malawi. The company is licensed by the Registrar of Financial Institutions in accordance with the Financial Services Act through the Reserve Bank of Malawi.

## Share capital

Details of the current authorised and issued share capital are set out in note 8. An analysis of shareholders by type and holding is set out in note 20 to the financial statements.

## Dividends

An interim dividend of 150 tambala (2022: 80 tambala) per share was paid on 27th October 2023 to shareholders registered in the company's share register on 20th October 2023. The directors recommend a final dividend of 500 tambala (2022: 235 tambala) per share for declaration at the forthcoming Annual General Meeting.

## Directors

The following directors served in office during the period under review and four Board meetings were held.

	Attendance	Attendance Record %
Mrs. Esther Gondwe	4/4	100
Mr. Peter Nkata	4/4	100
Mr. Godfrey Msisha	4/4	100
Mr. Davis Manyenje	4/4	100
Mrs. Lissa Machinjili	4/4	100
Mr. Michael Kadumbo	3/4	75
Mr. Terence Nsamala	4/4	100

All directors are non-executive.

The regulations governing collective investment schemes stipulate that the majority of directors of the company must not be affiliated persons. None of the directors are affiliated persons.

In terms of the company's articles of association Mr. P. Nkata, Mrs. E. Gondwe and Mrs. L. Machinjili retire at the forthcoming annual general meeting. All the retiring directors are eligible for re-election.



## Directors (Continued)

The directors' direct or indirect interest in the shares of the company as at end of the reporting period is detailed in note 18 to the financial statements.

## Statement on corporate governance

The company has a unitary board of directors comprising seven non-executive directors. There are no executive directors.

The Board complies with the major principles of modern corporate governance as contained in the Code of Best Practice for Corporate Governance in Malawi (The Malawi Code II).

The Board meets at least four times a year. Adequate and efficient communication and monitoring systems are in place to ensure that the directors receive all relevant information to guide them in making necessary strategic decisions, and providing effective leadership, control and strategic direction over the company's operations, and in ensuring that the company fully complies with relevant legal, ethical and regulatory requirements.

In accordance with The Malawi Code II, the Board regularly assesses its performance and effectiveness as a whole as well as that of individual directors.

## Board Committees

### a. Finance and Audit Committee

The Finance and Audit Committee conducts its business in accordance with detailed terms of reference and does the following:

- monitors the integrity of the financial statements of the company and any formal announcements relating to the company's financial performance, including reviewing significant financial reporting judgments contained in them;
- reviews the company's internal financial controls to ensure the operation of adequate systems and control processes to safeguard the company's assets;
- reviews the company's policies and procedures to ensure they adequately address compliance and regulatory issues;
- oversees the company's relationship with its external auditor and reviews and monitors the external auditor's independence and objectivity and the effectiveness of the audit process; and
- makes recommendations to the Board, for it to put to shareholders for their approval in general meeting, in relation to the appointment and remuneration of external auditors.
- During the period under review, the Finance and Audit Committee held four meetings.

	Attendance	Attendance Record %
Mr. Godfrey Msisha	4/4	100
Mrs. Lissa Machinjili	4/4	100
Mr. Michael Kadumbo	4/4	100



## Board Committees (Continued)

### b. Investment Committee

The Board appointed an Investment Committee whose role is to supervise and assist the Fund Manager of the company in its investment decisions. The Fund Manager reports to the Investment Committee on all investment purchases and disposals and also has to seek prior authorisation from the Committee before undertaking transactions with a value in excess of K300 million. Transactions in excess of K300 million require approval from the Board of Directors.

During the period under review, five Investment Committee meetings were held.

	Attendance	Attendance Record %
Mr. Terence Nsamala	4/4	100
Mr. Davis Manyenje	4/4	100
Mr. Peter Nkata	3/4	75

## Ethical Standards

The Board is fully committed to ensuring the company's affairs are conducted with integrity and that the highest ethical standards are maintained.

### Directors' fees

Currently, the chairperson of the Board receives an annual fee of K6,000,000 (2022: K4,324,320) and directors receive an annual fee of K4,800,000 (2022: K3,786,760) each, together with sitting allowances at the rate of K283,722 (2022: K204,485) for the chairperson and K211,202 (2022: K166,619) for other directors for each meeting attended.

At the forthcoming annual general meeting, it will be proposed that fees and sitting allowances be reviewed based on recommendations from the Board.

## Management

The company has a 3-year agreement with NICO Asset Managers Limited which commenced on 1 August 2021, under the terms of which NICO Asset Managers Limited is contracted as sole managers of the company.

Subject to the overall policy and direction of the Board, the Fund Manager has day-to-day administrative and general control and discretion in the management, in accordance with the investment policy of the company throughout the term of the agreement.

Specific duties of Fund Manager include:

- To ensure adequate administrative, secretarial, accounting, financial and internal control systems are maintained; and
- To ensure the establishment of acceptable custodial arrangements to ensure the safe custody of the company's assets.

NICO Asset Managers Limited is licensed as an investment/portfolio manager by the Reserve Bank of Malawi under the authority vested in it by the Financial Services Act.

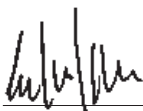


## Custodian

In 2022, the company was granted an exemption not to solicit custodial services by the Registrar of financial institutions because of the introduction of the Central Securities Depository (CSD). NITL share certificates were dematerialized and are now held in CSD through a broker, Cedar Capital Limited.

## Independent auditors

Remuneration for the auditors, AMQ Global, for the audit of the year ended 31 December 2023 was K15.8 million (2022: K12.2 million). The auditors have expressed their willingness to continue in office as auditors in respect of the company's 31 December 2024 annual financial statements and a resolution proposing their appointment will be tabled at the forthcoming Annual General Meeting.



---

**Esther Gondwe** (Chairperson)



---

**Godfrey Msisha** (Director)



## STATEMENT OF DIRECTORS' RESPONSIBILITIES

For the year ended 31 December 2023

---

The Malawi Companies Act, 2013 requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results for that year.

The Act also requires the directors to ensure that the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act, 2013.

In preparing the financial statements the directors accept responsibility for ensuring the following:

- Maintenance of proper accounting records;
- Selection of suitable accounting policies and applying them consistently;
- Making judgements and estimates that are reasonable and prudent;
- Compliance with applicable Accounting Standards when preparing financial statements; and
- Preparation of financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors also accept responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to maintain adequate systems of internal controls to prevent and detect fraud and other irregularities.

The directors have made an assessment of the ability of the company to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its operating results.

### Approval of the financial statements

The financial statements of the company as indicated above, were approved by the board of directors on 25 March, 2024 and were signed on its behalf by:



**Esther Gondwe** (Chairperson)



**Godfrey Msisha** (Director)



INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF NATIONAL INVESTMENT TRUST PLC (CONTINUED)

For the year ended 31 December 2023

Office address:  
Global House  
Kristwick  
Chipembere Highway  
Blantyre  
Malawi

Mail address:  
P O Box 2051  
Blantyre  
Malawi

Telephone: (265)-0888-201966  
(265)-01-873 347  
(265)-01-873 348  
E-mail: [info@amgglobal.co.mw](mailto:info@amgglobal.co.mw)



Certified Public Accountants  
& Business Advisors

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NATIONAL INVESTMENT TRUST PLC

### Opinion

We have audited the financial statements of National Investment Trust plc (the company) set out on pages 36 to 68, which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 December 2023, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Malawi Companies Act, 2013.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Malawi. We have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters are supposed to be addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





## Key audit matters (Continued)

Valuation of unlisted shares in Continental Holdings Limited	How the matter was addressed
On 30th September 2022, National Investment Trust Plc acquired 7,128,640 unlisted shares in Continental Holdings Limited for a consideration of MK1,154,839,680. By virtue of being unlisted shares inherently the valuation of these shares at year end is subjective and requires significant application of judgement. The company had the challenge to ensure that the investee's financial statements being used as a basis of computation of fair value have their financial assets valued in accordance with IFRS 13–Fair value measurement.	<p>We obtained a share valuation report done by Bridgepath Capital Limited and agreed the figures in National Investment Trust Plc financial statement to the valuation report. We reviewed the report and established that the valuer used market approach to value the unlisted shares. Market approach measures value based on current pricing statistics for companies which are considered similar to those being measured. We noted that the valuer used prior year audited financial statements and current year November management accounts for the investee company as a basis of the valuation. We reviewed the qualifications, experience and independence of the valuer. We noted no exceptions.</p> <p>Based on our procedures above, we are satisfied that the unlisted shares are fairly valued.</p>

## Other Information

The directors are responsible for the other information. The other information comprises: the Directors' Report and the Statement of Directors' Responsibilities, as required by the Malawi Companies Act, 2013; the Investment Policy and the Fund Manager's Report, all of which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Malawi Companies Act, 2013 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



## Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ali Nyondo.



---

**AMG Global**  
**Chartered Accountants**  
**Blantyre, Malawi**

28 March 2024

---

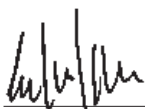


## STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

Figures in Thousands Malawi Kwacha	Note(s)	2023	2022
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	513,348	78,265
Other receivables	7	9,645	85
Equity investments	8(a)	44,750,120	24,256,623
<b>Total Assets</b>		<b>45,273,113</b>	<b>24,334,973</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	9	2,700	2,700
Share premium	9	169,550	169,550
Retained earnings	9	44,836,069	23,851,266
		<b>45,008,319</b>	<b>24,023,516</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax	12	8,353	135,815
<b>Current liabilities</b>			
Trade and other payables	10	247,128	170,178
Income tax payable	11(a)	9,313	5,464
Total current liabilities		256,441	175,642
<b>Total liabilities</b>		<b>264,794</b>	<b>311,457</b>
<b>Total Equity</b>		<b>45,273,113</b>	<b>24,334,973</b>

The financial statements of the company were approved and authorized for issue by the Board of Directors on 25 March 2024 and were signed on its behalf by:



Esther Gondwe (Chairperson)



Godfrey Msisha (Director)



## STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

Figures in Thousands Malawi Kwacha	Note(s)	2023	2022
<b>Revenue</b>			
Dividend income	13	1,410,892	713,687
Interest income	14	44,073	56,628
<b>Total revenue</b>		<b>1,454,965</b>	<b>770,315</b>
<b>Expenditure</b>			
Auditor's remuneration		(15,827)	(12,233)
Directors' remuneration – fees		(34,800)	(27,045)
Directors' remuneration –allowances		(18,041)	(11,443)
Board meeting expenses		(304)	(275)
Management fees		(209,987)	(114,352)
Listing expenses		(32,502)	(28,000)
Transfer secretarial fees		(7,689)	(7,689)
Communication costs		(21,499)	(17,572)
Consultancy and legal fees		(6,499)	(5,000)
Other expenses	16	(22,410)	(22,703)
<b>Total expenditure</b>		<b>(369,558)</b>	<b>(246,312)</b>
<b>Profit before fair value gain on equity investments</b>		<b>1,085,407</b>	<b>524,003</b>
Fair value gain on equity investments	8(a)	20,400,274	6,576,255
<b>Profit before tax</b>		<b>21,485,681</b>	<b>7,100,258</b>
Income tax charge	11(c)	18,872	(106,720)
<b>Profit for the year</b>		<b>21,504,553</b>	<b>6,993,538</b>
Earnings per share (tambala)			
Basic and diluted	17	15,929	5,180



## STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2023

Figures in Thousands Malawi Kwacha	Share Capital	Share Premium	Retained earnings	Total
<b>Balance at 1 January 2022</b>	<b>2,700</b>	<b>169,550</b>	<b>17,269,478</b>	<b>17,441,728</b>
Profit for the year	-	-	6,993,538	17,441,728
Dividend declared	-	-	(411,750)	(411,750)
	-	-	<b>6,581,788</b>	<b>6,581,788</b>
<b>Balance at 31 December 2022</b>	<b>2,700</b>	<b>169,550</b>	<b>23,851,266</b>	<b>24,023,516</b>
Balance at 1 January 2023	2 700	169,550	23,851,266	24,023,516
Profit for the year	-	-	21,504,553	21,504,553
Dividend declared	-	-	(519,750)	(519,750)
	-	-	<b>20,984,803</b>	<b>20,984,815</b>
<b>Balance at 31 December 2023</b>	<b>2,700</b>	<b>169,550</b>	<b>44,836,069</b>	<b>45,008,319</b>

### Dividend per share

Dividend per share is calculated by dividing the total dividends declared in the period by the weighted average number of ordinary shares in issue during the period.

	2023	2022
Total dividends declared in the period (in thousand Malawi kwacha)	519,750	411,750
Weighted average number of ordinary shares in issue (thousands)	135,000	135,000
<b>Dividend per share (Kwacha)</b>	<b>3.85</b>	<b>3.05</b>



## STATEMENTS OF CASH FLOWS

For the year ended 31 December 2023

Figures in Thousands Malawi Kwacha	Note(s)	2023	2022
<b>Cash flows from operating activities</b>			
Dividends received		1,410,892	735,305
Interest received		34,513	59,977
		1,445,405	795,282
Operating expenditure paid		(292,608)	(219,400)
		1,152,797	575,882
Tax paid	11(b)	(104,741)	(70,788)
<b>Net cash generated from operating activities</b>		<b>1,048,056</b>	<b>505,094</b>
<b>Cash flows from investing activities</b>			
Disposal of shares	8(b)	77,595	1,184,635
Purchase of shares	8(b)	(170,818)	(1,412,116)
<b>Net cash used in investing activities</b>		<b>(93,223)</b>	<b>(227,481)</b>
<b>Cash flow from financing activities</b>			
Dividends paid		(519,750)	(411,750)
Net decrease in cash and cash equivalents		435,083	(134,137)
Cash and cash equivalents at the beginning of the period		78,265	212,402
Cash and cash equivalents at the end of the period	6	<b>513,348</b>	<b>78,265</b>



# NOTES TO THE FINANCIAL STATEMENTS



For the year ended 31 December 2023

## 1. Reporting entity

National Investment Trust plc is a limited liability company domiciled and incorporated in Malawi under the Malawi Companies Act, 2013.

The address of the company's registered office is Chibisa House, 19 Glyn Jones Road, Post Office Box 910, Blantyre, Malawi.

## 2. Adoption of new and revised International Financial Reporting Standards

### 2.1 Standards and Interpretations affecting amounts reported and/or disclosed in the financial statements

In the current year, the company has adopted those new and revised Standards and Interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee of the International Accounting Standards Board that are relevant to its operations and are effective for annual reporting periods beginning on 1 January 2023.

The adoption of these new and revised Standards and Interpretations did not have a significant impact on the financial statements of the company.

### 2.2 Standards and Interpretations in issue and effective for the first time

At the date of authorisation of these financial statements, the following standards and interpretations were in issue and adopted for the first time:

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The Company has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.





## 2. Adoption of new and revised International Financial Reporting Standards

### 2.2 Standards and Interpretations in issue and effective for the first time (Continued)

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction	<p>The Company has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.</p> <p>Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.</p>
Amendments to IAS 12 Income Taxes—International Tax Reform—Pillar Two Model Rules	<p>The Company has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top up taxes described in those rules.</p> <p>The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.</p>
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates	<p>The Company has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The definition of a change in accounting estimates was deleted.</p>



## 2. Adoption of new and revised International Financial Reporting Standards

### 2.3 Standards and Interpretations in issue and but not yet effective

Effective date	Standard, Amendment or Interpretation
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.
Non-current Liabilities with Covenants (Amendments to IAS 1)	The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

## 3. Material accounting policies

### Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

### Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained below.

The accounting policies set out below have been consistently applied by the company and are consistent with those used in the previous period.

#### a. Financial instruments

##### Classification of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. The standard eliminates the existing



### 3. Material accounting policies

#### a. Financial instruments (Continued)

##### Classification of financial assets and financial liabilities (Continued)

IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale.

Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never bifurcated. Instead, the whole hybrid instrument is assessed for classification.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. However, although under IAS 39 all fair value changes of liabilities designated under the fair value option were recognised in profit or loss, under IFRS 9 fair value changes are generally presented as follows:

- The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- The remaining amount of change in the fair value is presented in profit or loss.

Financial liabilities have been classified and measured under IFRS 9 at amortised cost using effective interest rate method. There has been no change in the classification and measurement of financial liabilities on the adoption of IFRS 9.

##### Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model. The new impairment model also applies to certain loan commitments and financial guarantee contracts but not to equity investments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

The expected credit loss model requires the company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. It is no longer necessary for a credit event to have occurred before credit losses are recognised.

IFRS 9 requires the company to measure the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial asset has increased significantly since initial recognition, or if the financial asset is a purchased or originated credit-impaired financial asset.

However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Company is required to measure the loss allowance for that financial asset at an amount equal to 12-months ECL.



### 3. Material accounting policies

#### a. Financial instruments (Continued)

##### **Impairment of financial assets (Continued)**

IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

The directors have reviewed the credit risk of financial assets held as at 31 December 2023 and concluded that there is no significant impact on the carrying amounts of the financial assets as regards impairment of financial assets.

##### **Financial instruments**

##### **Derecognition**

Financial assets are derecognized when the company has transferred the right to receive the contractual cash flows in which substantially all the risks and rewards of ownership of the financial assets are transferred or when the contractual rights to cash flows from the assets expire. Financial liabilities are de-recognised when the obligation is extinguished.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise demand deposits and other short term highly liquid instruments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### **Treasury bills**

Treasury bills (including repos) are classified as measured at amortised cost and are initially measured at fair value.

##### **Other financial assets**

Other financial assets include dividends receivable and income notes which are measured at amortised cost using the effective interest method less impairment.

The amortised cost is the amount at which the financial asset is measured at initial recognition less principal repayments plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount minus any reduction for impairment.

##### **Trade and other payables**

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

##### **Equity investments**

The company's equity investments are classified as at fair value through profit or loss. Gains or losses arising from changes in fair value are included in profit or loss.



### 3. Material accounting policies

#### a. Financial instruments (Continued)

##### Offsetting

Financial assets and liabilities are setoff and the net amount presented in the statement of financial position when, and only when the company has legal right to set off the amounts and intends to either settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses are presented on net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

#### b. Revenue recognition

Interest income is recognized in profit or loss for all interest-bearing instruments on an accrual basis using the effective interest method. Dividend income is recognized when the company has an unconditional right to receive the income (for quoted equity investments, this is usually the date on which trading in the underlying investment becomes "ex-dividend").

#### c. Expenses

All expenses, including management fees are recognised in profit or loss on an accrual basis.

#### d. Taxation

Income tax expense represents the sum of the tax currently payable and deferred.

##### Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

##### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.



### 3. Material accounting policies

#### d. Taxation

##### Deferred tax (Continued)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

##### Current and deferred tax

Current and deferred tax are recognised as an expense or income in the statement of comprehensive income, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in the accounting for the business combination.

#### e. Earnings per share

The company is listed on the Malawi Stock Exchange and therefore presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by the profit or loss attributable to ordinary shareholders of the company by the weighted average number of shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares.

#### f. Segment reporting

The fund manager reports to the Board on a quarterly basis the income and expenditure and investment portfolio performance of the company as a whole. Based on the nature of the business there is only one segment and there are no separate geographical or operational segments.

#### g. Comparatives

Where necessary comparative figures have been adjusted to conform to changes in presentation in the current period.

### 4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 3, management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other



## 4. Critical accounting judgements and key sources of estimation uncertainty (Continued)

factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### 4.1 Critical judgements in applying the company's accounting policies

There were no critical judgments in applying the company's accounting policies.

## 5. Determination of fair values

The company's equity investments and disclosures require determination of fair value for both financial assets and liabilities. Fair values have been determined for measurement and or disclosure purposes as described in note 18 to the financial statements. When applicable, further information about the assumptions made in determining fair value is disclosed in the notes specific to that financial asset or liability.

### Other receivables

The fair value of other receivables is estimated as the present value of the future cash flows discounted at market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

### Equity investments

All equity investments are held at fair value through profit or loss. The fair value of equity investments traded on the stock market is determined with the reference to the quoted prices of the securities at the reporting date. Valuation of unquoted equity securities is determined using valuation techniques.

## 6. Cash and cash equivalents

	2023	2022
Term deposits	356,965	35,000
Current account balances	147,383	43,265
Total cash and cash equivalents	<b>513,348</b>	<b>78,265</b>

The term deposits with various local banks earned interest at rates ranging from 15.50% to 23.50% (2022: from 12.00% to 15.00%). Current account balances do not earn any interest and are held at First Capital Bank Plc and National Bank of Malawi Plc.



## 7. Other receivables

	2023	2022
Interest receivable	6,321	15
Prepaid expenses	695	70
Disposal of shares receivable	2,629	–
Total other receivables	<b>9,645</b>	<b>85</b>

The other receivables are interest free and are all due within one year.

## 8a. Equity investments

	2023	2022
Cost	5,779,098	5,668,518
Cumulative adjustment for fair value	38,971,022	18,588,105
Fair value	44,750,120	24,256,623
Net increase in fair value of equity investments	<b>20,400,274</b>	<b>6,576,255</b>





**8a. Equity investments (Continued)**

Figures in thousand Malawi Kwacha	2022 Carrying amount	Additions	Disposals	Fair value adjustments	2023 Carrying amount	Cost
<b>Year ended 31 December 2023</b>						
<b>QUOTED SHARE INVESTMENTS</b>						
Illovo Sugar (Malawi) plc 1 700 454 (2022: 1 700 454) Ordinary shares of 2t each at MSE value of K1,260.03 (2022: K540.00) per share	918,246	-	-	1,224,378	2,142,624	7,096
Press Corporation plc 1 763 358 (2022: 1 763 358) Ordinary shares of 1t each at MSE value of K2 506.99 (2022: K2 181.37) per share	3,846,537	-	-	574,184	4,420,721	671, 074
National Bank of Malawi plc 3 810 295 (2022: 3 810 295) Ordinary shares of K1 each at MSE value of K2 101.25 (2022: K1 542.05) per share	5,875,666	-	-	2,130,717	8,006,383	51,858
Sunbird Tourism plc 37 000 (2021: 37 000) Ordinary shares of 5t each at MSE value of K191.07 (2022: K92.06) per share	3,406	-	-	3,664	7,070	1,555
NICO Holdings plc 12 640 331 (2022: 12 640 331) Ordinary shares of 20t each at MSE value of K150.40 (2022: K60.00) per share	758,420	-	-	1,142,686	1,901,106	221,276
FMB capital Holdings plc 10 439 970 (2022: 10 164 367) Ordinary shares of 5t each at MSE value of K315.00 (2022: K110.86) per share	1,126,822	70,834	2,629	2,093,564	3,288,591	1,047,373



**8a. Equity investments (Continued)**

Figures in thousand Malawi Kwacha	2022 Carrying amount	Additions	Disposals	Fair value adjustments	2023 Carrying amount	Cost
<b>Year ended 31 December 2023</b>						
<b>QUOTED SHARE INVESTMENTS</b>						
<u>MPICO plc</u> 12 390 741 (2022: 12 390 741) Ordinary shares of 5t each at MSE value of K15.00 (2022: K20.64) per share	255,745	-	-	(69,884)	185,861	195,638
<u>Telekom Networks Malawi plc</u> 33 565 081 (2022: 33 565 081) Ordinary shares of 4t each at MSE value of K18.70 (2022: K14.00) per share	469,911	-	-	157,756	629,667	381 410
<u>Standard Bank Malawi Plc</u> 2 392 190 (2022: 2 392 190) Ordinary shares at MSE value of K3 950.00 (2022: K2 000.16) per share	4,784,763	-	-	4,664,387	9,449,150	24,338
<u>Old Mutual plc</u> Nil (2022: 76 108) ordinary shares at MSE value of K1 500.00 (2022: K985.00) per share	74,966	-	74,966	-	-	-
<u>NBS Bank plc</u> 58 316 945 (2021: 58 316 945) Ordinary shares of 50t each at MSE value of K114.90 (2022: K34.00) per share	1,982,776	-	-	4,717,841	6,700,617	367,694
<u>Airtel Malawi plc</u> 16 500 000 (2022: 16 500 000) Ordinary shares of K1 each of MSE value per share K60.00 (2022: 56.64)	934,560	-	-	55,440	990,000	385,480



**8a. Equity investments (Continued)**

Figures in thousand Malawi Kwacha	2022 Carrying amount	Additions	Disposals	Fair value adjustments	2023 Carrying amount	Cost
<b>Year ended 31 December 2023</b>						
<b>QUOTED SHARE INVESTMENTS</b>						
ICON Properties plc 66 797 612 (2022: 66 797 612) Ordinary shares of K1 each at MSE value K17.85 (2022: K11.95) per share	798,231	-	-	394,106	1,192,337	584,480
FDH Bank plc 51 714 506 (2022: 50 151 517) Ordinary shares of K1 each at MSE value K70.00 (2022: 15.81) per share	871,132	99,984	-	2,648,899	3,620,015	684,986
<b>Total quoted share investments</b>	<b>22,701,181</b>	<b>170,818</b>	<b>77,595</b>	<b>19,737,738</b>	<b>42,532,142</b>	<b>4,624,258</b>
<b>UNQUOTED SHARE INVESTMENTS</b>						
Continental Holdings Limited 7 128 640 (2022: 7 128 640) Ordinary shares of K1 each at a fair value of K311.14 (2022: K218.20)	1,555,442	-	-	662,536	2,217,978	1,154,840
<b>Total unquoted share investments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>662,536</b>	<b>2,217,978</b>	<b>1,154,840</b>
<b>Total Share Investments</b>	<b>24,256,623</b>	<b>170,818</b>	<b>77,595</b>	<b>20,400,274</b>	<b>44,750,120</b>	<b>5,779,098</b>

The company has an investment in private equity in Continental Holdings Limited (CHL), a company in the financial services sector and has seven subsidiaries to its name, namely, CDH investment bank Limited, Continental Asset Management Limited, Continental Capital Limited, CDH Commodities Limited, Continental Properties Limited, Continental Pension Services Company Limited, Continental Asset Management Nominees Limited. NITL plc owns 7,128,640 shares, the shares were purchased on 30th September 2022 at a consideration of K1,154.84 million. The total number of ordinary shares in issue is 167,401,912 which translates to a shareholding of 4.26% for NITL.



**8a. Equity investments (Continued)**

Figures in thousand Malawi Kwacha	2021 Carrying amount	Additions	Disposals	Fair value adjustments	2022 Carrying amount	Cost
<b>Year ended 31 December 2022</b>						
<b>QUOTED SHARE INVESTMENTS</b>						
<u>Ilovo Sugar (Malawi) plc</u> 1 700 454 (2021: 2 027 862) Ordinary shares of 2t each at MSE value of K540.00 (2021: K300.00) per share	608,359	-	99,996	409,883	918,246	7,096
<u>Press Corporation plc</u> 1 763 358 (2021: 1 763 358) Ordinary shares of 1t each at MSE value of K2 181.37 (2021: K1 900.00) per share	3,350,381	-	-	496,156	3,846,537	671, 074
<u>National Bank of Malawi plc</u> 3 810 295 (2021: 4 026 513) Ordinary shares of K1 each at MSE value of K1 542.05 (2021: K810.12) per share	3,261,959	-	200,002	2,813,709	5,875,666	51,858
<u>Sunbird Tourism plc</u> 37 000(2021: 37 000) Ordinary shares of 5t each at MSE value of K92.06 (2021: K90.01) per share	3,330	-	-	76	3,406	1,555
<u>NICO Holdings plc</u> 12 640 331 (2021: 12 640 331) Ordinary shares of 20t each at MSE value of K60.00 (2021: K55.00) per share	695,218	-	-	63,202	758,420	221,276
<u>FMB capital Holdings plc</u> 10 164 367 (2021: 10 429 187) Ordinary shares of 5t each at MSE value of K110.86 (2021: K80.00) per share	834,335	6,095	34,328	320,720	1,126,822	978,472



**8a. Equity investments (Continued)**

Figures in thousand Malawi Kwacha	2021 Carrying amount	Additions	Disposals	Fair value adjustments	2022 Carrying amount	Cost
<b>Year ended 31 December 2022</b>						
<b>QUOTED SHARE INVESTMENTS</b>						
<u>MPICO plc</u> 12 390 741 (2021: 12 390 741) Ordinary shares of 5t each at MSE value of K20.64 (2021: K20.70) per share	256,488	-	-	(743)	255,745	195,638
<u>Telekom Networks Malawi plc</u> 33 565 081 (2021: 34 565 081) Ordinary shares of 4t each at MSE value of K14.00 (2021: K22.92) per share	769,312	-	-	(299,401)	469,911	381 410
<u>Standard Bank Malawi Plc</u> 2 392 190 (2021: 2 779 332) Ordinary shares at MSE value of K2 000.16 (2021: K1 400.00) per share	3,891,065	-	649,508	1,543,206	4,784,763	24,338
<u>Old Mutual plc</u> 76 108 (2021: 76 108) ordinary shares at MSE value of K985.00 (2021: K2 099.99) per share	159,826	-	-	(84,860)	74,966	58,305
<u>NBS Bank plc</u> 58 316 945 (2021: 58 316 945) Ordinary shares of 50t each at MSE value of K34.00 (2021: K22.90) per share	1,335,458	-	-	647,318	1,982,776	367,694
<u>Airtel Malawi plc</u> 16 500 000 (2021: 13 000 000) Ordinary shares of K1 each of MSE value per share K56.64 (2021: 40.00)	520,000	151,180	-	263,380	934,560	385,480



**8a. Equity investments (Continued)**

Figures in thousand Malawi Kwacha	2021 Carrying amount	Additions	Disposals	Fair value adjustments	2022 Carrying amount	Cost
<b>Year ended 31 December 2022</b>						
<b>QUOTED SHARE INVESTMENTS</b>						
<u>ICON Properties plc</u> 66 797 612 (2021: 83 016 222) Ordinary shares of K1 each at MSE value K11.95 (2021: K12.89) per share	1,070,079	-	200,801	(71,047)	798,231	584,480
<u>FDH Bank plc</u> 50 151 517 (2021: 44 090 910.00) Ordinary shares of K1 each at MSE value K17.37 (2021: 15.81) per share	697,077	100,001	-	74,054	871,132	585,002
<b>Total quoted share investments</b>	<b>17,452,887</b>	<b>257,276</b>	<b>1,184,635</b>	<b>6,175,653</b>	<b>22,701,181</b>	<b>4,513,678</b>
<b>UNQUOTED SHARE INVESTMENTS</b>						
<u>Continental Holdings Limited</u> 7 128 640 (2021: -) Ordinary shares of K1 each at a fair value of K218.20 (2021: -)		1,154,840	-	400,602	1,555,442	1,154,840
<b>Total unquoted share investments</b>	<b>-</b>	<b>1,154,840</b>	<b>-</b>	<b>400,602</b>	<b>1,555,442</b>	<b>1,154,840</b>
<b>Total Share Investments</b>	<b>17,452,887</b>	<b>1,412,116</b>	<b>1,184,635</b>	<b>6,576,255</b>	<b>24,256,623</b>	<b>5,668,518</b>



## 8a. Equity investments (Continued)

At the end of the reporting period, the equity investment portfolio comprised:

	2023	Percentage Shareholding 2022	2023	Number of shares 2022
ICON Properties plc	1.0	1.0	66,797,612	66,797,612
NBS Bank plc	2.0	2.0	58,316,945	58,316,945
Standard Bank Malawi plc	1.0	1.0	2,392,190	2,392,190
National Bank of Malawi plc	0.8	0.8	3,810,295	3,810,295
Illovo Sugar (Malawi) plc	0.2	0.2	1,700,454	1,700,454
Press Corporation plc	1.5	1.5	1,763,358	1,763,358
NICO Holdings plc	1.2	1.2	12,640,331	12,640,331
MPICO plc	0.5	0.5	12,390,741	12,390,741
Telekom Networks Malawi plc	0.3	0.3	33,565,081	33,565,081
First Capital Bank plc	0.4	0.4	10,439,970	10,164,367
Sunbird Tourism plc	<0.1	<0.1	37,000	37,000
Old Mutual plc	-	<0.1	-	76,108
Airtel Malawi plc	0.2	0.2	16,500,000	16,500,000
FDH Bank plc	0.7	0.7	50,714,506	50,151,517
Continental Holdings Limited	4.3	4.3	7,128,640	7,128,640

## 9. Capital and reserves

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meeting of the company. All shares rank equally with regard to the company's residual assets.

Share capital	2023	2022
Figures in Thousand Malawi Kwacha		
Authorized share capital		
150 000 000 ordinary shares of 2 tambala each	3,000	3,000
Issued and fully paid		
135 000 000 ordinary shares of 2 tambala each	2,700	2,700

Share premium

Share premium of K169.55 million (2022: K169.55 million) relates to the amount in excess of the nominal share price paid for during the initial share offer to the public.

Retained earnings



## 9. Capital and reserves

Included in the reported retained earnings of K44,836 million (2022: K23,851 million) are unrealized gains on the changes in fair value of equity investments held at fair value through profit or loss net of related deferred tax for shares that were acquired during the year totaling K39,098 million (2023: K18,554 million) which are not distributable in terms of the Companies Act and profits on investment switches totaling K5,068 million (2022: K5,051 million) which are not distributable in terms of the company's investment policy.

## 10. Trade and other payables

	2023	2022
Accrued expenses	110,988	77,920
Unclaimed dividends payable to shareholders	136,140	92,258
<b>Total trade and other payables</b>	<b>247,128</b>	<b>170,178</b>

The directors consider that the carrying amount of payables approximates to its fair value. These amounts do not attract any interest.

## 11. Taxation

	2023	2022
a. Payable		
Opening balance	5,464	3,811
Income tax charge	9,864	11,556
Withholding tax paid	(551)	(6,092)
Income tax paid	(5,464)	(3,811)
Closing balance	9,313	5,464
b. Tax Paid		
Dividend Tax	98,726	60,885
Withholding Tax	551	6,092
Final Income Tax	5,464	3,811
<b>Total Tax Paid</b>	<b>104,741</b>	<b>70,788</b>
c. Charge		
Income tax	9,864	11,556
Dividend tax (note 12)	98,726	60,885
Deferred tax (note 11)	(127,462)	34,279
<b>Total Tax (Credit)/Charge</b>	<b>(18,872)</b>	<b>106,720</b>





## 11. Taxation (Continued)

	%	%
Reconciliation of effective to standard rates of tax		
Standard rate	30.00	30.00
Permanent differences	(30.09)	(29.50)
Effective rate	(0.09)	1.50]

Permanent differences are due to unrealized movements on revaluation of equity investments which are not taxable and dividends which are taxed at a lower rate of 10% compared to the standard rate of 30%.

## 12. Deferred tax

Deferred tax is calculated, in full, on all temporary differences using the enacted tax rate of 30% (2022: 30%). The movement on the deferred tax account is as follows:

	2023	2022
At the beginning of the period	135,815	101,536
Income statement (note 10)	(127,462)	34,279
At end of the period	8,353	135,815
<u>Analyzed as</u>		
Capital gains on equity investments	8,353	135,815



**13. Dividend income**

	2023	2022
FMB Capital Holdings plc	72,185	26,794
MPICO plc	2,725	4,089
National Bank of Malawi plc	293,545	215,477
NICO Holdings plc	113,762	37,921
Press Corporation Plc	67,007	61,718
Standard Bank Malawi plc	152,908	78,647
Telekom Networks Malawi plc	–	8,392
Sunbird Tourism plc	129	19
Old Mutual plc	–	3,343
Ned Bank plc	981	–
ICON Properties plc	17,368	16,031
NBS Bank plc	282,837	93,307
Illovo Sugar (Malawi) plc	49,041	33,260
Airtel Malawi plc	41,250	45,725
FDH Bank plc	145,942	88,964
Continental Holdings Limited	171,212	–
Total dividends	1,410,892	713,687
Dividend tax withheld (note 10)	(98,726)	(60,885)
Net dividend income received	1,312,166	652,802

As at 31 December 2023 and 2022, there were no dividends receivable from investee companies.

**14. Interest income**

	2023	2022
Deposits	40,073	56,628

**15. Management fees**

Fee payable	180,246	98,156
Value added tax	29,741	16,196
Total management fees	209,987	114,352



## 15. Management fees (Continued)

Management fees are computed in accordance with the Fund Manager's agreement. The fees are computed as a percentage of the net assets of National Investment Trust plc and the total dividends declared to its shareholders in each reporting period. The fees to NICO Asset Managers Limited are payable quarterly on account of 80% of the fees based on quarterly management accounts payable within one month of the quarter end, and the balance is payable post year end based on audited accounts upon certification by independent auditors.

## 16. Other expenses

	2023	2022
Bank charges	567	713
Custodial fees	26	2,307
Brokerage	2,866	15,068
Malawi Accountants Board	4,167	4,415
Donation	10,000	-
Investors Engagement Activities	4,784	-
Public relations	-	200
Total Other Expenses	22,410	22,703

The donation was made to the victims of Cyclone Freddy through the first line relief organizations, Blantyre and Limbe Rotary clubs at MK5 million each.

## 17. Earnings per share

Basic earnings per share

The calculation of basic earnings per share as at 31 December 2023 is based on the profit attributable to ordinary shareholders of K21,505 million (2022: K6,994 million) and the weighted average number of ordinary shares in issue for the year ended 31 December 2023 of 135 000 000 (2022: 135 000 000).

### Other expenses

	2023	2022
Profit attributable to ordinary shareholders (K'000)	21,504,553	6,993,538
Weighted average number of ordinary shares in issue ('000)	135,000	135,000
Earnings per share (tambala)	15,929	5,180

### Diluted earnings per share

The diluted earnings per share are equal to the basic earnings per share as there are no dilutive potential ordinary shares.



## 18. Financial risk management

Categories of financial instruments	Fair value through profit and loss	Amortised cost	Total
31 December 2023			
<b>Financial assets</b>			
Cash and cash equivalents	-	513,348	513,348
Other receivables	-	9,645	9,645
Equity investments	44,750,120	-	44,750,120
	44,750,120	522,993	45,273,113
<b>Financial liabilities</b>			
Trade and other payables		247,128	247,128

Categories of financial instruments	Fair value through profit and loss	Amortised cost	Total
31 December 2022			
<b>Financial assets</b>			
Cash and cash equivalents	-	78,265	78,265
Other receivables	-	85	85
Equity investments	24,256,623	-	24,256,623
	24,256,623	78,350	24,334,973
<b>Financial liabilities</b>			
Trade and other payables		170,178	170,178



## 18. Financial risk management (Continued)

### Overview

The company has exposure to the following risks from use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies, and processes for measuring and managing risk, and the company's management of capital. Further qualitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Board has developed risk management policies principal among which is the Investment Policy outlined on page 1 of the Annual Report. The Investment Committee and the Fund Manager are expected to adhere at all times to the Investment Policy. The Investment Committee reports regularly to the Board of Directors on its activities.

The company's Finance and Audit Committee oversees how management monitors compliance with the company risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The Finance and Audit Committee is assisted in its oversight role by the Fund Managers' internal audit department which undertakes reviews of risk management controls and procedures, the results of which are reported to the Finance and Audit Committee.

### Credit risk

Credit risk is the risk of financial loss to the company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's interest, income notes receivable and cash and cash equivalents. Money market investments are limited to deposits with licensed financial institutions.

### Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another asset. The company's approach to managing liquidity risk is to ensure, as far as possible, that it has sufficient liquidity to meet liabilities, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The company maintains sufficient funds in liquid money market investments to meet foreseeable operating expenses.



## 18. Financial risk management (Continued)

### Liquidity risk (Continued)

The company's Investment Policy sets maximum permitted limits for investments.

Compliance position as at period-end		Permitted limit	2023	2022
1.	Equities			
	% of portfolio invested in equities	100%	94%	93%
	% of portfolio in individual listed company	40%	22%	24%
	% of portfolio in individual unlisted company	10%	5%	6%
2.	Bonds			
	% of portfolio invested in bonds	25%	Nil	Nil
	% of portfolio in bonds of single private sector issues	10%	Nil	Nil
3.	Property			
	% of portfolio invested in property companies/equities	25%	3%	4%
	% of portfolio in a single property investment	10%	3%	3%
4.	Cash equivalents	100%	1.1%	0.3%
5.	Speculative investments	Nil	Nil	Nil

The overall liquidity gap as at 31 December 2023 was K45,026 million (2022: K24,165 million) based on the entity's financial instruments as detailed on page 41.

#### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity and commodity prices will affect the company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

The company's market risk is managed on a daily basis by the Fund Manager in accordance with policies and procedures in place. The company's overall market positions are monitored by the Finance and Audit Committee and reported on a quarterly basis to the Board of Directors.

#### Currency risk

As the company has no significant foreign denominated financial assets, and has no foreign denominated financial liabilities, the company's income and operating cash flows are substantially independent of changes in foreign exchange rates.



## 18. Financial risk management (Continued)

### Market risk (Continued)

#### Interest rate risk

The Fund Manager is not permitted to borrow funds without the sanction of the Board of Directors who, in turn, may not, unless sanctioned by an ordinary resolution of shareholders, borrow in excess of the aggregate of the company's share capital and reserves. However, since incorporation, the Directors have not exercised their borrowing powers and, accordingly, the company is not exposed to interest risk on borrowings.

At the reporting date, the company has only invested in fixed rate financial instruments. The company does not account for any fixed rate financial instruments at fair value as the debt securities market is fairly illiquid. Therefore, a change in interest rates at the reporting date would not affect profit or loss or equity.

#### Equity price risk

Equity price risk arises from the company's held for trading equity investments. The company seeks to manage individual equity price risk through diversification of its investments within its Investment Policy guidelines on individual investments and/or broad classes of investments. The Fund Manager and the Investment Committee manage risk on an ongoing basis. Due to the nature of its business, the company is always exposed to overall market price risk.

#### Sensitivity analysis – equity price risk

The carrying value at 31 December 2023 of shares listed on the Malawi Stock Exchange (MSE) represents 94% (2022: 93%) of the company's total asset value. Although not directly correlated, it could be expected that the overall value of this portfolio would move broadly in line with movements in the MSE all Share Index. The all share index at 31 December 2023 was 110,951 (2022: 62,036). An overall increase of 0.5% in share prices would have resulted in a capital gain of K212.7 million (2022: K113.5 million) recognised in profit or loss. An overall decrease of 0.5% in share prices would have resulted in a capital loss of identical magnitude. The small percentage has been used because the market has been relatively illiquid over the reporting period.

#### Capital management

The Board's policy is to maintain a strong capital base to maintain investor and market confidence. Capital consists of share capital, share premium and retained earnings. The Board also monitors the level of dividends to shareholders.

The Board's policy is to maintain its capital base in real terms by not distributing unrealized fair value gains on revaluation of investments or realised profit on sale of equity investments.

## 19. Related parties

### Fund Manager

The company entered into a management agreement with NICO Asset Managers, a licensed investment/portfolio manager. Management fees for the year amounted to K210.0



## 19. Related parties (Continued)

### Fund manager (Continued)

million (2021: K114.4 million). Included in trade and other payables at 31 December 2023, is management fees payable of K86.3 million (2022: K58.1 million).

As required by the Malawi Stock Exchange listing rules, NICO Asset Managers Limited, as the fund manager, is required to hold a minimum of 5% of the issued share capital of the company. NICO Asset Managers Limited does not hold any shares in NITL. The company was granted an exemption by the Malawi Stock Exchange to allow NICO Asset Managers Limited to act as fund manager.

At 31 December 2023, various pension funds and entities whose assets are managed by NICO Asset Managers Limited held 25,910,060 (2022: 20,852,815) shares in the company.

#### Directors' fees

Total directors' fees are disclosed in the statement of comprehensive income.

#### Directors' interest

As at 31 December 2023, the total direct and indirect interests of the directors and related parties thereto in the issued share capital of the company were as follows:

	2023	2022
G Msisha	100,000	100,000
T Nsamala	-	-
M Kadumbo	-	-
E Gondwe	-	-
*L Machinjili	60,000	-
P Nkata	-	-
D Manyenje	-	-

\*Mrs. Lissa Machinjili (member of the Finance and Audit Committee) held shares indirectly through a private business, Golden Investments.

## 20. Critical accounting estimates and judgments

### 20.1 Fair values of financial instruments

Many of the company's financial instruments are measured at fair value in the statement of financial position and it is usually possible to determine their fair values within a reasonable range of estimates.

For the majority of the company's financial instruments, quoted market price are readily available.





## 20. Critical accounting estimates and judgments (Continued)

### 20.1 Fair values of financial instruments (Continued)

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision.

For certain financial instruments, including other receivables and other payables, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

The carrying amounts of all the company's financial assets and financial liabilities at the reporting date approximated their fair values.

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation. The different levels have been defined as follows: –

- Level 1: quoted prices (unadjusted) in active markets for identical instruments;
- Level 2: input other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liabilities that are not based on observable data.

	Level 1 K'000	Level 2 K'000	Level K'000	3 Total K'000
31 December 2023				
Listed equity investments	42,532,142	–	–	42,532,142
Unlisted equity investments			2,217,978	2,217,978
	42,532,142	–	2,217,978	44,750,120
31 December 2022				
Listed equity investments	22,701,181	–	1,555,442	22,701,181
Unlisted equity investments			1,555,442	1,555,442
	22,701,181	–	1,555,442	24,256,623

Listed equity investments were valued using stock market prices as at the end of the reporting period.

The fair value of the unlisted equity in Continental Holdings Limited (CHL) was determined using the market approach method which is applicable to firms in the financial services industry. The method involves identifying companies in similar industries to the subject company in the open market and determining the appropriate multiples, the value of the company is derived by benchmarking against valuation multiples from similar companies. The valuation was done



## 20. Critical accounting estimates and judgments (Continued)

### 20.1 Fair values of financial instruments (Continued)

by Bridgepath Capital Limited and is not a related party. Bridgepath Capital Limited is a licensed portfolio or investment manager under the Financial Services Act 2010 with license number PM 001/02 and is regulated by the Registrar of Financial Institutions, Reserve Bank of Malawi.

### 20.2 Impairment of financial assets

The company follows the guidance of IFRS 9 to determine when a financial asset is impaired. This determination requires significant judgment. In making this judgment, the company evaluates, among other factors, the duration and extent to which the fair value of an income note is less than its cost; and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

### 20.3 Income taxes

The company is subject to income taxes. Significant judgment is required in determining the liability for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. If the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

## 21. Details of shareholders

The number of shareholders in the company was 1,535 as at 31 December 2023 (31 December 2022: 1,383).

### Analysis by number of shares held:

Number of shares held	Number of Shareholders		Total holding	
	2023	2022	2023	2022
1 – 5 000	625	507	1 396 469	1 207 953
5 001 – 10 000	269	258	2 404 892	2 367 472
10 001 – 25 000	236	224	4 136 091	4 027 172
25 001 – 50 000	150	146	6 280 890	5 669 960
50 001 – 100 000	127	118	10 717 323	10 268 079
100 001 – 200 000	43	47	6 214 349	7 394 147
200 001 – 500 000	46	42	13 759 491	12 944 457
500 001 – 1 000 000	13	15	9 922 289	11 136 012
1 000 000 – 99 999 999	26	26	80 168 116	79 984 748
Grand total	1,535	1,383	135 000 000	135 000 000



## 21. Details of shareholders (Continued)

### Analysis by shareholder type (2023):

	Number of holders	Number of shares held	% of total shares
Insurance/assurance	5	12 723 500	10.10%
Non-resident companies/individuals	7	89 540	0.08%
Banks/nominees	119	18 700 443	13.82%
Investment/trusts	21	4 040 032	3.16%
Pension/provident funds	33	47 219 327	31.51%
Other resident entities	56	12 067 579	11.15%
Resident individual	1,294	40 159 579	30.20%
Total	1,535	135 000 000	100%

### Analysis by shareholder type (2022):

	Number of holders	Number of shares held	% of total shares
Insurance/assurance	4	13 630 000	10.10%
Non-resident companies/individuals	6	104 511	0.08%
Banks/nominees	109	18 657 472	13.82%
Investment/trusts	19	4 261 642	3.16%
Pension/provident funds	29	42 537 083	31.51%
Other resident entities	44	15 053 411	11.15%
Resident individual	1,172	40 755 881	30.20%
Total	1,383	135 000 000	100%



## 21. Details of shareholders (Continued)

The largest shareholders in the company were:

	Number of shares 2023	% of total number of shares 2023	Number of shares 2022	% of total number of shares 2022
NICO Life Insurance Company Limited	15 927 591	11.80	8 549 089	6.33
Old Mutual Life Assurance Company	12 521 264	9.28	13 230 000	9.80
National Bank of Malawi Pension Fund	11 971 400	8.87	10 471 400	7.76
NBM PAL Unrestricted Pension Fund	8 451 502	6.26	9 739 933	7.21
Public Service Pension Trust Fund	7 016 034	5.20	9 132 709	6.76
Madzi Pension Fund	5 520 000	4.09	5 520 000	4.09
Vanguard Life Assurance Service Limited	4 000 000	2.96	4 000 000	2.96
NBM Equity Fund	3 760 000	2.79	6 423 759	4.76
Remaining shares	65 832 209	48.76	67 933 110	50.32
<b>Total</b>	<b>135 000 000</b>	<b>100.00</b>	<b>135 000 000</b>	<b>100.00</b>

## 22. Subsequent events

There have been no material events occurring after the statement of financial statement position date that require adjustment to or disclosure in the financial statements.

## 23. Exchange rates and inflation

The average of the period-end buying and selling rates of the foreign currencies most affecting the performance of the company are stated below, together with the increase in the National Consumer Price Index, which represents an official measure of inflation.

	2023	2022
Kwacha/Rand	93.54	62.35
Kwacha/US Dollar	1 683.37	1 026.43
Inflation rate %	34.5	25.4

As at the time of approval of these financial statements, the above rates had moved as follows:

Kwacha/Rand	91.54
Kwacha/US Dollar	1,666.67
Inflation rate % (February 2024)	33.5



## PROXY FORM

Proxy form for the 22nd Annual General Meeting of The National Investment Trust Plc

I/We \_\_\_\_\_

(Name/s in block letters)

of \_\_\_\_\_ (address)

Being a shareholder of the above-named company and entitled to 1 vote per share do hereby appoint

\_\_\_\_\_ of \_\_\_\_\_

or failing him/her

\_\_\_\_\_ of \_\_\_\_\_

or failing him/her

3. the Chairperson of the meeting

as my/our proxy to attend, speak and vote for me/us or on my/our behalf at the annual general meeting of the company to be held at Mount Soche Hotel, Blantyre, on Friday 26th July 2024 from 14:30 hrs and at any adjournment thereof as follows:

Agenda Item	Mark with X where applicable		
	In Favour	Against	Abstain
Receipt of the Audited Financial Statements of the company for the year ended 31 December 2023, together with the reports of the Directors and Auditors thereon.			
Declaration of a final dividend of MK675,000,000.00 (2022: MK317,250,000.00) representing 500 tambala per share (2022: 235 tambala) for the year ended 31 December 2023 as recommended by the Board of Directors.			
Re-appointment of AMG Global, Certified Public Accountants, as Auditors for the year ending 31 December 2024 and to authorize the Directors to fix their remuneration.			
<b>Directors Fees:</b>			
<b>Chairperson</b> : K7,920,000.00 (2023: K6,000,000.00) per annum, payable quarterly.			
<b>Directors</b> : K6,336,000.00 (2023: K4,800,000.00) per annum, payable quarterly.			



## PROXY FORM (CONTINUED)

Agenda Item	Mark with X where applicable		
	In Favour	Against	Abstain
<b>Directors Sitting Allowances</b>			
<b>Chairperson</b> : K400,000.00 (2023: K283,722.00) per sitting			
<b>Directors</b> : K350,000.00 (2023: K211,202.00) per sitting			
Re-election of Mr. Peter Nkata who retires by rotation and being eligible, offers himself for re-election.			
Re-election of Mrs. Lissa Machinjili who retires by rotation and being eligible, offers herself for re-election.			
Re-election of Mrs. Esther Gondwe who retires by rotation and being eligible, offers herself for re-election.			

Signed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 2024

Signature \_\_\_\_\_

Assisted by me (where applicable) (see note 3) \_\_\_\_\_

Full name/s of signatory/ies if signing in a representative capacity (see Note 4) \_\_\_\_\_

### Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her/its stead. A proxy need not be a member of the company.
2. If this proxy form is returned without any indication as to how the proxy should vote, the proxy will be entitled to vote or abstain from voting as he/she thinks fit.
3. The authority of a person signing a proxy in a representative capacity must be attached to the proxy unless the company has already recorded that authority.
4. To be effective, proxy forms must reach the registered office of the company (c/o NICO Asset Managers Limited, Chibisa House, 19 Glyn Jones Road, Blantyre, Malawi) or the transfer secretaries (National Bank of Malawi, Legal Department, P. O. Box 143, Blantyre) by close of day on date before the annual general meeting.
5. The delivery of a duly completed proxy form shall not preclude any member or his/ her/its duly authorized representative from attending the meeting, speaking and voting instead of such duly appointed proxy.
6. If two or more proxies attend the meeting, then that person attending the meeting whose name appears first on the proxy form, and whose name is not deleted, shall be regarded as the validly appointed proxy.





