

	Consolidated Audited 12 Months to 31-Dec-24 Mk'million	Consolidated Audited 12 Months to 31-Dec-23 Mk'million	Separate Audited 12 Months to 31-Dec-24 Mk'million	Separate Audited 12 Months to 31-Dec-23 Mk'million
SUMMARY STATEMENT OF COMPREHENSIVE INCOME				
Interest income	239,794	111,896	239,795	111,897
Interest expense	(79,481)	(44,202)	(79,483)	(44,202)
Net interest income	160,313	67,694	160,312	67,695
Fees and other non-interest income	45,194	34,950	43,856	34,819
Total operating income	205,507	102,644	204,168	102,514
Operating expenses	(75,843)	(48,362)	(75,220)	(48,166)
Profit before impairment losses	129,664	54,282	128,948	54,348
Impairment provisions	(4,724)	(4,561)	(4,724)	(4,561)
Profit before tax	124,940	49,721	124,224	49,787
Income tax expense	(51,949)	(20,343)	(51,762)	(20,365)
Profit for the year	72,991	29,378	72,462	29,422
Earnings per share (MK)	25	10.09		
Weighted average ordinary shares in issue (million)	2,911	2,911		
STATEMENT OF OTHER COMPREHENSIVE INCOME				
Profit for the year	72,991	29,378	72,462	29,422
Items that may be reclassified subsequently to profit or loss				
Net Fair value adjustments on Malawi				
Government treasury notes	(34)	(40)	(34)	(40)
Total Comprehensive Income	72,957	29,338	72,428	29,382






	Consolidated Audited 31-Dec-24 Mk'million	Consolidated Audited 31-Dec-23 Mk'million	Separate Audited 31-Dec-24 Mk'million	Separate Audited 31-Dec-23 Mk'million
SUMMARY STATEMENTS OF FINANCIAL POSITION				
ASSETS				
Cash and cash equivalents	161,395	104,500	161,349	104,440
Money market investments	592,119	282,315	592,119	282,315
Placements with other institutions	141,645	85,329	141,645	85,329
Loans and advances to customers	234,942	153,816	234,942	153,816
Equity investments	131	131	431	431
Other assets	20,268	6,871	20,265	7,122
Intangible assets	15,258	7,933	15,229	7,928
Right-of-use assets	2,901	2,581	2,873	2,580
Property, plant and equipment	24,185	14,240	24,025	14,163
Total Assets	1,192,844	657,716	1,192,878	658,124
LIABILITIES AND EQUITY				
Liabilities				
Customer deposits	726,734	538,527	727,943	538,868
Liabilities to financial institutions	251,220	26,570	251,220	26,570
Long-term loans	43,012	8,493	43,012	8,493
Lease liabilities	6,314	4,811	6,279	4,811
Other liabilities	30,356	19,863	29,865	19,833
Tax payable	16,506	8,982	16,286	9,012
Deferred tax liability	6,608	447	6,634	440
Total Liabilities	1,080,750	607,693	1,081,239	608,027
Equity				
Share capital	1,455	1,455	1,455	1,455
Share premium	12,104	12,104	12,104	12,104
Retained earnings	98,947	36,343	98,492	36,417
Loan loss reserve	-	499	-	499
Fair value reserve	(412)	(378)	(412)	(378)
Total Equity	112,094	50,023	111,639	50,097
Total Liabilities & Equity	1,192,844	657,716	1,192,878	658,124

SUMMARY STATEMENTS OF CHANGES IN EQUITY				
As at the beginning of the year as previously stated	50,023	37,121	50,097	37,151
Prior year adjustment	-	(2,320)	-	(2,320)
Balance at the beginning of the year as restated	50,023	34,801	50,097	34,831
Profit for the year	72,991	29,378	72,462	29,422
Other equity movements	(34)	(40)	(34)	(40)
Dividend paid	(10,886)	(14,116)	(10,886)	(14,116)
As at the end of year	112,094	50,023	111,639	50,097

	Consolidated Audited 31-Dec-24 Mk'million	Consolidated Audited 31-Dec-23 Mk'million	Separate Audited 31-Dec-24 Mk'million	Separate Audited 31-Dec-23 Mk'million
SUMMARY STATEMENT OF CASH FLOWS				
CASHFLOWS FROM OPERATING ACTIVITIES				
Profit before tax	124,940	49,721	124,224	49,787
Adjustments for non-cash items included within the income statement	12,515	8,757	12,595	8,749
Increase in interest earning and other assets	(460,643)	(108,262)	(460,388)	(108,544)
Increase in deposits and other liabilities	423,349	163,878	423,711	164,281
Interest paid	79,481	44,202	79,483	44,202
Interest received	(239,794)	(111,896)	(239,795)	(111,898)
Net finance income	154,739	65,921	155,033	65,594
Income tax paid	(38,250)	(15,502)	(38,250)	(15,502)
Net cash generated from operating activities	56,337	96,819	56,613	96,669
INVESTING ACTIVITIES				
Acquisition of property and equipment and intangible assets	(22,218)	(13,820)	(22,095)	(13,727)
Proceeds from disposal of property and equipment	140	22	(163)	19
Net cash used in investing activities	(22,078)	(13,798)	(22,258)	(13,708)
FINANCING ACTIVITIES				
Net proceeds from loans and borrowings	34,521	1,053	34,521	1,053
Dividends declared and paid	(10,886)	(14,116)	(10,886)	(14,116)
Interest on lease liability	(1,724)	(1,028)	(1,714)	(1,028)
Repayment of lease liabilities	(164)	(354)	(155)	(354)
Net cash used in financing activities	21,747	(14,445)	21,766	(14,445)
Net movement in cash and cash equivalents	56,006	68,576	56,121	68,516
Cash and cash equivalents at beginning of the year	104,500	32,812	104,440	32,812
Effects of exchange rate changes	889	3,112	788	3,112
Cash and cash equivalents at end of the year	161,395	104,500	161,349	104,440

REGULATORY DISCLOSURES						
1. IMPAIRMENT LOSSES /NON PERFORMING CREDIT FACILITIES AND EXPECTED CREDIT LOSSES BY INDUSTRY SECTOR						
	Outstanding Amount	Impaired Amount	31-Dec-24 Expected credit loss (stage 3)	Outstanding Amount	Impaired Amount	31-Dec-23 Expected credit loss (stage 3)
	MK'm	K'm	K'm	K'm	K'm	K'm
Sector						
Agriculture	18,085	767	767	2,677	659	652
Mining	3	-	-	-	-	-
Manufacturing	15,679	232	232	8,191	103	103
Electricity,gas, water and energy	37,824	1	1	8,077	2	1
Construction	5,488	1,294	1,294	3,486	1,080	578
Wholesale&Retail	16,484	3,629	2,810	21,189	2,556	1,478
Restaurants & Hotels	10,227	964	964	1,616	1,050	461
Transport	2,080	264	264	1,862	213	186
Financial Services	4,921	-	-	7,109	3	3
Community	136,626	5,395	5,395	108,022	2,281	578
Real Estate	701	24	24	78	54	54
Total	248,118	12,570	11,751	162,307	8,001	4,094
2. CREDIT CONCENTRATION						
Total credit facilities including guarantees, acceptances and other similar commitments extended by the bank to any one customer or group of related customers where amounts exceeded 25% of core capital.						
SECTOR OF BORROWER						
	MK'm	31-Dec-24 % of Core Capital	MK'000	31-Dec-23 % of Core Capital		
Water	35,012	31.4%	-	0.0%		
3. LOANS TO DIRECTORS ,SENIOR MANAGEMENT AND OTHER RELATED PARTIES						
Directors		31-Dec-24 MK'm	31-Dec-23 MK'm			
Balance at the beginning of the period		233	246			
Loans granted during the period		-	28			
Repayments		(101)	(41)			
Balance at end the of period		132	233			

Senior management officials		31-Dec-24 MK'm	31-Dec-23 MK'm
Balance at the beginning of the period		837	561
Loans granted during the period		1,205	969
Repayments		(730)	(693)
Balance at end the of period		1,312	837
Total related party lending as a % of Capital		1.30%	2.10%
INVESTMENTS IN SUBSIDIARIES			
	Number of shares 31-Dec-24	Percentage Holding 31-Dec-24	Number of shares 31-Dec-23 Percentage Holding 31-Dec-23
Name of subsidiary			
NBS Forex Bureau Limited	7,000,000	100%	7,000,000 100%
LENDING RATES			
Malawi Kwacha facilities		31-Dec-24	31-Dec-23
Reference rate		25.3%	23.6%
Lending rate spread above reference rate		0% to 10%	0% to 10%
Foreign Currency facilities rate		8% to 10%	8% to 10%
DIRECTORS' REMUNERATION AND EMPLOYEE BONUSES		31-Dec-24 MK'm	31-Dec-23 MK'm
Directors' remuneration		66	38
Total accrual for staff bonus		7,602	5,532
Management fees to related party		555	452
Capital Expenditure		22,218	13,820
Capital Commitments		32,140	17,237
Contingent Liabilities including off balance items		98,362	25,447
DEPOSIT RATES			
Type of Deposit		31-Dec-24 Rate %	31-Dec-23 Rate %
Malawi Kwacha			
Current account		0.10	0.10
Savings		2.00	2.00
7 Day Notice		5.00	5.00
30 Day Notice		5.50	5.50
2 Months		6.50	6.50
3 Months		6.00	6.00
6 Months		Negotiable	Negotiable
9 Months		Negotiable	Negotiable
12 Months		Negotiable	Negotiable
Foreign Currency Denominated Accounts(FCDAs)			
USD		0.75	4.00
GBP		1.00	2.25
ZAR		4.00	3.00
EUR		0.75	1.50
FINANCIAL REVIEW			
The Board is pleased to present the summary audited financial statements of the Group for the year ended 31 December 2024.			
The Operating Environment			
The world economy continued to be negatively impacted by the ongoing geopolitical tensions, particularly the Russia-Ukraine war, and the instability in Gaza and parts of the Middle East which undoubtedly have had a ripple effect across the global economy.The effects ranged from disruptions to trade routes, shortages of essential goods like grains and a shift of focus of international aid to defense. Consequently, several developing nations recorded high inflation and interest rates. However, a reduction of inflation and interest rates was seen in key developed countries including the United States of America following easing of monetary policies by their central banks.			
The Malawi economy faced several challenges which included a combination of weather-related challenges and ongoing inflationary pressures. The El Nino weather phenomenon negatively impacted agricultural output, leading to food shortages and increased food prices. Agriculture is a significant sector of Malawi's economy, and a decline in output has a ripple effect on the broader economy contributing to inflationary pressures. Malawi struggled with high inflation and interest rates which remained elevated throughout the year. In response to the high inflation, the Monetary Policy Committee took steps to address inflation by raising the Liquidity Reserve Ratio (LRR) from 7.75% as at 31 December 2023 to 10% as at 31 December 2024. By increasing the LRR, the Committee limited the amount of money available for lending to businesses and individuals. Additionally, the policy rate increased from 24% to 26% over the same period. Despite these challenges, the Reserve Bank of Malawi estimates that the Malawi's Gross Domestic Product (GDP) grew by 1.8% in 2024 which is a slight slowdown from the 1.9% growth recorded in 2023.			
Financial Performance			
The Group recorded consolidated Profit After Tax (PAT) of K72.99 billion for the year ended 31 December 2024 compared to MK29.38 billion reported in a similar period in 2023 representing an increase of 148% year-on-year. The drivers of the remarkable increase in profits are explained below.			
Net interest income amounted to K160 billion, representing a 139% increase from K67 billion reported in 2023. The impressive performance followed significant growth of money market investments and the loan book which increased by K366 billion and K86 billion, respectively.			
Non-interest income went up from K34.95 billion in 2023 to K45.19 billion in 2024, driven by higher trade finance volumes, increased adoption of digital platforms which drove transaction volumes. The Group also registered growth in foreign exchange trading income in both the Bank and its subsidiary, NBS Forex Bureau Limited.			
Total operating expenses amounted to K75.84 billion, representing a 57% year-on-year increase. The increase in operating expenses was driven by new business activities, project expenses, inflation and a slight depreciation of the Kwacha. However, the growth in income was significantly higher than the increase in operating expenses resulting in a decrease in the cost-to-income ratio from 47% to 37%.			
Credit impairments amounted to K4.72 billion, up 3% from the K4.56 billion reported in 2023. Non-performing loans were within the Bank's risk appetite.			

The Group's total assets closed at K1.19 trillion, representing an 81% increase from K657.72 billion reported as at 31 December 2023. Customer deposits went up by K189 billion year-on-year. Funding from financial institutions and long-term loans were other sources of notable expansion of the Bank's balance sheet. Current and savings account balances accounted for 56% of total customer deposits as at 31 December 2024, up from 52% as at 31 December 2023. The improved deposit mix is expected to contribute to a better net interest margin in 2025. The Bank's loan book expanded to K248 billion as at 31 December 2024, compared to K162 billion in the prior year. The growth of the loan book followed sustained demand for loans in the retail segment, and foreign currency loans to fund long-term projects in strategic sectors.
The Bank's Tier 1 and Tier 2 capital ratios stood at 22.97% and 28.35%, respectively as at 31 December 2024, compared to 16.35% and 18.10% as at 31 December 2023. Both ratios remain well above the regulatory requirements of 14% and 15% for Tier 1 and Tier 2 capital ratios, respectively. The improvement in capital ratios was a result of profits earned in 2024 and subordinated debt of MK26 billion raised in Q4 2024. The Bank maintains a prudent capital management policy, ensuring sufficient capital buffers to absorb unexpected losses and support sustainable growth.
New Core Banking System The Group successfully implemented a new core banking system for the Bank and the Forex Bureau at the beginning of the third quarter of 2024. The system has since attained the level of stability and efficiency envisaged by the Group at the inception of the project. However, the Board acknowledges that the transition inconvenienced some of our customers. When the system is fully optimized, the Bank will see long-term benefits in terms of better service delivery, more streamlined processes, and improved customer satisfaction. The Board wants to thank the affected customers for their patience and loyalty over the transition period.
Outlook Malawi's economy as projected by the Reserve Bank of Malawi is expected to bounce back in 2025, which is a positive sign after a challenging year in 2024. The forecast of a 4% GDP growth for 2025, driven by sectors like agriculture, mining, and tourism, shows that the economy may diversify and become more resilient. However, there are several risks to the economic outlook that could still present significant challenges. These include a reduction of aid by development partners that could put pressure on Malawi government finances, erratic rains since agriculture is heavily dependent on rainfall, and the ongoing conflicts in Europe, particularly the war in Ukraine. The impact could manifest in the form of wide-ranging effects on global supply chains, fuel, and other commodity prices, which could affect Malawi. Moreover, the possibility of a depreciation of a depreciation of the Kwacha remains which could result in an increase of inflation and drive the cost of living and doing business.
Dividend The Board of Directors on 31 March 2025 approved the payment of a 3rd interim dividend of K14.55 billion representing a dividend of K5.00 per share (2023: 3rd interim dividend of K4.37 billion representing a dividend of K1.50 per share) and has recommended the payment of a final dividend for the year ended 31 December 2024 of K4.37 billion representing K1.50 per share (2023: final dividend: K1.88 billion representing K0.64 per share).The first Interim and second interim dividends paid amounted to K4.66 billion and K8.15 billion, respectively representing a dividend per share of K1.60 and K2.80 per share respectively. Total dividend for the year ended 31 December 2024 including the proposed final dividend amount to K31.73 representing a dividend of K10.90 per share (2023: total dividend:K13.21 billion representing K4.54 per share). The proposed final dividend for 2024 is subject to shareholders approval at the forthcoming Annual General Meeting.
The Board is confident that the Group is well-positioned to navigate the challenges of the current macroeconomic environment and continue delivering value to its shareholders and stakeholders. We remain committed to executing our strategic objectives and creating long-term growth.
<div><div><div>V. Kumwenda Chairman</div></div><div><div><div>H. Kalua Director</div></div><div><div><div>K. Ngwenya Chief Executive Officer</div></div><div><div><div>E. Tembo Chief Finance Officer</div></div></div></div></div></div>
BASIS OF PREPARATION
The Directors have prepared the summary consolidated and separate financial statements to meet the requirements of the Financial Services Act, 2010 and the Malawi Stock Exchange. The Directors have considered the requirements of the Financial Services Act, 2010 and the Malawi Stock Exchange and believe that the summary statements of financial position, comprehensive income, changes in equity and cash flows are sufficient to meet the requirements of the users of the summary consolidated and separate financial statements. The amounts in the summary consolidated and separate financial statements are prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards and IAS 29 Financial Reporting in Hyperinflationary Economies - 2024 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM). The summary consolidated, and separate financial statements have been derived from the Annual Consolidated and Separate Financial Statements which were approved by the Board of directors on 31 March 2025, and is available on the company's website, www.nbs.mw.
INDEPENDENT AUDITOR'S REPORT ON SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
To the shareholders of NBS Bank plc
Opinion The summary consolidated and separate financial statements of NBS Bank Plc and its subsidiary, which comprise the summary consolidated and separate statements of financial position as at 31 December 2024, the summary consolidated and separate statements of comprehensive income, summary consolidated and separate statements of changes in equity and summary consolidated and separate statements of cash flows for the year then ended and related notes, are derived from the audited consolidated and separate financial statements of NBS Bank plc and its subsidiary for the year ended 31 December 2024.
In our opinion, the accompanying summary consolidated, and separate financial statements are a fair summary of the audited consolidated and separate financial statements, and on the basis described on the basis of preparation paragraph.
Summary Consolidated and Separate Financial Statements The summary consolidated, and separate financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated and separate financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements of NBS Bank Plc and the auditor's report thereon. The summary consolidated, and separate financial statements and the audited consolidated and separate financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated and separate financial statements.
The Audited Consolidated and Separate Financial Statements and Our Report Thereon We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 7 April 2025. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current year.
Director's Responsibility for the Summary Consolidated and Separate Financial Statements The directors are responsible for the preparation of the summary consolidated and separate financial statements in accordance with the basis described on the basis for preparation paragraph.
Auditor's Responsibility Our responsibility is to express an opinion on whether the summary consolidated, and separate financial statements are a fair summary of the audited consolidated and separate financial statements, which were conducted in accordance with International Standard on Auditing ISA 810 (Revised), <i>Engagements to Report on Summary Financial Statements</i> .
<div><div></div><div><div>Grant Thornton</div></div></div>
Chartered Accountants and Business Advisors
Gordon Tembo Chartered Accountant (Malawi) Partner Blantyre, Malawi 7 April 2025