NBS Bank
Your Caring Bank
A member of the NICO Group

SUMMARY OF AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

PAT	TOTAL ASSETS	CUSTOMER DEPOSITS	NET LOANS	TOTAL INCOME	TOTAL OPERATING COSTS	COST TO INCOME RATIO	NPL RATIO	TOTAL CAPITAL	RETURN ON EQUITY
MK150.42 BN UP BY 106%	MK1.54 TN UP BY 29%	MK1.04 TN UP BY 43%	MK349.93 BN UP BY 49%	MK418.76 BN UP BY 104%	MK112.21 BN UP BY 48%	27% DOWN FROM 37%	2.5% DOWN FROM 4.7%	29.92% UP FROM 28.35%	68% UP FROM 65%

SUMMARY STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	CONSOLIDATED AUDITED 12 months to 31-Dec-25 MK'Million	CONSOLIDATED AUDITED 12 months to 31-Dec-24 MK'Million	SEPARATE AUDITED 12 months to 31-Dec-25 MK'Million	SEPARATE AUDITED 12 months to 31-Dec-24 MK'Million
Interest income	417,942	239,794	417,942	239,795
Interest expense	(110,202)	(79,481)	(110,350)	(79,483)
Net Interest Income	**307,740**	**160,313**	**307,592**	**160,312**
Fees and other non-interest income	111,016	45,194	108,027	43,856
Total operating income	**418,756**	**205,507**	**415,619**	**204,168**
Operating expenses	(112,206)	(75,843)	(111,219)	(75,220)
Profit before impairment losses	**306,550**	**129,664**	**304,400**	**128,948**
Impairment provisions	(38,409)	(4,724)	(38,409)	(4,724)
Profit before tax	**268,141**	**124,940**	**265,991**	**124,224**
Income tax expense	(117,719)	(51,949)	(117,090)	(51,762)
Profit for the period	**150,422**	**72,991**	**148,901**	**72,462**
Earnings per share (MK)	51.68	25.10		
Weighted average ordinary shares in issue (million)	2,911	2,911		

STATEMENT OF OTHER COMPREHENSIVE INCOME

	CONSOLIDATED 31-Dec-25	CONSOLIDATED 31-Dec-24	SEPARATE 31-Dec-25	SEPARATE 31-Dec-24
Profit for the year	**150,422**	**72,991**	**148,901**	**72,462**
Items that may be reclassified subsequently to profit or loss				
Net Fair value adjustments on Malawi Government treasury notes	(507)	(34)	(507)	(34)
Total Comprehensive Income	**149,915**	**72,957**	**148,394**	**72,428**

SUMMARY STATEMENTS OF FINANCIAL POSITION

	CONSOLIDATED AUDITED 31-Dec-25 MK'Million	CONSOLIDATED AUDITED 31-Dec-24 MK'Million	SEPARATE AUDITED 31-Dec-25 MK'Million	SEPARATE AUDITED 31-Dec-24 MK'Million
ASSETS				
Cash and cash equivalents	134,622	161,395	134,610	161,349
Trading assets	125,869	81,287	125,869	81,287
Placements with other institutions	93,765	73,766	92,667	73,766
Derivative financial assets	44,707	67,879	44,707	67,879
Government securities	723,373	510,832	723,373	510,832
Loans and advances to customers	349,933	234,942	349,933	234,942
Financial investments	131	131	131	131
Investment in subsidiary	-	-	300	300
Other assets	17,561	20,268	17,559	20,265
Intangible assets	14,895	15,258	14,870	15,229
Right-of-use assets	1,612	2,901	1,570	2,873
Property and equipment	34,780	24,185	34,547	24,025
Total Assets	**1,541,248**	**1,192,844**	**1,540,136**	**1,192,878**
LIABILITIES AND EQUITY				
Liabilities				
Customer deposits	1,043,907	726,734	1,045,240	727,943
Liabilities to financial institutions	87,862	208,631	87,862	208,631
Derivative liabilities	45,043	42,589	45,043	42,589
Long-term loans	54,010	43,012	54,010	43,012
Lease liabilities	5,814	6,314	5,754	6,279
Other liabilities	48,703	30,356	48,408	29,865
Tax payable	30,944	16,506	30,775	16,315
Deferred tax liability	3,704	6,608	3,788	6,634
Total Liabilities	**1,319,987**	**1,080,750**	**1,320,880**	**1,081,268**
Equity				
Share capital	1,455	1,455	1,455	1,455
Share premium	12,104	12,104	12,104	12,104
Retained earnings	207,997	98,947	205,992	98,463
Loan loss reserve	623	-	623	-
Fair value reserve	(918)	(412)	(918)	(412)
	221,261	**112,094**	**219,256**	**111,610**
Total Liabilities & Equity	**1,541,248**	**1,192,844**	**1,540,136**	**1,192,878**

SUMMARY STATEMENTS OF CHANGES IN EQUITY

	CONSOLIDATED AUDITED 31-Dec-25 MK'Million	CONSOLIDATED AUDITED 31-Dec-24 MK'Million	SEPARATE AUDITED 31-Dec-25 MK'Million	SEPARATE AUDITED 31-Dec-24 MK'Million
As at the beginning of the year	112,094	50,023	111,610	50,068
Profit for the year	150,422	72,991	148,901	72,462
Other equity movements	(507)	(34)	(507)	(34)
Dividend paid	(40,748)	(10,886)	(40,748)	(10,886)
As at the end of year	**221,261**	**112,094**	**219,256**	**111,610**

SUMMARY STATEMENT OF CASH FLOWS

	CONSOLIDATED 31-Dec-25	CONSOLIDATED 31-Dec-24	SEPARATE 31-Dec-25	SEPARATE 31-Dec-24
CASHFLOWS FROM OPERATING ACTIVITIES				
Profit before income tax expense	268,141	124,940	265,991	124,224
Adjustments for non-cash items included within the Within the income statement	49,313	12,515	49,232	12,595
Increase in interest earning and other assets	(366,243)	(460,643)	(365,145)	(460,388)
Increase in deposits and other liabilities	217,205	423,349	212,618	423,711
Interest paid	110,202	79,481	110,350	79,483
Interest received	(417,942)	(239,794)	(417,942)	(239,795)
Net finance income	268,579	154,739	273,365	155,033
Income tax paid	(105,968)	(38,250)	(105,259)	(38,250)
Net cash generated from operating activities	**23,287**	**56,337**	**23,210**	**56,613**
INVESTING ACTIVITIES				
Net Finance income				
Acquisition of property and equipment and intangible assets	(18,193)	(22,218)	(18,090)	(22,095)
Proceeds from disposal of property and equipment	45	140	45	(163)
Net cash used in investing activities	**(18,148)**	**(22,078)**	**(18,045)**	**(22,258)**
FINANCING ACTIVITIES				
Net proceeds from loans and borrowings	10,997	34,521	10,997	34,521
Dividends declared and paid	(40,748)	(10,886)	(40,748)	(10,886)
Interest on lease liability	(1,645)	(1,724)	(1,627)	(1,714)
Repayment of lease liabilities	(585)	(164)	(568)	(155)
Net cash used in financing activities	**(31,981)**	**21,747**	**(31,946)**	**21,766**
Net movement in cash and cash equivalents	**(26,842)**	**56,006**	**(26,781)**	**56,121**
Cash and cash equivalents at beginning of the year	161,395	104,500	161,349	104,440
Effects of exchange rate changes	69	889	42	788
Cash and cash equivalents at end of the year	**134,622**	**161,395**	**134,610**	**161,349**

REGULATORY DISCLOSURES

1. IMPAIRMENT LOSSES /NON PERFORMING CREDIT FACILITIES AND EXPECTED CREDIT LOSSES BY INDUSTRY SECTOR

	31-Dec-25			31-Dec-24		
	Outstanding Amount MK'm	Impaired Amount K'm	Expected Credit Loss (stage 3) K'm	Outstanding Amount K'm	Impaired Amount K'm	Expected Credit Loss (stage 3) K'm
Sector						
Agriculture	42,368	75	65	18,085	767	767
Mining	-	-	-	3	-	-
Manufacturing	48,567	130	127	15,679	232	232
Elericity	49,860	-	-	37,824	1	1
Construction	4,774	43	39	5,488	1,294	1,294
Wholesale & Retail	5,919	1,942	1,706	16,484	3,629	2,810
Restaurants & Hotels	18,573	647	541	10,227	964	964
Transport	1,674	16	15	2,080	264	264
Financial Services	6,046	7	6	4,921	-	-
Community	189,995	6,190	5,356	136,626	5,395	5,395
Real Estate	1,129	15	14	701	24	24
Total	**368,905**	**9,065**	**7,869**	**248,118**	**12,570**	**11,751**

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	31-Dec-25 MK'm	31-Dec-25 % of Core Capital	31-Dec-24 MK'000	31-Dec-24 % of Core Capital
Water	47,758	25%	35,012	31.4%
Electricity	42,583	22%	-	-

3. LOANS TO DIRECTORS, SENIOR MANAGEMENT AND OTHER RELATED PARTIES

Directors	31-Dec-25 MK'm	31-Dec-24 MK'm
Balance at the beginning of the period	130	233
Loans granted during the period	68	-
Repayments	(72)	(103)
Balance at end the of period	**126**	**130**

Senior Management Officials	31-Dec-25 MK'm	31-Dec-24 MK'm
Balance at the beginning of the period	1,701	837
Loans granted during the period	1,345	1,205
Repayments	(947)	(341)
Balance at end the of period	**2,099**	**1,701**
Total related party lending as a % of Capital	**1.14%**	**1.64%**

INVESTMENTS IN SUBSIDIARIES	Number of shares 31-Dec-25	Percentage Holding 31-Dec-25	Number of shares 31-Dec-24	Percentage Holding 31-Dec-24
Name of subsidiary				
NBS Forex Bureau Limited	7,000,000	100%	7,000,000	100%

LENDING RATES Malawi Kwacha facilities	31-Dec-25	31-Dec-24
Reference rate	25.3%	25.3%
Lending rate spread above reference rate	0% to 13.5%	0% to 10%
Foreign Currency facilities rate	7.5% to 12%	8% to 10%

DIRECTORS' REMUNERATION AND EMPLOYEE BONUSES	31-Dec-25 MK'm	31-Dec-24 MK'm
Directors' remuneration	126	66
Total bonuses payable to employees	14,713	7,602
Management fees to related party	2,393	555
Capital Expenditure	18,089	22,191
Capital Commitments	59,677	32,140
Contingent Liabilities including off balance items	90,754	98,362

DEPOSIT RATES	31-Dec-25 Rate %	31-Dec-24 Rate %
Type of Deposit		
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	4.00	4.00
GBP	2.25	2.25
ZAR	3.00	3.00
EUR	1.50	1.50

FINANCIAL REVIEW

The Board is pleased to present the summary audited financial statements of the Group for the year ended 31 December 2025. The Group is made of NBS Bank plc and its subsidiary, NBS Forex Bureau Limited.

The Operating Environment

Malawi held Presidential, Parliamentary and Council elections in September 2025. The country witnessed another peaceful transition from one administration to another, reflecting continued progress in democratic maturity. The Bank therefore operated under policies of two different governments over the twelve-month reporting period. As is often the case with election years, money supply is estimated to have expanded faster than in prior years. Further, the country faced widespread hunger following a drought-induced poor harvest of maize. The expansion in money supply coupled with rising maize prices contributed to a high inflationary environment, with overall inflation closing the year at approximately 26%. Gross Domestic Product (GDP) grew modestly from 1.7% in 2024 to an estimated growth of 2.7% in 2025. Despite this improvement in growth, the overall economic environment remained challenging for the Group and the broader business community. Against this backdrop, the Board is particularly proud to present the remarkable results the Bank achieved in 2025.

Performance

The Group recorded consolidated Profit After Tax (PAT) of K150.42 billion for the year ended 31 December 2025 compared to consolidated PAT of K72.99 billion for the year ended 31 December 2024 representing a year-on-year increase of 106%. The Bank's contribution to consolidated PAT stood at 99.99%, and 0.01% was from the NBS Forex Bureau.

Total consolidated income rose from K205.51 billion to K418.76 billion representing a year-on-year increase of 104%. The robust performance was driven in part by a significant increase in the loan book, with impressive expansion of credit in the corporate and retail segments. Demand for loans was robust particularly in the Agriculture, Manufacturing and Community, Social and Personal sectors. Additionally, the Bank's investment in government securities increased notably contributing to a rise in interest income. Net interest income went up by 92% year-on-year from K160.31 billion to K307.74 billion.

Non-interest income grew from K45 billion to K111 billion and reflected the impact of increased forex trading activities and guarantees business. The Bank benefited from increased lines of credit to support imports of strategic commodities and expanded the guarantees business to support the construction industry. Fees and commissions which include bank charges for assorted services registered modest growth following regulatory actions to remove fees and commissions entirely or freeze annual increases on several services.

Total operating expenses amounted to K112 billion, up 48% year-on-year and saw a deceleration in the annual growth rate of total operating expenses from 57% reported in the prior year.

Net credit impairments rose sharply from K4.7 billion to K38.4 billion. The Board approved recommendations to increase International Financial Reporting Standard 9 (IFRS 9) impairments on public debt. The Bank's internal assessment of the level of credit risk associated with that class of financial instruments showed that the additional provision was required. Consequently, the provision on public debt drastically increased from K451 million to K30.2 billion. The balance of the impairment charge was on loans and other advances, and the increase mirrored the growth of the loan book.

The Group's total assets closed at K1.54 trillion, up from K1.19 trillion representing an increase of 29%. Total customer deposits closed at K1.04 trillion as at 31 December 2025, representing a 43% increase on the K727 billion reported as at 31 December 2024. Current and savings account balances accounted for 55% of total customer deposits as at 31 December 2025 against 56% as at 31 December 2024. The Bank's loan book stood at K349.93 billion as at 31 December 2025 compared to K234 billion in the prior year. The Bank leveraged its relationship with international partners to more than double the forex currency loan book which targeted export-oriented sectors.

The Bank's Tier 1 and Tier 2 capital ratios as at 31 December 2025 were 27.07% and 29.92% respectively against 22.97% and 28.35%, respectively as at 31 December 2024. Both ratios remained well above the regulatory requirements of 14% and 15% for Tier 1 and Tier 2 capital ratios, respectively. The Group maintains a prudent capital management policy, ensuring sufficient capital buffers to absorb unexpected losses and support sustainable growth.

The Bank continued to improve its value proposition for various customer segments, the latest being the introduction of family banking in December 2025. Family banking is a customer value proposition for the needs of the whole family and is a natural progression of our exceptional our private banking offering.

Outlook

The Malawi Ministry of Finance, Economic Planning and Decentralisation projects that the economy will grow by 3.8% in 2026. The Bank anticipates that inflation will decline materially in 2026. There are several signals of change that give confidence on the direction of inflation. The Government has imported maize to mitigate food insecurity, austerity measures are being implemented by the Government, the 2026 maize harvest is expected to be significantly improved, and yields on government securities are falling. The impact of these positive changes may be partially offset by the rise in fuel and utility costs. Overall, interest rates are expected to decline, presenting an opportunity to expand credit to productive sectors while at the same time presenting a challenge to grow interest income.

Dividend

The Board of Directors at its meeting of 17 February 2026 approved the payment of a 3rd interim dividend of K24.16 billion, representing a dividend of K8.30 per share (2024 3rd interim dividend: K14.55 billion, K5.00 per share). The Board has also recommended the payment of a final dividend for the year ended 31 December 2025 of K13.68 billion, representing a dividend of K4.70 per share (2024 final dividend: K4.37 billion, K1.50 per share).

The first Interim and second interim dividends paid during the year amounted to K13.68 billion and K15.43 billion respectively representing K4.70 and K5.30 per share respectively. Including the proposed final dividend, the total dividend for the year ended 31 December 2025 amounts to K66.94 billion representing K23.00 per share (2024 total dividend: K31.73 billion, representing K10.90 per share). This represents an 111% increase in total dividend year-on-year.

V. Kumwenda **Chairman**	**H. Kalua** **Director**	**T. Simwaka** **Chief Executive Officer**	**E. Tembo** **Chief Finance Officer**

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. In determining the content of the summary consolidated and separate financial statements, the Directors have considered the needs of users and the requirements of the Financial Services Act, 2010 and the Malawi Stock Exchange and believe that the summary consolidated and separate statements of financial position, profit or loss and other comprehensive income, changes in equity and cash flows are sufficient to meet those requirements. The amounts included in the summary consolidated and separate financial statements have been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards. 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 17 February 2026, and are 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 2025, the summary consolidated and separate statements of profit or loss and other 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 2025.

In our opinion, the accompanying summary consolidated and separate financial statements are a fair summary of the audited consolidated and separate financial statements, in accordance with 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. Accordingly, reading the summary consolidated and separate financial statements and the auditor's report thereon 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 04 March 2026. 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 in 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, in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements.*

Grant Thornton

Chartered Accountants and Business Advisors
Gordon Tembo
Chartered Accountant (Malawi)
Partner
Blantyre, Malawi
04 March 2026