	NATIONAL BANK OF MALAWI					<u>т</u>	1		
SUMMARY OF AUDITED RESULTS FOR THE YEAR ENDED 31st									
DECEMBER 2013									
	GROUP 31-Dec-13	31-Dec-12	31-Dec-13	1PANY 31-Dec-12					
	<u>S1-Dec-15</u> K'm	<u>K'm</u>	K'm	K'm					
STATEMENTS OF COMPREHENSIVE INCOME									
Interest income	25,008	12,270	24,982	12,274					
Interest expense	(5,290)	(2,407)	(5,290)	(2,408)					
Net interest income	19,718		19,692	9,866				<u> </u>	
Other income	14,322	13,070 22,933	13,867	12,808				-	
Net income Operating expenses	34,040 (15,378)	(11,321)	33,559 (15,124)	22,674 (11,177)					
Profit before recoveries on impaired loans and advances	18,662		18,435	11,497				-	
Net recoveries(expense) on impaired loans and advances	(216)	(607)	(216)	(607)					
Profit before taxation	18,446	11,005	18,219	10,890					
Taxation	(5,740)	<u>(3,418)</u>	<u>(5,678)</u>	<u>(3,399)</u>				<u> </u>	
Profit after tax	12,706	7,587	12,541	7,491					
Other Comprehensive income									
Gains on Property valuations	898	1,111	898	1,111					
Fair value gain on available for sale assets	183	0	183	0					
Deferred tax on revalued assets	1,706		1,706	762					
Other Comprehensive Income net of tax	2,787	1,873	2,787	1,873					
Total Comprehensive income for the period	15,493	<u>9,460</u>	<u>15,328</u>	<u>9,364</u>		<u> </u>		<u> </u>	
Duafit attuikutakia ta shayakala'						+	+	+	
Profit attributable to shareholders Owners of the Parent	12,679	7,575				+	+	+	
Non-Controlling Interest (Minorities)	27	12				 1	+	+	1
	12,706					1		1	1
Comprehensive income attributable to shareholders								1	
Owners of the Parent	15,466	9,448							
Non-Controlling Interest (Minorities)	27	12							
	15,493	<u>9,460</u>						-	
DIVIDENDS PAID									
Interim	3,399	2,334	3,399	2,334				-	
Final (for prior year)	1,498	1,262	1,498	1,261					
Total	4,897	3,596	4,897	3,595					
Earnings per share (Kwacha)	27.15	16.22							
Dividend per share (Kwacha)	10.49							<u> </u>	
Number of ordinary shares in issue (millions)	467	467							
STATEMENTS OF FINANCIAL POSITION								-	
STATEMENTS OF FINANCIAL POSITION		GROUP		COMPAN	44				
	31-Dec-13	31-Dec-12	31-Dec-11	31-Dec-13	31-Dec-12				
	K'm	K'm	K'm	K'm	K'm				
		Restated	Restated						
LIABILITIES & EQUITY								<u> </u>	
Customer deposits	123,855		68,606	119,481	87,512				
Current income tax liabilities Other liabilities	1,740		1,030 8,625	1,743 19,097	1,304 15,682	 +	+	+	
Loans and borrowings	8,348	3,395	8,623	8,348	3,395	 1	1	<u>+</u>	1
Equity attributable to equity holders of the parent company	32,117	21,548	15,696	31,923	21,492	1		1	
Minority interest	46	19	7	0	0				
Total liabilities and equity	185,302	133,510	93,964	180,592	129,385				
								<u> </u>	
ASSETS								┿	I
Cash and funds with Reserve Bank of Malawi	18,830	8,797	8,155	18,854	8,797	+	+	+	
Government of Malawi Treasury Bills Reserve Bank of Malawi bill bonds	4,892 3,317	3,741 4,060	5,969 1,093	4,892 3,317	3,741 4,060	 +	+	+	
Government of Malawi Local Registered Stocks	5,517		467	5,517	4,060	 1	1	<u> </u>	1
Government of Malawi Promissory Notes	10,765		0	10,765	0	1		1	
Equity investments	1,577	732	695	1,476	731				
	380	214	196	233	123			L	
Investment in associate			0	142	142	I		<b> </b>	
Investment in subsidiaries	0				19,347	1		+	
Investment in subsidiaries Placements with other banks	0 33,784	19,347	8,753	33,784	C2 001				1
Investment in subsidiaries Placements with other banks Loans and advances to customers	0 33,784 62,918	19,347 63,001	46,573	62,929	63,001			+	
Investment in subsidiaries Placements with other banks Loans and advances to customers Other money market deposits	0 33,784 62,918 13,039	19,347 63,001 6,125	46,573 2,864	62,929 8,514	63,001 2,048 0				
Investment in subsidiaries Placements with other banks Loans and advances to customers	0 33,784 62,918	19,347 63,001 6,125 0	46,573	62,929	2,048				
Investment in subsidiaries Placements with other banks Loans and advances to customers Other money market deposits Assets held for sale	0 33,784 62,918 13,039 0	19,347 63,001 6,125 0 8,539	46,573 2,864 454	62,929 8,514 0	2,048 0				
Investment in subsidiaries Placements with other banks Laans and advances to customers Other money market deposits Assets held for sale Other assets Property, plant and equipment Intangible assets	0 33,784 62,918 13,039 0 12,738 17,650 2,912	19,347 63,001 6,125 0 8,539 15,366 2,082	46,573 2,864 454 4,201 12,685 1,442	62,929 8,514 0 12,656 17,619 2,912	2,048 0 8,486 15,321 2,082				
Investment in subsidiaries Placements with other banks Loans and advances to customers Other money market deposits Assets held for sale Other assets Property, plant and equipment Intangible assets Deferred tax assets	0 33,784 62,918 13,039 0 12,738 17,650 2,912 2,500	19,347 63,001 6,125 0 8,539 15,366 2,082 1,134	46,573 2,864 454 4,201 12,685 1,442 417	62,929 8,514 0 12,656 17,619 2,912 2,499	2,048 0 8,486 15,321 2,082 1,134				
Investment in subsidiaries Placements with other banks Laans and advances to customers Other money market deposits Assets held for sale Other assets Property, plant and equipment Intangible assets	0 33,784 62,918 13,039 0 12,738 17,650 2,912	19,347 63,001 6,125 0 8,539 15,366 2,082 1,134	46,573 2,864 454 4,201 12,685 1,442	62,929 8,514 0 12,656 17,619 2,912	2,048 0 8,486 15,321 2,082				
Investment in subsidiaries Placements with other banks Loans and advances to customers Other money market deposits Assets held for sale Other assets Property, plant and equipment Intangible assets Deferred tax assets Total assets	0 33,784 62,918 13,039 0 12,738 17,650 2,912 2,500	19,347 63,001 6,125 0 8,539 15,366 2,082 1,134	46,573 2,864 454 4,201 12,685 1,442 417	62,929 8,514 0 12,656 17,619 2,912 2,499	2,048 0 8,486 15,321 2,082 1,134				
Investment in subsidiaries Placements with other banks Loans and advances to customers Other money market deposits Assets held for sale Other assets Property, plant and equipment Intangible assets Deferred tax assets	0 33,784 62,918 13,039 0 12,738 17,650 2,912 2,500	19,347 63,001 6,125 0 0 8,539 15,366 2,082 1,134 133,510	46,573 2,864 454 4,201 12,685 1,442 417	62,929 8,514 0 12,656 17,619 2,912 2,499	2,048 0 8,486 15,321 2,082 1,134				

							-	1	
	GROUP		(0)	/PANY					
	31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12					
	K'm	K'm	K'm	K'm					
STATEMENTS OF CHANGES IN EQUITY									
As at beginning of period	21,548	15,696	21,492	15,723					
Net profit for the period Dividends paid	12,679 (4,897)	7,575 (3,596)	12,541 (4,897)	7,491 (3,595)					
Surplus on revaluation of property	(4,897) 898	(3,596) 1,111	(4,897) 898	1,111					
Fair value movement on available for sale assets	183	0		0					
Deferred tax on revalued assets	1,706	762	1,706	762					
As at end of period	32,117	21,548	31,923	21,492					
STATEMENTS OF CASH FLOWS									
Cash flows from operating activities	10.446	44.005	40.240	40.000					
Profit before tax Adjustments for:	18,446	11,005	18,219	10,890					
Depreciation	1,732	1,392	1,721	1,383					
Fair value (profit)/loss on equity investments	(646)	(76)	(646)	(76)					
Profit on disposal of fixed assets	(69)	(554)	(69)	(554)					
(Profit)/Loss on disposal of equity investments	(36)	(14)	(18)	(8)					
Dividends received	(43)	(51)	(42)	(50)			 		
Share of profits of associate	(80)	(26)	-	-			 		
Loss/(Gain) on revaluation of properties Increase in operating assets	(396) (3,929)	(838) (20,744)	(406) (4,058)	(838) (20,704)			 		
Increase in operating liabilities	38,797	30,137	34,353	30,134					
Cash generated from operating activities	53,776	20,231	49,054	20,134			1		
Tax paid	(4,930)	(3,090)	(4,898)	(3,080)					
Net cash from operating activities	48,846	17,141	44,156	17,097					
Net cash flow from investing activities	(14,527)	(2,319)	(14,282)	(2,320)					
Net cash used in financing activities	<u>1,457</u>	(200)	<u>1,457</u>	(200)			 		
Net increase in cash and cash equivalents	35,776	14,622	31,331	14,577					
Cash and cash equivalents at beginning of the period Cash and cash equivalents at end of the period	<u>29,665</u> 65,441	<u>15,043</u> 29,665	<u>29,609</u> 60,940	<u>15,032</u> 29,609					
	00,111	25,005	00,540	25,005					
IMPAIRMENT LOSSES/NON PERFORMING CREDIT FACILITIES AF	D PROVISIONS FOR LOSSES BY IND	DUSTRY SECTOR							
IMPAIRMENT LOSSES/NON PERFORMING CREDIT FACILITIES AP				31st D	ecember 2012				
	31st	December 2013	Specific Provision		ecember 2012 Impaired	Specific			
IMPAIRMENT LOSSES/NON PERFORMING CREDIT FACILITIES AN Sector		December 2013	Specific Provision	31st D Outstanding Amount	Impaired	Specific Provision			
Sector	31st Outstanding amount K'm	December 2013 Impaired Amount K'm	K'm	Outstanding Amount K'm	Impaired Amount K'm	Provision K'm			
Sector Agriculture, Forestry, Livestock and Fishing	31st Outstanding amount K'm 10,434	December 2013 Impaired Amount K'm 74	<u>К'т</u> 2	Outstanding Amount K'm 7,436	Impaired Amount K'm 117	Provision K'm 26			
Sector Agriculture, Forestry, Livestock and Fishing Manufacturing	31st Outstanding amount K'm 10,434 13,738	December 2013 Impaired Amount K'm 74 84	<u>К'т</u> 2 2	Outstanding Amount K'm 7,436 5,758	Impaired Amount K'm 117 30	Provision K'm 26 9			
Sector Agriculture, Forestry, Livestock and Fishing Manufacturing Mining and Quarying	31st Outstanding amount K'm 10,434 13,738 0	December 2013 Impaired Amount K'm 74 84 -	К'т 2 2 0	Outstanding Amount K'm 7,436 5,758 0	Impaired Amount K'm 117 30 -	Provision K'm 26 9 0			
Sector Agriculture, Forestry, Livestock and Fishing Manufacturing Mining and Quarying Construction and Engineering	31st Outstanding amount K'm 10,434 13,738	December 2013 Impaired Amount K'm 74 84	<u>К'т</u> 2 2	Outstanding Amount K'm 7,436 5,758	Impaired Amount K'm 117 30	Provision K'm 26 9			
Sector Agriculture, Forestry, Livestock and Fishing Manufacturing Mining and Quarying Construction and Engineering Ernegy/Electricity, Gas, Air conditioning, Water supply & Waste	31st Outstanding amount K'm 10,434 13,738 0 897	December 2013 Impaired Amount K'm 74 84 - 260	К'т 2 2 0	Outstanding Amount 7,436 5,758 0 753	Impaired Amount K'm 117 30 -	Provision K'm 26 9 0			
Sector Agriculture, Forestry, Livestock and Fishing Manufacturing Mining and Quarying Construction and Engineering	31st Outstanding amount K'm 10,434 13,738 0	December 2013 Impaired Amount K'm 74 84 -	K'm 2 2 0 113	Outstanding Amount K'm 7,436 5,758 0	Impaired Amount 117 30 - 138	Provision <u>K'm</u> 26 9 0 5			
Sector Agriculture, Forestry, Livestock and Fishing Manufacturing Mining and Quarying Construction and Engineering Ernegy/Electricity, Gas, Air conditioning, Water supply & Waste management	31st Outstanding amount K'm 10,434 13,738 0 0 897 188	December 2013 Impaired Amount K'm 74 84 - 260 2	К'т 2 2 0 113 2	Outstanding Amount K'm 7,436 5,758 0 753 1,118 1,338	Impaired Amount K'm 117 30 - 138 0	Provision <u>K'm</u> 26 9 0 5 0			
Sector Agriculture, Forestry, Livestock and Fishing Manufacturing Mining: and Quarying Construction and Engineering Ernegy/Electricity, Gas, Air conditioning, Water supply & Waste management Transport/Storage Communication	31st Outstanding amount K'm 10,434 13,738 0 0 897 188 1,003 5,461	December 2013 Impaired Amount K'm 74 84 - 260 2 2 741 21	K'm 2 0 1113 2 117 13	Outstanding Amount 7,436 5,758 0 753 1,118 1,338 3,986	Impaired Amount K'm 117 30 - 138 0 109 0 0	Provision <u>K'm</u> 26 9 0 5 0 0 0 0			
Sector Agriculture, Forestry, Livestock and Fishing Manufacturing Mining and Quarying Construction and Engineering Ernegy/Electricity, Gas, Air conditioning, Water supply & Waste management Transport/Storage Communication Financial/Insurance/Professional/Scientific & Technical services	31st Outstanding amount K'm 0 897 188 1,003 5,461 2,942	December 2013 Impaired Amount K'm 74 84 	K'm 2 0 113 2 117 13 11	Outstanding Amount 7,436 5,758 0 0 753 1,118 1,338 3,986 1,043	Impaired <u>Amount</u> <u>K'm</u> <u>117</u> 30 - 138 0 109 0 140	Provision K'm 26 9 0 5 5 0 0 0 0 0 1			
Sector Agriculture, Forestry, Livestock and Fishing Manufacturing Mining and Quarying Construction and Engineering Ernegy/Electricity, Gas, Air conditioning, Water supply & Waste management Transport/Storage Communication Financial/Insurance/Professional/Scientific & Technical services	31st Outstanding amount K'm 10,434 13,738 0 0 897 188 1,003 5,461 2,942 14,971	December 2013 Impaired Amount K'm 74 84 - 260 2 2 741 21 21 9 520	K'm 2 0 113 2 117 13 11 11 42	Outstanding Amount K'm 7,436 5,758 0 753 1,118 1,338 3,986 1,043 20,686	Impaired <u>Amount</u> <u>K'm</u> 117 30 - 138 0 0 109 0 0 140 243	Provision K'm 26 9 0 5 0 0 0 0 0 1 61			
Sector Agriculture, Forestry, Livestock and Fishing Manufacturing Construction and Engineering Ernegy/Electricity, Gas, Air conditioning, Water supply & Waste management Transport/Storage Communication Financial/Insurance/Professional/Scientific & Technical services Wholesale/Retail Individual/Households	31st Outstanding amount K'm 10,434 13,738 0 897 188 1,003 5,461 2,942 14,971 6,457	December 2013 Impaired Amount K'm 74 84 - 260 2 2 741 21 9 520 277	K'm 2 2 0 0 113 2 117 13 11 11 2 2 117 13 79	Outstanding Amount 7,436 5,758 0 0 753 1,118 1,338 3,986 1,043 20,686 4,305	Impaired Amount K'm 117 30 - 138 0 109 00 109 00 140 243 206	Provision K'm 26 9 0 0 5 5 0 0 0 0 0 0 0 0 1 61 81			
Sector Agriculture, Forestry, Livestock and Fishing Manufacturing Mining and Quarying Construction and Engineering Ernegy/Electricity, Gas, Air conditioning, Water supply & Waste management Transport/Storage Communication Financial/Insurance/Professional/Scientific & Technical services Wholesale/Retail Individual/Households Real Estate	31st Outstanding amount K'm 10,434 13,738 0 0 897 188 1,003 5,461 2,942 14,971 6,457 1,810	December 2013 Impaired Amount K'm - 260 2 2 741 21 1 9 520 277 5	K'm 2 0 113 12 117 13 13 11 14 2 79 9 4	Outstanding Amount K'm 7,436 5,758 0 753 1,118 1,338 3,986 1,043 20,686 4,305 3,252	Impaired <u>Amount</u> <u>K'm</u> 117 30 - 138 0 0 109 0 0 140 243	Provision K'm 26 9 0 5 0 0 0 0 0 1 61			
Sector Agriculture, Forestry, Livestock and Fishing Manufacturing Construction and Engineering Ernegy/Electricity, Gas, Air conditioning, Water supply & Waste management Transport/Storage Communication Financial/Insurance/Professional/Scientific & Technical services Wholesale/Retail Individual/Households	31st Outstanding amount K'm 10,434 13,738 0 897 188 1,003 5,461 2,942 14,971 6,457	December 2013 Impaired Amount K'm 74 84 - 260 2 2 741 21 9 520 277	K'm 2 2 0 0 113 2 117 13 11 11 2 2 117 13 79	Outstanding Amount K'm 7,436 5,758 0 753 1,118 1,338 3,986 1,043 20,686 4,305 3,252	Impaired <u>Amount</u> <u>K'm</u> 117 30 - - 138 0 109 0 109 0 140 243 2066 10	Provision K'm 9 0 5 0 0 0 0 0 0 1 1 61 81 4			
Sector  Agriculture, Forestry, Livestock and Fishing Manufacturing Construction and Engineering Ernegy/Electricity, Gas, Air conditioning, Water supply & Waste management Transport/Storage Communication Financial/Insurance/Professional/Scientific & Technical services Wholesale/Retail Individual/Households Real Estate Tourism	31st Outstanding amount K'm 10,434 13,738 0 0 897 188 1,003 5,461 2,942 14,971 6,457 1,810 4,276	December 2013 Impaired Amount K'm 74 84 - 260 2 2 741 21 9 520 277 5 338	К'т 2 2 0 0 113 12 117 13 13 11 14 2 2 79 4 3 3	Outstanding Amount 7,436 5,758 0 0 753 1,118 1,338 3,986 1,043 20,686 4,305 3,252 3,323 1,1,43	Impaired <u>Amount</u> <u>K'm</u> 117 30 - 138 0 109 0 0 109 0 0 140 243 206 100 2 2	Provision K'm 9 0 5 0 0 0 0 0 0 1 1 61 81 4			
Sector  Agriculture, Forestry, Livestock and Fishing Manufacturing Construction and Engineering Ernegy/Electricity, Gas, Air conditioning, Water supply & Waste management Transport/Storage Communication Financial/Insurance/Professional/Scientific & Technical services Wholesale/Retail Individual/Households Real Estate Tourism Other TOTAL	31st Outstanding amount K'm 10,434 13,738 0 897 188 1,003 5,461 2,942 14,971 6,457 1,810 4,276 1,181	December 2013 Impaired Amount K'm 74 84 - 260 2 2 741 21 9 520 2277 5 338 117	K'm 2 2 0 113 2 117 13 11 11 42 2 79 9 4 3 3 41	Outstanding Amount 7,436 5,758 0 0 753 1,118 1,338 3,986 1,043 20,686 4,305 3,252 3,323 1,143	Impaired Amount           K'm           117           30           -           138           0           109           0           140           243           206           100           2           0           0	Provision K'm 26 9 0 0 0 0 0 0 0 0 0 0 0 0 0			
Sector  Agriculture, Forestry, Livestock and Fishing Manufacturing Mining and Quarying Construction and Engineering Ernegy/Electricity, Gas, Air conditioning, Water supply & Waste management Transport/Storage Communication Financial/Insurance/Professional/Scientific & Technical services Wholesale/Retail Individua/Nouseholds Real Estate Tourism Other	31st Outstanding amount K'm 10,434 13,738 0 897 188 1,003 5,461 2,942 14,971 6,457 1,810 4,276 1,181	December 2013 Impaired Amount K'm 74 84 - 260 2 2 741 21 9 520 2277 5 338 117	K'm 2 2 0 113 2 117 13 11 11 42 2 79 9 4 3 3 41	Outstanding Amount 7,436 5,758 0 0 753 1,118 1,338 3,986 1,043 20,686 4,305 3,252 3,323 1,143	Impaired Amount           K'm           117           30           -           138           0           109           0           140           243           206           100           2           0           0	Provision K'm 26 9 0 0 0 0 0 0 0 0 0 0 0 0 0			
Sector Agriculture, Forestry, Livestock and Fishing Manufacturing Construction and Engineering Ernegy/Electricity, Gas, Air conditioning, Water supply & Waste management Transport/Storage Communication Financial/Insurance/Professional/Scientific & Technical services Wholesale/Retail Individua/Households Real Estate Tourism Other TOTAL CREDIT CONCENTRATION	31st Outstanding amount K'm 10,434 13,738 0 0 897 188 1,003 5,461 2,942 14,971 6,457 1,810 4,276 1,181 63,358	December 2013 Impaired Amount K'm 74 84 - 260 2 2 741 21 9 520 2277 5 338 117	K'm 2 2 0 113 2 117 13 11 11 42 2 79 9 4 3 3 41	Outstanding Amount 7,436 5,758 0 0 753 1,118 1,338 3,986 1,043 20,686 4,305 3,252 3,323 1,143	Impaired Amount           K'm           117           30           -           138           0           109           0           140           243           206           100           2           0           0	Provision K'm 26 9 0 0 0 0 0 0 0 0 0 0 0 0 0			
Sector  Agriculture, Forestry, Livestock and Fishing Manufacturing Construction and Engineering Ernegy/Electricity, Gas, Air conditioning, Water supply & Waste management Transport/Storage Communication Financial/Insurance/Professional/Scientific & Technical services Wholesale/Retail Individual/Households Real Estate Tourism Other TOTAL CREDIT CONCENTRATION Total Credit Facilities including guarantees, acceptances and	31st Outstanding amount K'm 10,434 13,738 0 0 897 188 1,003 5,461 2,942 14,971 6,457 1,810 4,276 1,181 63,358	December 2013 Impaired Amount K'm 74 84 - 260 2 2 741 21 9 520 2277 5 338 117	K'm 2 2 0 113 2 117 13 11 11 42 2 79 9 4 3 3 41	Outstanding Amount 7,436 5,758 0 0 753 1,118 1,338 3,986 1,043 20,686 4,305 3,252 3,323 1,143	Impaired Amount           K'm           117           30           -           138           0           109           0           140           243           206           100           2           0           0	Provision K'm 26 9 0 0 0 0 0 0 0 0 0 0 0 0 0			
Sector  Agriculture, Forestry, Livestock and Fishing Manufacturing Construction and Engineering Ernegy/Electricity, Gas, Air conditioning, Water supply & Waste management Transport/Storage Communication Financia/Insurance/Professional/Scientific & Technical services Wholesale/Retail Individua/Households Real Estate Tourism Other TOTAL CREDIT CONCENTRATION Total Credit Facilities including guarantees, acceptances and other similar commitments extended to any one customer o	31st Outstanding amount K'm 10,434 13,738 0 0 897 188 1,003 5,461 2,942 14,971 6,457 1,810 4,276 1,181 63,358	December 2013 Impaired Amount K'm 74 84 - 260 2 2 741 21 9 520 2277 5 338 117	K'm 2 2 0 113 2 117 13 11 11 42 2 79 9 4 3 3 41	Outstanding Amount 7,436 5,758 0 0 753 1,118 1,338 3,986 1,043 20,686 4,305 3,252 3,323 1,143	Impaired Amount           K'm           117           30           -           138           0           109           0           140           243           206           100           2           0           0	Provision K'm 26 9 0 0 0 0 0 0 0 0 0 0 0 0 0			
Sector  Agriculture, Forestry, Livestock and Fishing Manufacturing Construction and Engineering Ernegy/Electricity, Gas, Air conditioning, Water supply & Waste management Transport/Storage Communication Financial/Insurance/Professional/Scientific & Technical services Wholesale/Retail Individual/Households Real Estate Tourism Other TOTAL CREDIT CONCENTRATION Total Credit Facilities including guarantees, acceptances and other similar commitments extended to any one customer o group of related customers where amounts exceed 25% o	31st Outstanding amount K'm 10,434 13,738 0 0 897 188 1,003 5,461 2,942 14,971 6,457 1,810 4,276 1,181 63,358	December 2013 Impaired Amount K'm 74 84 - 260 2 2 741 21 9 520 2277 5 338 117	K'm 2 2 0 113 2 117 13 11 11 42 2 79 9 4 3 3 41	Outstanding Amount 7,436 5,758 0 0 753 1,118 1,338 3,986 1,043 20,686 4,305 3,252 3,323 1,143	Impaired Amount           K'm           117           30           -           138           0           109           0           140           243           206           100           2           0           0	Provision K'm 266 9 0 0 0 0 0 0 0 0 0 0 0 0 0 0			
Sector  Agriculture, Forestry, Livestock and Fishing Manufacturing Construction and Engineering Ernegy/Electricity, Gas, Air conditioning, Water supply & Waste management Transport/Storage Communication Financia/Insurance/Professional/Scientific & Technical services Wholesale/Retail Individua/Households Real Estate Tourism Other TOTAL CREDIT CONCENTRATION Total Credit Facilities including guarantees, acceptances and other similar commitments extended to any one customer o	31st Outstanding amount K'm 10,434 13,738 0 0 897 188 1,003 5,461 2,942 14,971 6,457 1,810 4,276 1,181 63,358	December 2013 Impaired Amount K'm 74 84 - 260 2 2 741 21 9 520 2277 5 338 117	K'm 2 2 0 113 2 117 13 11 11 42 2 79 4 4 3 41	Outstanding Amount 7,436 5,758 0 0 753 1,118 1,338 3,986 1,043 20,686 4,305 3,252 3,323 1,143	Impaired Amount           K'm           117           30           -           138           0           109           0           140           243           206           100           2           0           0	Provision K'm 266 9 0 0 0 0 0 0 0 0 0 0 0 0 0 0			
Sector  Sector  Agriculture, Forestry, Livestock and Fishing Manufacturing Construction and Engineering Ernegy/Electricity, Gas, Air conditioning, Water supply & Waste management Transport/Storage Communication Financial/Insurance/Professional/Scientific & Technical services Wholesale/Retail Individual/Households Real Estate Tourism Other TOTAL CREDIT CONCENTRATION Total Credit Facilities including guarantees, acceptances and other similar commitments extended to any one customer o group of related customers where amounts exceed 25% o core capital.	31st Outstanding amount K'm 10,434 13,738 0 0 897 188 1,003 5,461 2,942 14,971 6,457 1,810 4,276 1,181 63,358	December 2013 Impaired Amount K'm 74 84 - 260 2 741 21 9 520 277 5 338 117 2,458	К'т 2 2 0 113 2 117 13 11 11 422 79 4 4 3 3 41 429 2 79	Outstanding Amount K'm 7,436 5,758 0 753 1,118 1,338 3,986 4,305 3,986 4,305 3,252 3,133 11,143 63,951	Impaired Amount           K'm           117           30           -           138           0           109           0           140           243           206           100           2           0           0	Provision K'm 266 9 0 0 0 0 0 0 0 0 0 0 0 0 0 0			
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## PERFORMANCE

The Board is pleased to announce a group pre-tax profit of K18.4 billion (2012: K11.0 billion), representing a 68% increase. Shareholders also experienced significant value addition as the Bank's share value rose from KS5 at the beginning of the year to K215 per share as at 31<sup>a</sup> December, 2013.

In the Group Statements of financial position, the 2012 and 2011 figures have been restated by K40 billion and K1.9 billion, respectively, following a change in the accounting treatment of customer funds received for onward placement on the money market on behalf of customers in subsidiary companies Stockbrokers Malawi Limited and NBM Capital Markets Limited. Following the policy change such funds, which previously were disclosed net in the notes to the financial statements, are now accounted for in other money market deposits (under assets), with corresponding amounts in customer deposits (under Habilities). The restatement has no impact on the statement of comprehensive income.

The operating environment of the banking sector was characterized by liquidity challenges especially in the first half of the year as a direct result of the Reserve Bank of Malawi's continued tight monetary policy stance exercised through mopping-up operations and the maintenance of a high interest rate regime. This environment constrained new lending. The Bank, however, registered satisfactory growth in almost all of its business lines following the increased capacity utilization of its clientele due to improved availability of fuel, foreign exchange and raw materials compared to 2012. Performance of deposits and the quality of the lan book exceeded expectations. Year on year deposits grew by 36% which were mostly channeled to money market investments. Despite a high interest rate environment, the quality of the Bank's loan book at below 4% non-performing ratio was good in relation to the industry average.

Foreign exchange earnings exceeded expectations, partly attributed to increased turnover due to improved availability. This was on account of higher donor funds in-flows than in the previous year, complemented by the performance of the 2013 tobacco export market which exceeded 2012 both in terms of prices and volumes.

Additionally, notwithstanding a spell of liquidity challenges in the industry for a couple of months which resulted in higher cost of funding, money market income surpassed expectations. Similarly the equities desk performed very well as the Stock Market recovered and experienced significant price gains in a number of counters, a reflection of the positive business environment especially in the first 9 months of the year before the ramifications of fraud in Government materialised.

DIVIDEND										
Two interim dividends totaling K3.4b were paid in September, 2013 an	d January 2014, respectively, in addit	ion to a final dividend of K1.	5b in respect of 2012 p	rofits paid in June 2013.	In total the divide	end declared in	2013 amounter	d to K4.9b.		
The Board has resolved to recommend to the shareholders payment o	f a final dividend amounting to K2.9b,	, representing K6.20 per shar	e. The dividend will be	payable after the Annua	al General Meetin	.g, which will be	held in June 20	)14.		
OUTLOOK										]
Real GDP growth forecast for 2014 has been revised from the official 6.1% to 5% according to IMF estimates. This is mainly due to the suspension of donor disbursements for budgetary support and the resultant higher than budgeted deficit for the fiscal year. It is expected that growth prospects could further be revised downwards on account of the recently announced suspension of production of uranium cake at Kayerekera mine, as a result of the fall in world uranium prices. However, the agriculture sector is expected to register good performance due to favourable rains in most parts of the country, with tobacco expected to register a 25% volume growth.										
In the immediate term we envisage a continuation of the declining tree adopted after the May 2014 general elections and the speed and level			e tobacco selling seaso	n. However, in the medi	um to long term,	the growth of t	he economy wil	l depend or	n the polici	ies to be
The Bank has a 5-year strategic plan, now in its second year of implementation	entation. It has the capital, resources	and the agility necessary to o	continue on a growth p	oath. The Board therefor	e expects that the	Bank will cont	inue to perform	ı well in 201	14.	
BY ORDER OF THE BOARD										
G. B. Partridge, Chief Executive Officer	M.M. Kawawa, Chief Finan	ncial Officer								
Dr. M. A. P. Chikaonda, Chairman	Ms R. Mkandawire, Directo	or								
3rd April, 2014 Registered Office: 7 Henderson Street,										
								$\square$		
AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL BANK OF MALA	wi	<u> </u> _								
The accompanying summarised consolidated and separate financial stat changes in equity and the summarised statements of cash flows for the financial statements in our report dated 3 April 2014. Those financial st	e year then ended, are derived from th	he audited financial statemen	nts of National Bank of	f Malawi for the year en	ded 31 December	r 2013. We expr	ressed an unmo	odified opinio		
The summarised financial statements do not contain all the disclosures Bank of Malawi.	required by International Financial Re	eporting Standards. Reading t	the summarised financ	ial statements, therefor	e, is not a substitu	Ite for reading f	the audited fina	incial staten	nents of Na	ational
Directors' Responsibility for the summarised Financial Statements The directors are responsible for the preparation of the summarised fin Act, 1984.	ancial statements in accordance with	n the framework concepts and	d the measurement an	d recognition requireme	nts of Internation	ıal Financial Rer	porting Standar	ds (IFRS) an	id the Com	panies
Auditors' Responsibility Our responsibility is to express an opinion on the summarised financial	statements based on our procedures	s, which were conducted in a	ccordance with Interna	ational Standard on Audi	iting (ISA) 810, "Er	ngagements to	Report on Sumr	mary Financ	cial Statem	ents."
Opinion In our opinion, the summarised consolidated and separate financial sta statements, in accordance with the framework concepts and the measu						istent, in all ma	aterial respects,	with those	financial	

Seloite.

3 April 2014 Blantyre, Malawi