

	Consolidated and Separate Audited 12 months to 31-Dec-22 MK'million	Consolidated and Separate audited 12 months to 31-Dec-21 MK'million		
SUMMARY STATEMENT OF COMPREHENSIVE INCOME				
Interest income	77,227	49,512		
Interest expense	(25,804)	(18,718)		
Net interest income	51,423	30,794		
Fees and commission income	10,008	9,246		
Fees and commission expense	(1,900)	(2,465)		
Net fees and commission income	8,108	6,781		
Profit on foreign exchange transactions	6,044	4,438		
Total Operating Income	65,575	42,013		
Depreciation	(3,275)	(3,796)		
Operating expenses	(32,363)	(23,534)		
Profit before impairment losses	29,937	14,683		
Impairment provisions	(2,977)	(3,193)		
Profit before tax	26,960	11,490		
Income tax expenses	(8,055)	(3,797)		
Profit for the year	18,905	7,693		
Earnings per share (MK)	6.50	2.64		
Weighted average ordinary shares in issue (million)	2,911	2,911		
STATEMENT OF OTHER COMPREHENSIVE INCOME				
Profit for the year	18,905	7,693		
Items that may be reclassified subsequently to profit or loss				
Net fair value adjustments on Malawi Government treasury notes	(278)	77		
Total comprehensive income for the year	18,627	7,770		
	Consolidated Audited 31-Dec-22 MK'million	Consolidated Audited 31-Dec-21 MK'million	Separate Audited 31-Dec-22 MK'million	Separate Audited 31-Dec-21 MK'million
SUMMARY STATEMENTS OF FINANCIAL POSITION				
ASSETS				
Cash and cash equivalents	32,812	34,955	32,812	34,955
Money market investments	219,802	193,131	219,802	193,131
Placements with other banks	54,317	28,455	54,317	28,455
Loans and advances	137,796	82,183	137,796	82,183
Equity investments	131	50	131	50
Property, plant and equipment	7,806	6,184	7,760	6,138
Intangible assets	2,708	4,010	2,708	4,010
Other receivables	4,511	11,434	4,480	11,403
Right-of-use assets	2,330	2,930	2,330	2,930
Total Assets	462,213	363,332	462,136	363,255
LIABILITIES AND EQUITY				
Liabilities				
Deposits from customers	376,483	224,858	376,495	224,870
Long term borrowings	6,791	7,744	6,791	7,744
Lease liabilities	3,833	4,252	3,833	4,252
Deferred tax liability	778	1,092	748	1,062
Tax payable	3,544	527	3,544	527
Other borrowings	25,552	96,652	25,552	96,652
Other liabilities	8,110	5,056	8,022	4,967
Total Liabilities	425,091	340,181	424,985	340,074
Equity				
Share capital	1,455	1,455	1,455	1,455
Share premium	12,104	12,104	12,104	12,104
Retained earnings	23,360	9,652	23,389	9,682
Loan loss reserve	541	-	541	-
Other comprehensive loss reserve	(338)	(60)	(338)	(60)
	37,122	23,151	37,151	23,181
Total Liabilities & Equity	462,213	363,332	462,136	363,255
SUMMARY STATEMENTS OF CHANGES IN EQUITY				
As at the beginning of the year	23,151	19,165	23,181	19,195
Profit for the year	18,905	7,693	18,905	7,693
Other comprehensive income	(277)	77	(278)	77
Dividend declared and paid	(4,657)	(3,784)	(4,657)	(3,784)
As at the end of year	37,122	23,151	37,151	23,181

	Consolidated Audited 31-Dec-22 MK'million	Consolidated Audited 31-Dec-21 MK'million
SUMMARY STATEMENT OF CASH FLOWS		
CASHFLOWS FROM OPERATING ACTIVITIES		
Profit before income tax expense	26,960	11,490
Adjustments for non-cash items included within the income statement	7,468	7,633
Increase in interest earning assets	(90,456)	(134,202)
Increase in deposits and other liabilities	76,527	138,065
Interest paid	25,804	18,718
Interest received	(77,227)	(49,512)
Net finance income	41,915	27,775
Income tax paid	(5,233)	(3,144)
Net cash generated from operating activities	5,758	16,823
INVESTING ACTIVITIES		
Acquisition of property and equipment	(3,019)	(2,957)
Proceeds from disposal of property and equipment	27	510
Net cash used in investing activities	(2,992)	(2,447)
FINANCING ACTIVITIES		
Net proceeds from loans and borrowings	(953)	936
Dividends declared and paid	(4,657)	(3,784)
Interest on lease liability	(710)	(735)
Repayment of lease liabilities	(526)	(352)
Net cash used in financing activities	(6,846)	(3,935)
Net movement in cash and cash equivalents	(4,080)	10,441
Cash and Cash equivalents at beginning of the year	34,955	24,091
Effects of exchange rate changes	1,937	423
Cash and cash equivalents at end of the year	32,812	34,955

REGULATORY DISCLOSURES

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

Sector	31-Dec-22			31-Dec-21		
	Outstanding Amount	Impaired Amount	Expected credit loss (stage 3)	Outstanding Amount	Impaired Amount	Expected credit loss (stage 3)
	MK'm	MK'm	MK'm	MK'm	MK'm	MK'm
Agriculture	17,893	559	244	20,242	551	200
Mining	3	0	0	88	2	1
Manufacturing	11,357	80	35	6,802	60	67
Electricity	14,354	2	1	9,153	14	90
Construction	3,135	216	94	2,185	178	22
Wholesale & Retail	10,548	598	261	10,142	1,018	100
Restaurants & Hotels	1,305	41	18	677	12	7
Transport	1,685	314	138	1460	11	14
Financial Services	5,455	5	2	8728	232	86
Community	75,332	1,064	1,129	25,337	187	249
Real Estate	128	5	2	358	218	4
Total	141,195	2,884	1,924	85,172	2,483	840

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-22 MK'm	% of Core Capital	31-Dec-21 MK'm	% of Core Capital
Agriculture	16,087	43%	16,961	73%
Mining	0	0%	0	0%
Manufacturing	0	0%	0	0%
Electricity, gas, water and energy	21,915	59%	8,839	38%
Construction	0	0%	0	0%
Wholesale and retail	0	0%	0	0%
Restaurants and hotels	0	0%	0	0%
Transport, storage and communications	0	0%	0	0%
Financial services	0	0%	0	0%
Community	0	0%	0	0%
Real estate	0	0%	0	0%
Other	0	0%	0	0%

3. LOANS TO DIRECTORS, SENIOR MANAGEMENT AND OTHER RELATED PARTIES			
Directors		31-Dec-22 MK'm	31-Dec-21 MK'm
Balance at the beginning of the period		82	70
Loans granted during the period		172	19
Repayments		(8)	(7)
Balance at end the of period		246	82
Senior management officials		31-Dec-22 MK'm	31-Dec-21 MK'm
Balance at the beginning of the period		597	456
Loans granted during the period		157	328
Repayments		(193)	(187)
Balance at end the of period		561	597
Total related party lending as a % of Capital		2.2%	2.93%
INVESTMENTS IN SUBSIDIARIES			
	Number of shares 31-Dec-22	Percentage Holding 31-Dec-22	Number of shares 31-Dec-21
NBS Forex Bureau	7,000,000	100%	7,000,000
LENDING RATES			
Malawi Kwacha facilities		31-Dec-22	31-Dec-21
Reference rate		17.3%	12.2%
Lending Rate Spread		0% to 10%	0% to 10%
Foreign Currency facilities		8% to 10%	8% to 10%
DIRECTORS' REMUNERATION BONUSES AND MANAGEMENT FEES			
	31-Dec-22 MK'm	31-Dec-21 MK'm	
Directors' remuneration	30	23	
Total bonuses payable to staff	2,988	1,277	
Management fees to related party	698	36	
	MK' million	MK' million	
Capital Expenditure	1,417	2,461	
Capital Commitments	16,100	5,160	
Contingent Liabilities	22,072	20,360	
	31-Dec-22 Rate %	31-Dec-21 Rate %	
Current account	0.10	0.10	
Savings	2.00	1.55	
7 Day Notice	5.00	4.00	
30 Day Notice	5.50	4.50	
2 Months	6.50	5.50	
3 Months	6.00	5.00	
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

Financial Performance
The Bank delivered exceptional performance in a challenging environment characterised by a 25% currency depreciation, insufficient power, fuel shortages, high inflation, low economic growth, and high interest rates. Both Corporate and Retail segments grew significantly in the year. The Bank plans to achieve further growth through the five-year strategy covering the period from 2022 to 2026 whose focus is investment in technology, efficient balance sheet management and providing excellent customer experience.

The Bank registered a record profit after tax of MK18.9 billion in the 12-month period ended 31 December 2022 compared to a profit after tax of MK7.7 billion reported in a similar period of 2021 representing an increase of 146%. Net interest income grew by 67% in 2022 from MK30.8 billion to MK51.4 billion compared to a similar period in 2021 largely because of growth of the loan book and effective management of investments in money market instruments. Non-interest revenue registered an increase of 26% to MK14.2 billion against MK11.1 billion reported in 2021 on account of increased foreign currency trading revenues. Operating expenses grew by 30% to MK35.6 billion, up from MK27.3 billion largely due to the impact of the 25% devaluation of the currency in May 2022 and adjusted staff costs to cushion impact of the high inflation and the currency devaluation. Credit impairment charges fell from MK3.2 billion to MK3 billion representing a decrease of 7% year-on-year on the back of maturing credit portfolio management processes in the Bank.

Customer deposits closed at MK376 billion, 67% higher than the MK225 billion reported in the prior period. Loans and advances rose by 68% from MK82 billion to MK138 billion on account of consistent focus on the retail segment coupled with some signature deals in the Corporate segment. Money market investments were at MK220 billion representing an increase of 14% from MK193 billion on prior year. The improvement of the Bank's performance in the year 2022, amidst the current challenges, is attributable to robust strategy implementation practices which has enabled the Bank to be adaptive and focus on high impact areas.

Outlook*
The balance of risks remains tilted to the downside, but adverse risks have moderated after a sharper slowdown in 2022. Russia's war in Ukraine will continue to weigh heavily on the global and local business environments. That notwithstanding, several reputable institutions project that the Malawi economy is expected to grow by an estimated 2.7% in 2023, up from a growth of 1.2% in 2022. Gross Domestic Product (GDP) growth is expected to be adversely affected by high annual average inflation estimated at 18.2% by Reserve Bank Malawi. Interest rates will be elevated in the short-term resulting in reduced appetite for new capital investments and a potential increase in credit impairments in the banking sector. The Bank's credit processes and risk management systems have been enhanced over the years and will mitigate the credit risks. The Bank maintains robust capital and liquidity positions and is well-placed to pursue opportunities for growth in 2023 and beyond. The impact of Cyclone Freddy is significant and is likely to cause a negative shift in economic output.

The Bank will continue to monitor developments and changes in the monetary policy stance to make sure it mitigates market risk. The Bank continues to be resilient in its performance and is positive of remaining on a growth path despite the current and expected economic challenges in the operating environment.

*Unaudited

Dividend
The Board of Directors at its meeting of 20th March 2023 approved the payment of a 2nd interim dividend of MK 4.51 billion representing a dividend of 155 tambala per share (2021 2nd interim dividend: 0 tambala) and has recommended the payment of a final dividend for the year ended 31 December 2022 of MK2.62 billion representing 90 tambala per share (2021 final dividend: MK2.18 billion representing 75 tambala per share).The first Interim dividend paid for 2022 was MK2.473 billion representing 85 tambala per share (2021 1st Interim dividend: MK1.746 billion representing 60 tambala). Total dividend for the year ended 31 December 2022 has been proposed to be MK 9.60 billion representing 330 tambala per share (2021 total dividend: MK3.93 billion representing 135 tambala per share).



V. Kumwenda
Chairman



M. Mtumbuka
Chairman- Finance and Audit Committee



K. Ngwenya
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. 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, summary statement of comprehensive income, summary statements of changes in equity and summary statement of 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 measurements and recognition 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 30 March 2023, 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 2022, 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 2022.

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 30 March 2023. 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), Engagements to Report on Summary Financial Statements.



Chartered Accountants
Nkondola Uka
Partner
31 March 2023