

## KEY PERFORMANCE HIGHLIGHTS



### SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	K'm	K'm	K'm	K'm
Interest income and similar income	158,129	111,984	141,456	99,662
Interest expense	(26,693)	(13,111)	(23,774)	(10,775)
<b>Net interest income</b>	<b>131,446</b>	<b>98,873</b>	<b>118,232</b>	<b>88,887</b>
Other income	84,313	45,232	76,216	40,919
<b>Net income</b>	<b>215,759</b>	<b>144,105</b>	<b>194,498</b>	<b>129,806</b>
Operating expenses	(88,385)	(70,747)	(71,276)	(57,587)
<b>Profit before impairment losses on financial assets</b>	<b>127,374</b>	<b>73,358</b>	<b>123,222</b>	<b>72,219</b>
Net impairment losses on financial assets	(7,245)	(3,995)	(8,102)	(10,002)
<b>Profit before taxation</b>	<b>120,129</b>	<b>69,363</b>	<b>115,120</b>	<b>71,217</b>
Taxation	(48,170)	(23,419)	(45,934)	(22,082)
<b>Profit after tax</b>	<b>71,959</b>	<b>45,944</b>	<b>69,186</b>	<b>49,135</b>

	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	K'm	K'm	K'm	K'm
<b>Other Comprehensive Income</b>				
Gains on property valuations	6,965	3,696	6,965	3,696
Deferred tax on revalued assets	(13,527)	2,032	(13,527)	2,032
Other Comprehensive Income net of tax	<b>(6,562)</b>	<b>5,728</b>	<b>(6,562)</b>	<b>5,728</b>
<b>Total Comprehensive Income for the year</b>	<b>65,397</b>	<b>51,672</b>	<b>62,624</b>	<b>54,863</b>

	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	K'm	K'm	K'm	K'm
<b>Profit attributable to shareholders</b>				
Owners of the Parent	72,245	47,474	69,186	49,135
Non-Controlling Interest (Minorities)	(286)	(1,530)	-	-
<b>Comprehensive income attributable to shareholders</b>	<b>71,959</b>	<b>45,944</b>	<b>69,186</b>	<b>49,135</b>

	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	K'm	K'm	K'm	K'm
<b>Dividends Paid</b>				
Interim	10,973	8,003	10,973	8,003
Final (for prior year)	25,000	18,005	25,000	18,005
<b>Total</b>	<b>35,973</b>	<b>26,008</b>	<b>35,973</b>	<b>26,008</b>

	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	K'm	K'm	K'm	K'm
Earnings per share (Kwacha)	154.70	101.66	148.15	105.21
Dividend per share (Kwacha)	77.03	55.69	77.03	55.69
Number of ordinary shares in issue (millions)	467	467	467	467

### SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	K'm	K'm	K'm	K'm
<b>LIABILITIES &amp; EQUITY</b>				
Customer deposits	969,413	809,562	752,542	568,644
Current income tax liabilities	19,008	7,712	18,030	7,189
Other liabilities	53,060	64,292	41,955	53,276
Loans and borrowings	12,447	11,108	4,587	8,105
Lease liability	5,227	6,849	578	1,838
Deferred tax	5,067	2	5,067	-
Equity attributable to equity holders of the parent company	206,475	172,180	195,882	169,231
Minority interest	1,299	1,644	-	-
<b>Total liabilities and equity</b>	<b>1,271,996</b>	<b>1,073,349</b>	<b>1,018,641</b>	<b>808,283</b>

	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	K'm	K'm	K'm	K'm
<b>ASSETS</b>				
Cash and funds with Central Banks	76,755	64,650	54,007	53,604
Placements with other banks	136,197	83,515	135,155	83,302
Other money market investments	150,516	169,277	43,758	-
Other assets	32,636	16,580	25,923	11,408
Income Tax Receivable	-	16	-	-
Equity investments	9,803	6,892	9,803	6,892
Government of Malawi Promissory Notes	-	-	-	-
Government Securities	380,397	345,939	341,895	309,930
Loans and advances to customers	405,860	310,440	321,929	262,768
Investment in associate	892	918	992	992
Investment in subsidiaries	-	-	18,170	15,641
Property and equipment	57,107	44,936	55,352	44,338
Intangible assets	12,033	9,496	11,648	9,268
Right of use assets	3,638	4,946	9	792
Deferred tax	2,203	11,785	-	9,348
Goodwill	3,959	3,959	-	-
<b>Total assets</b>	<b>1,271,996</b>	<b>1,073,349</b>	<b>1,018,641</b>	<b>808,283</b>

	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	K'm	K'm	K'm	K'm
<b>Memorandum items</b>				
Contingent liabilities: Letters of credit and guarantees	32,448	29,376	32,448	29,376

### SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	K'm	K'm	K'm	K'm
<b>As at beginning of period</b>	<b>173,824</b>	<b>146,169</b>	<b>169,231</b>	<b>140,376</b>
Total comprehensive income for the year	65,397	51,672	62,624	54,863
Translation differences	4,585	2,028	-	-
Dividends paid	(36,032)	(26,045)	(35,973)	(26,008)
<b>As at end of period</b>	<b>207,774</b>	<b>173,824</b>	<b>195,882</b>	<b>169,231</b>

### SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	K'm	K'm	K'm	K'm
<b>Cash flows from operating activities</b>				
<b>Profit before tax</b>	<b>120,129</b>	<b>69,363</b>	<b>115,120</b>	<b>71,217</b>
Adjustments for:				
Depreciation of property and equipment	4,322	3,146	3,894	2,913
Amortisation of intangible assets	1,413	1,356	1,337	1,288
Amortisation of right of use of assets	1,421	1,347	790	787
Interest on lease liability	976	1,035	225	417
Interest payable on loans	440	404	225	354
Net gains on financial instruments classified as held for trading	(5,346)	(931)	(5,346)	(931)
Gains on disposal of financial instruments classified as held for trading	(2,986)	163	(2,986)	163
Profit/(loss) on disposal of property and equipment	(200)	3	(132)	3
Dividends received	(323)	(202)	(1,336)	(731)
Share of loss/(profits) of associate	26	1,042	-	-
Net fair value loss/(gain) on revaluation of properties	(130)	(93)	(130)	(93)
Net (gains) losses on modified and restructured loans	(102)	126	(102)	126
Movement in allowance for impairment on financial assets	11,200	6,141	10,779	2,785
<b>Operating cashflows before working capital movements</b>	<b>130,840</b>	<b>82,900</b>	<b>122,338</b>	<b>78,298</b>
Movement in operating assets	(116,327)	(81,201)	(83,084)	(58,534)
Movement in investments	14,846	(2,174)	17,338	6,173
Movement in liabilities to other banks	(21,658)	(16,037)	(19,722)	(21,551)
Movement in operating liabilities	168,655	256,547	191,039	115,564
<b>Net cash flow from operating activities</b>	<b>176,356</b>	<b>240,035</b>	<b>227,909</b>	<b>119,950</b>
Tax paid	(35,770)	(18,511)	(34,205)	(18,350)
<b>Net cash from operating activities</b>	<b>140,586</b>	<b>221,524</b>	<b>193,704</b>	<b>101,600</b>
<b>Net cash used in investing activities</b>	<b>(56,716)</b>	<b>(38,927)</b>	<b>(53,953)</b>	<b>(38,042)</b>
<b>Net cash outflow used in financing activities</b>	<b>(37,844)</b>	<b>(27,971)</b>	<b>(43,737)</b>	<b>(33,656)</b>
<b>Net increase in cash and cash equivalents</b>	<b>46,026</b>	<b>154,626</b>	<b>96,014</b>	<b>29,902</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>317,442</b>	<b>162,816</b>	<b>136,906</b>	<b>107,004</b>
<b>Cash and cash equivalents at end of the year</b>	<b>363,468</b>	<b>317,442</b>	<b>232,920</b>	<b>136,906</b>

### 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 statement 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 measurement 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 28 February 2024, and are available on the company's website, www.natbank.co.mw.

### IMPAIRMENT LOSSES/NON PERFORMING CREDIT FACILITIES AND PROVISIONS FOR LOSSES BY INDUSTRY SECTOR

Sector	GROUP					
	31st December 2023			31st December 2022		
	Outstanding Amount K'm	Impaired Amount K'm	Expected Credit Losses K'm	Outstanding Amount K'm	Impaired Amount K'm	Expected Credit Losses K'm
Agriculture, Forestry, Livestock and Fishing	60,679	4,381	690	36,740	2,926	693
Manufacturing	41,407	595	130	28,412	1,190	184
Mining and Quarrying	2,530	2,243	667	2,193	1	1
Construction and Engineering	7,115	1,756	486	5,227	889	346
Energy/Electricity, Gas, Air conditioning, Water supply & Waste management	19,012	1,205	173	18,834	375	123
Transport/Storage	11,701	3,628	361	14,601	935	477
Communication	14,399	118	34	8,204	26	658
Financial/Insurance/Professional/Scientific & Technical services	13,539	3,551	2441	9,367	703	488
Wholesale/Retail	69,945	4,861	1564	65,821	9,835	3629
Individual/Households	106,825	2,313	1022	81,037	1,760	1241
Real Estate	6,973	167	3	7,016	5,323	29
Tourism	40,699	23,096	54	30,286	15,185	168
Other	19,140	1,945	479	11,903	4,059	1165
<b>TOTAL</b>	<b>413,964</b>	<b>49,858</b>	<b>8,104</b>	<b>319,641</b>	<b>43,207</b>	<b>9,202</b>

### CREDIT CONCENTRATION

Total Credit Facilities including guarantees, acceptances and other similar commitments extended to any one customer or group of related customers where amounts exceed 25% of core capital.

Sector of Borrower	31st December 2023		31st December 2022	
	K'm	% OF CORE CAPITAL	K'm	% OF CORE CAPITAL
Wholesale and Retail	0	0%	0	0%

### LOANS TO DIRECTORS, SENIOR MANAGEMENT AND OTHER RELATED PARTIES

	GROUP AND COMPANY	
	31st December 2023	31st December 2022
	K'm	K'm
<b>DIRECTORS:</b>		
Balance at beginning of year	173	429
Loans granted during the year	193	123
Repayments	(61)	(379)
<b>Balance at end of year</b>	<b>305</b>	<b>173</b>

	31st December 2023	31st December 2022
	K'm	K'm
<b>OTHER RELATED PARTIES:</b>		
Balance at beginning of year	12,861	7,554
Loans granted during the year	4,971	7,877
Repayments	(38)	(2,570)
<b>Balance at end of year</b>	<b>17,794</b>	<b>12,861</b>

	31st December 2023	31st December 2022
	K'm	K'm
<b>SENIOR MANAGEMENT OFFICIALS:</b>		
Balance at beginning of year	1,098	1,150
Loans granted during the year	140	311
Repayments	(338)	(363)
<b>Balance at end of year</b>	<b>900</b>	<b>1,098</b>

	31st December 2023	31st December 2022
	K'm	K'm
Total related party lending	18,999	14,132
Total related party lending as a percentage of core capital	12%	11%

### INVESTMENTS IN SUBSIDIARIES

Name of Subsidiary	Percentage Holding	
	31st December 2023	31st December 2022
NBM Capital Markets Limited	100%	100%
NBM Securities Limited	100%	100%
National Bank of Malawi Nominees Limited	100%	100%
NBM Bureau De Change Limited	100%	100%
NBM Development Bank Limited	100%	100%
NBM Pension Administration Limited	100%	100%
Akiba Commercial Bank	60.48%	60.48%
Stockbrokers Malawi Limited	75%	75%

### LENDING RATES

	31st December 2023	31st December 2022
Malawi Kwacha facilities		
Base Lending Rate	23.60%	17.30%
Lending Rate Spread	+1.1% to +1.1%	+1.1% to +1.1%
Foreign Currency facilities	7% to 12%	7% to 12%

### DIRECTORS REMUNERATION, BONUSES AND MANAGEMENT FEES

	2023 K'm	2022 K'm
Directors Remuneration	1,632	1,403
Total Bonuses Paid by the Group	6,054	5,959
Management Fees	Nil	Nil

### DEPOSIT RATES