

	GROUP		COMPANY	
	31-Dec-22 K'm	31-Dec-21 K'm	31-Dec-22 K'm	31-Dec-21 K'm
<b>SUMMARY STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>				
Interest income and similar income	111,984	79,476	99,662	69,441
Interest expense	(13,111)	(7,778)	(10,775)	(5,462)
Net interest income	98,873	71,698	88,887	63,979
Other income	45,232	42,495	40,919	38,807
Net income	144,105	114,193	129,806	102,786
Operating expenses	(70,747)	(61,106)	(57,587)	(50,011)
Profit before impairment losses on financial assets	73,358	53,087	72,219	52,775
Net impairment losses on financial assets	(3,995)	(2,499)	(1,002)	(1,648)
<b>Profit before taxation</b>	<b>69,363</b>	<b>50,588</b>	<b>71,217</b>	<b>51,127</b>
Taxation	(23,419)	(16,378)	(22,082)	(15,902)
<b>Profit after tax</b>	<b>45,944</b>	<b>34,210</b>	<b>49,135</b>	<b>35,225</b>
Other Comprehensive Income				
Gains on property valuations	3,696	4,454	3,696	4,454
Deferred tax on revalued assets	2,032	735	2,032	735
Other Comprehensive Income net of tax	5,728	5,189	5,728	5,189
<b>Total Comprehensive Income for the year</b>	<b>51,672</b>	<b>39,399</b>	<b>54,863</b>	<b>40,414</b>
<b>Profit attributable to shareholders</b>				
Owners of the Parent	47,474	34,928	49,135	35,225
Non-Controlling Interest (Minorities)	(1,530)	(718)	0	0
<b>45,944</b>	<b>34,210</b>	<b>49,135</b>	<b>35,225</b>	
<b>Comprehensive income attributable to shareholders</b>				
Owners of the Parent	53,202	40,117	54,863	40,414
Non-Controlling Interest (Minorities)	(1,530)	(718)	0	0
<b>51,672</b>	<b>39,399</b>	<b>54,863</b>	<b>40,414</b>	
<b>DIVIDENDS PAID</b>				
Interim	8,003	5,001	8,003	5,001
Final (for prior year)	18,005	10,501	18,005	10,501
<b>Total</b>	<b>26,008</b>	<b>15,502</b>	<b>26,008</b>	<b>15,502</b>
Earnings per share (Kwacha)	101.66	74.79		
Dividend per share (Kwacha)	55.69	33.19		
Number of ordinary shares in issue (millions)	467	467		
<b>SUMMARY STATEMENTS OF FINANCIAL POSITION</b>				
<b>LIABILITIES &amp; EQUITY</b>				
Customer deposits	809,562	558,245	568,644	456,412
Current income tax liabilities	7,712	4,901	7,189	4,789
Other liabilities	64,292	75,099	53,276	70,730
Loans and borrowings	11,108	10,596	8,105	10,596
Lease liability	6,849	7,900	1,838	2,603
Deferred tax	2	0	0	0
Equity attributable to equity holders of the parent company	172,180	142,958	169,231	140,376
Minority interest	1,644	3,211	0	0
<b>Total liabilities and equity</b>	<b>1,073,349</b>	<b>802,910</b>	<b>808,283</b>	<b>685,506</b>
<b>ASSETS</b>				
Cash and funds with Central Banks	64,650	35,768	53,604	26,054
Placements with other banks	83,515	31,367	83,302	31,367
Other money market investments	169,277	95,681	0	49,583
Other assets	16,580	9,554	11,408	7,506
Income Tax Receivable	16	839	0	0
Equity investments	6,892	5,357	6,892	5,357
Government of Malawi Promissory Notes	0	12,126	0	12,126
Government Securities	345,939	298,916	309,930	271,254
Loans and advances to customers	310,440	240,884	262,768	210,320
Investment in associate	918	1,558	992	992
Investment in subsidiaries	0	0	15,641	12,029
Property and equipment	44,936	40,047	44,338	39,557
Intangible assets	9,496	9,424	9,268	9,143
Right of use assets	4,946	6,293	792	1,570
Deferred tax	11,785	11,137	9,348	8,648
Goodwill	3,959	3,959	0	0
<b>Total assets</b>	<b>1,073,349</b>	<b>802,910</b>	<b>808,283</b>	<b>685,506</b>
<b>Memorandum items</b>				
Contingent liabilities: Letters of credit and guarantees	29,376	35,548	29,376	35,548
<b>SUMMARY STATEMENTS OF CHANGES IN EQUITY</b>				
<b>As at beginning of period</b>				
Total comprehensive income for the year	146,169	117,918	140,376	115,464
Transfer of minority interest on acquisition of Akiba Commercial Bank	51,672	39,399	54,863	40,414
Translation differences	0	3,832	0	0
Dividends paid	2,028	538	0	0
<b>As at end of period</b>	<b>173,824</b>	<b>146,169</b>	<b>169,231</b>	<b>140,376</b>
<b>SUMMARY STATEMENTS OF CASH FLOWS</b>				
<b>Cash flows from operating activities</b>				
<b>Profit before tax</b>	<b>69,363</b>	<b>50,588</b>	<b>71,217</b>	<b>51,127</b>
Adjustments for:				
Depreciation of property and equipment	3,146	2,929	2,913	2,661
Amortisation of intangible assets	1,356	1,326	1,288	1,256
Amortisation of right of use of assets	1,347	1,314	787	785
Interest on lease liability	1,035	1,078	417	526
Net gains on financial instruments classified as held for trading	(931)	(606)	(931)	(606)
Gains on disposal of financial instruments classified as held for trading	163	(119)	163	(119)
Profit/(loss) on disposal of property and equipment	3	32	3	40
Dividends received	(202)	(175)	(731)	(553)
Share of loss (profits) of associate	1,042	(313)	0	0
Net fair value loss(gain) on revaluation of properties	(93)	(105)	(93)	(105)
Net losses on modified and restructured loans	126	461	126	461
Movement in allowance for impairment on financial assets	6,141	5,686	2,785	4,497
<b>Operating cashflows before working capital movements</b>	<b>82,496</b>	<b>62,096</b>	<b>77,944</b>	<b>59,970</b>
Movement in operating assets	(81,201)	(21,390)	(58,534)	(18,133)
Movement in investments	(2,174)	14,110	6,173	20,397
Movement in liabilities to other banks	(16,037)	39,120	(21,551)	36,953
Movement in operating liabilities	256,547	117,773	115,564	93,368
<b>Net cash flow from operating activities</b>	<b>239,631</b>	<b>211,709</b>	<b>119,596</b>	<b>192,555</b>
Tax paid	(18,511)	(15,070)	(18,350)	(14,621)
<b>Net cash from operating activities</b>	<b>221,120</b>	<b>196,639</b>	<b>101,246</b>	<b>177,934</b>
<b>Net cash used in investing activities</b>	<b>(38,927)</b>	<b>(121,489)</b>	<b>(41,654)</b>	<b>(128,827)</b>
<b>Net cash outflow from financing activities</b>	<b>(27,567)</b>	<b>(20,584)</b>	<b>(29,690)</b>	<b>(19,700)</b>
<b>Net increase in cash and cash equivalents</b>	<b>154,626</b>	<b>54,566</b>	<b>29,902</b>	<b>29,407</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>162,816</b>	<b>108,250</b>	<b>107,004</b>	<b>77,597</b>
<b>Cash and cash equivalents at end of the year</b>	<b>317,442</b>	<b>162,816</b>	<b>136,906</b>	<b>107,004</b>

**RESTATEMENT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

In order to correct non-compliance with IAS 7, the statement of cashflows has been restated to disclose separately gross receipts and payments of investing activities (investment in government securities), gross receipts and payments of long-term loans and reclassification of non-cash items from investment income to working capital under operating activities, reclassification of liabilities to other banks from cash and cash equivalents to working capital movements under operating activities.

**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 of 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 31 March 2023, 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 2022			31st December 2021		
	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	36,740	2,926	693	34,311	1,977	451
Manufacturing	28,412	1,190	184	21,950	1,835	191
Mining and Quarrying	2,193	1	1	1,112	21	35
Construction and Engineering	5,227	889	346	4,211	252	164
Energy/Electricity, Gas, Air conditioning, Water supply & Waste management	18,834	375	123	10,692	7,551	1412
Transport/Storage	14,601	935	477	2,613	522	204
Communication	8,204	26	658	13,377	66	301
Financial/Insurance/Professional/Scientific & Technical services	9,367	703	488	8,473	2,340	251
Wholesale/Retail	65,821	9,835	3629	59,671	6,565	2911
Individual/Households	81,037	1,760	1241	55,963	2,197	1847
Real Estate	7,016	5,323	29	7,403	154	46
Tourism	30,286	15,185	168	20,577	1,345	170
Other	11,903	4,059	1165	9,228	1,261	714
<b>TOTAL</b>	<b>319,641</b>	<b>43,207</b>	<b>9,202</b>	<b>249,581</b>	<b>26,086</b>	<b>8,697</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 2022		31st December 2021	
	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 2022 K'm	31st December 2021 K'm
<b>DIRECTORS:</b>		
Balance at beginning of year	429	406
Loans granted during the year	123	179
Repayments	(379)	(156)
<b>Balance at end of year</b>	<b>173</b>	<b>429</b>
<b>OTHER RELATED PARTIES:</b>		
Balance at beginning of year	7,554	7,811
Loans granted during the year	7,877	6,888
Repayments	(2,570)	(7,145)
<b>Balance at end of year</b>	<b>12,861</b>	<b>7,554</b>
<b>SENIOR MANAGEMENT OFFICIALS:</b>		
Balance at beginning of year	1,150	887
Loans granted during the year	311	377
Repayments	(363)	(114)
<b>Balance at end of year</b>	<b>1,098</b>	<b>1,150</b>
Total related party lending	14,132	9,133
Total related party lending as a percentage of core capital	11%	9%

DIRECTORS REMUNERATION, BONUSES AND MANAGEMENT FEES		
	2022 K'm	2021 K'm
Directors Remuneration	1,403	1,233
Total Bonuses Paid by the Group	5,959	3,715
Management Fees	Nil	Nil

DEPOSIT RATES	
Type of Deposit	Rate %
Malawi Kwacha facilities	
Base Lending Rate	17.30%
Lending Rate Spread	+1.1% to +11%
Foreign Currency facilities	7% to 12%

INVESTMENTS IN SUBSIDIARIES		
Name of Subsidiary	Percentage Holding	
	31st Dec 2022	31st Dec 2021
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**

DIRECTORS REMUNERATION, BONUSES AND MANAGEMENT FEES		
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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	
Type of Deposit	Rate %
Malawi Kwacha facilities	
Base Lending Rate	17.30%
Lending Rate Spread	+1.1% to +11%
Foreign Currency facilities	7% to 12%

DEPOSIT RATES	
Type of Deposit	Rate %
Malawi Kwacha facilities	
Current Account	0.00
Savings	6.00
Special savings	4.50
Savings Bond	11.00
Student Save	5.00
Fiesta Save	9.00
7 Day Call	5.50
30 Day Call	6.00
2 Months	7.00
3 Months	7.50
6 Months	8.00
9 Months	Negotiable
12 Months	Negotiable
<b>Foreign Currency Denominated Accounts (FCDA's)</b>	
USD	0.50
GBP	0.50
ZAR	1.50
EUR	0.25

The Board is pleased to announce the audited financial results of the Group for the year ended 31 December 2022.

**PERFORMANCE**

The Group registered a profit after tax of K45,944 representing a 34% increase from K34,210 reported in 2021. These results were largely driven by growth in customer deposits which resulted in increases in the loan book and fixed income securities. Consequently, Net interest and investment income grew by 38%. In addition, there was growth in foreign exchange commissions. Overall net revenue grew by 2