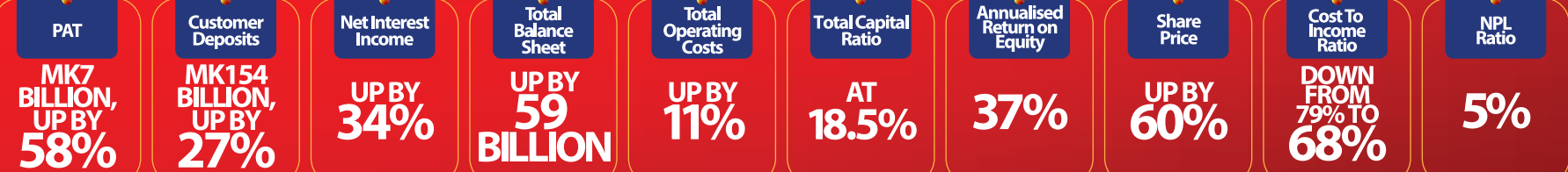


SUMMARY OF THE CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020



	Consolidated and Separate 12 months to 31-Dec-19 MK'000	Consolidated and Separate 12 months to 31-Dec-19 MK'000
SUMMARY STATEMENTS OF COMPREHENSIVE INCOME		
Interest income	36,570,829	25,416,278
Interest expense	(9,986,860)	(5,600,378)
Net interest income	26,583,969	19,815,900
Other income	10,571,167	9,026,277
Net Income	37,155,136	28,842,177
Depreciation	(3,051,698)	(2,636,029)
Operating expenses	(22,146,142)	(20,147,975)
Profit before impairment losses	11,957,296	6,058,173
Impairment provisions	(1,982,578)	810,194
Profit before tax	9,974,718	6,868,367
Income tax expenses	(2,924,967)	(2,410,757)
Profit for the year	7,049,751	4,457,610
Earnings per share (tambala)	242	153
Weighted average ordinary shares in issue (million)	2,911	2,911
OTHER COMPREHENSIVE INCOME		
Profit for the year	7,049,751	4,457,610
Items that will not be reclassified to profit or loss		
Surplus on revaluation of properties	-	382,555
Items that may be reclassified subsequently to profit or loss		
Net fair value adjustments on Malawi Government treasury notes (136,567)	-	-
Total comprehensive income for the year	6,913,184	4,840,165
SUMMARY STATEMENT OF FINANCIAL POSITION		
LIABILITIES AND EQUITY		
Liabilities		
Deposits from customers	153,861,153	120,739,165
Other borrowings	6,808,021	7,863,245
Lease liabilities	3,479,034	2,010,185
Deferred tax liability	674,828	-
Tax Payable	258,510	-
Other liabilities	34,083,834	14,075,884
Total Liabilities	199,165,380	144,688,479
Equity		
Share capital	1,455,291	1,455,291
Share premium	12,104,183	12,104,183
Retained earnings/(accumulated losses)	5,343,482	622,189
Other comprehensive loss reserve	(136,567)	-
Other reserves	400,036	400,036
Total Liabilities & Equity	218,331,805	159,270,178
ASSETS		
Cash and cash equivalents	24,091,941	14,009,240
Other receivables	5,385,818	4,283,292
Tax recoverable	-	855,969
Money market investments	104,694,819	82,266,804
Equity investments	49,700	187,866
Placements with other banks	11,818,330	8,035,031
Loans and advances	59,034,722	38,561,505
Deferred tax asset	-	746,944
Right-of-use assets	2,646,558	1,515,264
Intangible assets	4,013,802	3,853,876
Property, plant and equipment	6,596,115	5,092,553
Total Assets	218,331,805	159,270,178

	Consolidated 31-Dec-20 MK'000	Consolidated Restated 31-Dec-19 MK'000	Separate 31-Dec-20 MK'000	Separate Restated 31-Dec-19 MK'000
SUMMARY STATEMENT OF CHANGES IN EQUITY				
As at the beginning of the year	14,581,699	10,789,055	14,611,090	10,818,446
IFRS 16 transition adjustment	-	(286,126)	-	(286,126)
Prior year insurance receivable restatement net of tax	-	(761,395)	-	(761,395)
Profit for the year	7,049,751	4,457,610	7,049,751	4,457,610
Other comprehensive income	(136,567)	-	(136,567)	-
Movement in other reserves	-	382,555	-	382,555
Dividend declared and paid	(2,328,458)	-	(2,328,458)	-
As at the end of year	19,166,425	14,581,699	19,195,816	14,611,090
Restatement				
Insurance receivable restatement relates to an insurance claim that occurred in one of the branches of the Bank in 2016. A receivable asset was recognised but has now been reversed.				
SUMMARY STATEMENT OF CASH FLOWS				
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax expense	9,974,718	6,868,367		
Adjustments for non-cash items included within the income statement	4,742,968	1,831,169		
Increase in interest earning assets	(48,996,168)	(50,144,241)		
Increase in deposits and other liabilities	52,413,115	23,110,390		
Decrease in equity instruments	-	138,166		
Interest paid	9,986,860	5,600,378		
Interest received	(36,570,829)	(25,416,278)		
Direct taxation paid	(330,188)	(71,680)		
Net cash used in operating activities	(8,779,524)	(38,083,729)		
INVESTING ACTIVITIES				
Net Finance income	25,945,454	18,428,892		
Acquisition of property and equipment	(3,773,524)	(2,714,007)		
Proceeds from disposal of property and equipment	109,626	88,605		
Net cash generated from investing activities	22,281,556	15,803,490		
FINANCING ACTIVITIES				
Proceeds from loans and borrowings	-	7,963,461		
Repayment of loans and borrowings- principal	(1,055,224)	(120,226)		
Dividends declared and paid	(2,328,458)	-		
Repayment of lease liabilities	(422,425)	(545,568)		
Net cash (used in)/generated from financing activities	(3,806,107)	7,297,667		
Net movement in cash and cash equivalents	9,695,925	(14,982,572)		
Cash and Cash equivalents at beginning of the year	14,009,240	28,960,520		
Effects of exchange rate changes	386,776	31,292		
Cash and cash equivalents at end of the year	24,091,941	14,009,240		
REGULATORY DISCLOSURES				
1. IMPAIRMENT LOSSES /NON PERFORMING CREDIT FACILITIES AND EXPECTED CREDIT LOSS BY INDUSTRY SECTOR				
	31-Dec-20	31-Dec-19		
	Outstanding Amount MK'm	Impaired Amount MK'm	Expected Credit Loss MK'm	Outstanding Amount MK'm
Sector				
Agriculture	3,675	213	133	2,999
Mining	674	20	18	595
Manufacturing	5,513	578	277	1,561
Electricity	12,891	10	242	15,023
Construction	2,789	160	100	1,803
Wholesale & Retail	15,363	558	530	11,213
Restaurants & Hotels	1,497	347	133	672
Transport	1,423	189	84	390
Financial Services	4,307	295	169	3,551
Community	11,443	353	319	3,350
Real Estate	642	11	15	419
Other	961	347	123	463
Total	61,178	3,081	2,143	42,039
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-20	31-Dec-19		
	MK'm	% of Core Capital	MK'm	% of Core Capital
Agriculture	-	0%	-	0%
Mining	-	0%	-	0%
Manufacturing	-	0%	-	0%
Electricity, gas, water and energy	11,595	60.00%	13,929	94.00%
Construction	-	0%	-	0%
Wholesale and retail	-	0%	-	0%
Restaurants and hotels	-	0%	-	0%
Transport, storage and communications	-	0%	-	0%
Financial services	-	0%	-	0%
Community	-	0%	-	0%
Real estate	-	0%	-	0%
Other	-	0%	-	0%

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

Directors	31-Dec-20 MK'000	31-Dec-19 MK'000
Balance at the beginning of the period	20.8	23.6
Loans granted during the period	40.3	28
Repayments	(2.9)	(30.8)
Balance at end the of period	58.2	20.8
Senior management officials		
Balance at the beginning of the period	422.7	404.2
Loans granted during the period	204.6	116.6
Repayments	(171.5)	(98.1)
Balance at end the of period	455.8	422.7
Total related party lending as a % of Capital	0.00%	0.01%

INVESTMENTS IN SUBSIDIARIES

	Number of shares 31-Dec-20	Percentage Holding 31-Dec-20	Number of shares 31-Dec-19	Percentage Holding 31-Dec-19
Name of subsidiary				
NBS Forex Bureau	7,000,000	100%	7,000,000	100%

LENDING RATES

Malawi Kwacha facilities	31-Dec-20	31-Dec-19
Reference rate	12.3%	12.5%
Lending Rate Spread	-2% to 10%	-2% to 10%
Foreign Currency facilities	+5% Libor rate	+5% Libor rate

DIRECTORS' REMUNERATION BONUSES AND MANAGEMENT FEES

	31-Dec-20 MK'000	31-Dec-19 MK'000
Directors' remuneration	23,876	17,815
Total bonuses payable to staff	999,531	680,998
Management fees to related party	102,443	32,468
Capital Expenditure	3,774	2,714
Capital Commitments	4,903	6,502
Contingent Liabilities	3,061	1,500

DEPOSIT RATES

Type of Deposit	31-Dec-20 Rate %	31-Dec-19 Rate %
Malawi Kwacha		
Current account	0.5	0.5
Savings	1.55	1.55
7 Day Notice	3.73	3.73
30 Day Notice	5.00	5.00
2 Months	6.00	6.00
3 Months	7.00	7.00
6 Months	7.00	7.00
9 Months	Negotiable	Negotiable
12 Months	Negotiable	Negotiable
Foreign Currency Denominated Accounts(FCDAs)		
USD	2.00	2.00
GBP	2.25	2.25
ZAR	3.00	3.00
EUR	1.5	1.5

FINANCIAL REVIEW

Financial Performance

The group reported a strong financial performance in the year 2020, with profit after tax rising by 58% to K7,050 billion from K4,458 billion reported in 2019. Faced with the significant impact of Covid-19 on economic activity, the Bank focused on continuity of service excellence and maximizing efficiencies. This drive was facilitated by acceleration of digital transformation, which has enhanced customer experience and streamlined internal processes.

Our balance sheet remains robust with our capital and liquidity positions improving in 2020; net loans and money market investments rose by 53% and 27% to MK\$9 billion and MK105 billion respectively whilst customer deposits increased by 27% year on year to K154 billion. The tremendous growth in the year demonstrates that the Bank has remained resilient during such a challenging year and has emerged stronger.

Net interest income grew impressively by 34% because of the growth of the loan book and increased investment in money market investments. Non-interest income which is made up of transaction fees and forex trading income increased by 17% from prior year. The uptake of the Bank's products on digital platforms improved as investments were made to increase network availability and reliability. The Bank also upgraded its internet banking platform and Mobile App offering to ensure improved service offering. Net impairment charges on loans and advances were K1.9 billion during the year and K0.8 billion in 2019, reflecting the related growth in the loan book. Operating expenditure was up by 10% compared to the prior year. In part this was due to capacity upgrade of the infrastructure supporting the core banking system enabling it to handle the continued investment in digital channels, COVID 19 preventative safety measures and other investments in staff capacity building.

Operating Environment and Achievements

The year 2020 saw the Corona Virus (Covid 19) pandemic affect the local and global landscape in unprecedented ways. Malawi is under a state of National Disaster as declared by the State President. The Bank contributed towards the fight against Covid 19, both in its own capacity and through the Nico Group of Companies with donations of personal protective equipment and hospital equipment. The focus and commitment of our employees has been at the core of the Bank's response to the significant challenges in 2020. In difficult circumstances, our teams ensured continuity of service during peak pandemic times.

The Bank continues to invest in its transformation and some initiatives include the introduction of biometrics as part of the identity verification process. The Bank has enhanced its partnership with the Directorate of Traffic and Road Safety Services through the introduction of road traffic payments on its EasyMobile 322 platform. The Bank also introduced international money remittance services across its branch network by collaborating with Hello Paisa and World Remit. To reinforce its drive towards financial inclusion, the Bank through its agency banking arm Bank Pafupi, and its ongoing partnership with Financial Access for Rural Markets, Smallholders and Enterprises (FARMSE) prioritised a plan to increase visibility of the channel and educate local communities about the value of banking formally.

Lastly, noteworthy achievements for the Bank during the year were awards received for two consecutive years : as the Best Bank in Malawi at the Euromoney Awards for Excellence and Bank of the Year by The Banker. These awards serve to reaffirm the confidence that customers and shareholders have in their Bank and will aid to further motivate the NBS Bank plc Red Brigade to work even harder to bring better results, solutions, and all-round service to its customers.

Strategy
The Bank continues to oversee the execution of its efforts in its transformation journey, and it is on track in the implementation of its five-year strategic plan to turn the organization around. The Bank has diligently and innovatively sought to provide a best-on-the-market digital banking experience to its clients via its multiple outstanding channels and delivery of personalized customer experience by its agile members of staff.

Outlook
The economic outlook is positive with Gross Domestic Product (GDP) for 2021 estimated to rebound to 6.1 percent from the 1.5 percent growth reported in 2020 based on Reserve Bank of Malawi annual report. This is owing to the improving prospects following the administering of the Covid 19 vaccines which should enable the economy to transition back to pre-pandemic growth rates in the medium term. The overall annual average inflation was reported at 8.6 percent for 2020 being 80 basis points reduction from 9.4 percent recorded in 2019. Headline inflation is projected to average 7.8 percent in 2021 being even lower than it was recorded in 2020 owing to subdued pressures on food prices because of the favourable rainfall and government interventions in agriculture. The Malawi kwacha has recently depreciated against all major trading currencies, and this situation is likely to persist in 2021. The weakening of the kwacha is largely attributed to the dwindling supply of the foreign exchange on the market.

The policy rate was revised downwards by 150 basis points to 12 percent per annum in the final quarter of the reporting year and is likely to be revised downwards again in 2021. This along with reduced Interbank and Lombard rates will result in declining reference rates in the short to medium term.

Dividend
The Board of Directors has recommended payment of a final dividend for the year ended 31 December 2020 of K2.04 billion representing 70 tambala per share (2019: K1.019 billion representing 35 tambala per share). Interim dividend paid for 2020 was K1.310 billion representing 45 tambala per share (2019: nil). Total dividend for the year ended 31 December 2020 will therefore be K3.35 billion representing 115 tambala per share (2019: K1.019 billion representing 35 tambala per share).

 V. Kumwenda Chairman	 M. Mtumbuka Chairman- Finance and Audit Committee	 K. Ngwenya Chief Executive Officer	 V. Zulu Chief Finance Officer
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BASIS OF PREPARATION PARAGRAPH
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, comprehensive income, changes in equity and 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 24 March 2021, 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 2020, and 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 2020.

In our opinion, the accompanying summary consolidated and separate financial statements are a fair summary of audited consolidated and separate financial statements, in accordance with 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 25 March 2021. 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.

Directors' 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 based on our procedures, which were conducted in accordance with International Standard on Auditing ISA 810 (Revised), Engagements to Report on Summary Financial Statements.

Deloitte
Chartered Accountants
Kondwani Msimuko
Partner
30 March 2021

