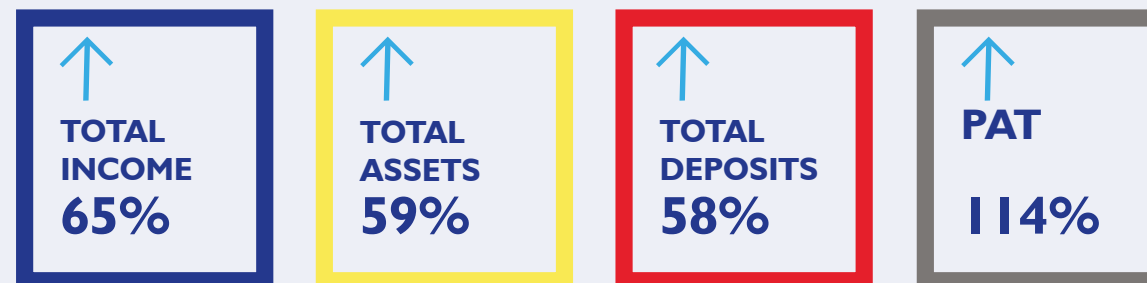


Centenary Bank Limited (Formerly MyBucks Banking Corporation Limited)

SUMMARY OF AUDITED RESULTS FOR THE YEAR ENDED 31ST DECEMBER 2023

KEY HIGHLIGHTS



SUMMARY STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In thousands of Kwacha	CONSOLIDATED		SEPARATE	
	Year ended 31 December 2023	Restated 31 December 2022	Year ended 31 December 2023	Restated 31 December 2022
INCOME				
Net interest income	10,495,360	7,257,904	10,501,991	7,237,893
Net fee and commission income	5,436,615	3,633,606	5,436,615	3,633,606
Other income	4,564,961	1,517,054	4,206,425	1,371,981
Total income	20,496,936	12,408,564	20,145,031	12,243,480
EXPENDITURE				
Staff costs and operating expenses	(15,939,724)	(13,504,774)	(15,751,533)	(13,247,074)
Depreciation and amortisation	(1,860,379)	(1,704,642)	(1,814,587)	(1,660,402)
Total expenditure	(17,800,103)	(15,209,416)	(17,566,120)	(14,907,476)
Profit/(loss) before recoveries and impairment losses	2,696,833	(2,800,852)	2,578,911	(2,663,996)
Impairment losses on loans to customers	(1,791,541)	(2,575,357)	(1,791,541)	(2,575,357)
Profit/(loss) before tax	905,292	(5,376,209)	787,370	(5,239,353)
Income tax (charge)/ credit	(356,292)	1,487,179	(318,324)	1,445,082
Profit/(loss) for the year	549,000	(3,889,030)	469,046	(3,794,271)
OTHER COMPREHENSIVE INCOME				
Items that may not be reclassified to profit or loss				
Total comprehensive profit/(loss) for the year net of tax	549,000	(3,889,030)	469,046	(3,794,271)
Attributable to:				
Equity owners of the parent entity	549,000	(3,889,030)	469,046	(3,794,271)
Earnings per share (K)	39	(643)	34	(628)

SUMMARY STATEMENTS OF FINANCIAL POSITION

In thousands of Kwacha	CONSOLIDATED			SEPARATE		
	As at 31 December 2023	Restated 31 December 2022	Restated 1 January 2022	As at 31 December 2023	Restated 31 December 2022	Restated 1 January 2022
ASSETS						
Cash and cash equivalents	21,694,497	5,475,248	17,384,434	20,375,380	4,576,661	16,564,755
Government of Malawi treasury bills and notes	29,583,023	14,166,015	41,963,990	29,583,023	14,166,015	41,963,990
Loans and advances	54,203,681	45,722,043	46,347,020	54,203,681	45,722,043	46,347,020
Other assets	10,801,883	6,356,939	7,344,810	12,181,313	7,376,418	8,068,199
Plant, equipment and intangibles	6,519,332	5,445,001	5,723,232	6,413,686	5,371,434	5,635,096
Total assets	122,802,416	77,165,246	118,763,486	122,757,083	77,212,571	118,579,060
LIABILITIES AND EQUITY						
LIABILITIES						
Customer deposits	90,417,800	57,100,235	92,117,994	90,417,800	57,100,235	92,117,994
Other liabilities	4,148,872	3,051,040	2,265,801	4,089,702	3,004,574	2,082,343
Borrowed funds	17,137,292	14,166,549	17,643,239	17,137,292	14,166,549	17,643,239
Total liabilities	111,703,964	74,317,824	112,027,034	111,644,794	74,271,358	111,843,576
Total equity	11,098,452	2,847,422	6,736,452	11,112,289	2,941,213	6,735,484
Total liabilities and equity	122,802,416	77,165,246	118,763,486	122,757,083	77,212,571	118,579,060

SUMMARY STATEMENTS OF CASHFLOWS

In thousands of Kwacha	CONSOLIDATED		SEPARATE	
	Year ended 31 December 2023	Restated 31 December 2022	Year ended 31 December 2023	Restated 31 December 2022
Cash flows from operating activities				
Profit/(loss) before tax	905,292	(5,376,209)	787,370	(5,239,353)
Adjustments for:				
Changes in working capital	22,236,925	(28,857,719)	21,858,964	(29,122,924)
Net cash generated from/(used in) operating activities	23,142,217	(34,233,928)	22,646,334	(34,362,277)
Net cash (used in)/ generated from investing activities	(16,923,443)	26,487,837	(16,892,775)	26,494,273
Net cashflow from/(used in) financing activities	10,000,475	(4,163,095)	10,045,160	(4,120,090)
Changes in cash and cash equivalents during the year	16,219,249	(11,909,186)	15,798,719	(11,988,094)
Cash and cash equivalents at beginning of the year	5,475,248	17,384,434	4,576,661	16,564,755
Cash and cash equivalents at end of the year	21,694,497	5,475,248	20,375,380	4,576,661

SUMMARY STATEMENTS OF CHANGES IN EQUITY

In thousands of Kwacha	CONSOLIDATED		SEPARATE	
	Year ended 31 December 2023	Restated 31 December 2022	Year ended 31 December 2023	Restated 31 December 2022
Opening equity at period beginning	2,847,422	6,736,452	2,941,213	6,735,484
New capital	7,702,030	-	7,702,030	-
Profit/(loss) for the year	549,000	(3,889,030)	469,046	(3,794,271)
Closing equity at period end	11,098,452	2,847,422	11,112,289	2,941,213

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

SECTOR	As at 31 December 2023			As at 31 December 2022		
	Exposure	Impaired Amounts	Expected Credit Losses	Exposure	Impaired Amounts	Expected Credit Losses
1. Agriculture	1,150,906	152,330	42	977,218	648,801	613,872
2. Manufacturing	1,209,251	862,635	7,348	1,548,611	4,051	984
3. Construction	5,588,593	9,514	-	3,227,995	4,340	1,107
4. Wholesale and retail trade	19,054,075	15,205,563	4,776,770	22,371,968	11,759,792	4,531,762
5. Tourism	733,186	-	-	470,874	4,293	-
6. Transport and communications	2,407,383	94,948	402	1,999,858	160,025	10,441
7. Financial services	170,971	11,737	-	961,254	-	-
8. Community, social and personal services	27,996,895	508,487	216,969	20,143,411	440,172	244,287
9. Other	2,055,484	-	-	154,599	-	-
TOTAL	60,366,744	16,845,214	5,001,532	51,855,788	13,021,474	5,402,454

CREDIT CONCENTRATION

In thousands of Kwacha

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 our core capital

Sector of Borrower

	31 December 2023		31 December 2022	
	Exposure	% of Core Capital	Exposure	% of Core Capital
Wholesale and retail trade	-	0%	2,194,547.88	65.69%

LOANS TO DIRECTORS, SENIOR MANAGEMENT AND OTHER RELATED PARTIES

In thousands of Kwacha	31 Dec 2023		31 Dec 2022	
	Net Loans	Net Loans	Net Loans	Net Loans
DIRECTORS				
Balance at period beginning	-	566	-	566
New loans	5,060	-	-	-
Repayments	(4,937)	(566)	-	-
Balance at period end	123	-	-	-
SENIOR MANAGEMENT				
Balance at period beginning	368,394	542,676	368,394	542,676
New loans	230,085	149,155	230,085	149,155
Repayments	(144,573)	(323,437)	(144,573)	(323,437)
Balance at period end	453,906	368,394	453,906	368,394
OTHER RELATED PARTIES				
Balance at period beginning	-	-	-	-
New loans	297,224	-	297,224	-
Repayments	(7,739)	-	(7,739)	-
Balance at period end	289,485	-	289,485	-

INVESTMENTS IN SUBSIDIARIES

Name of Subsidiary	31 Dec 23		31 Dec 22	
	Shareholding	Share Capital (MWK)	Shareholding	Share Capital (MWK)
Centenary Bureau De Charge	100%	207,800,000	100%	207,800,000

DIRECTORS REMUNERATION, BONUSES AND MANAGEMENT FEES

In thousands of Kwacha	31 Dec 2023		31 Dec 2022	
	Directors' remuneration	Bonuses paid to staff	Management fees	
Directors' remuneration	307,234	-	206,335	-
Bonuses paid to staff	-	-	-	-
Management fees	-	-	-	-

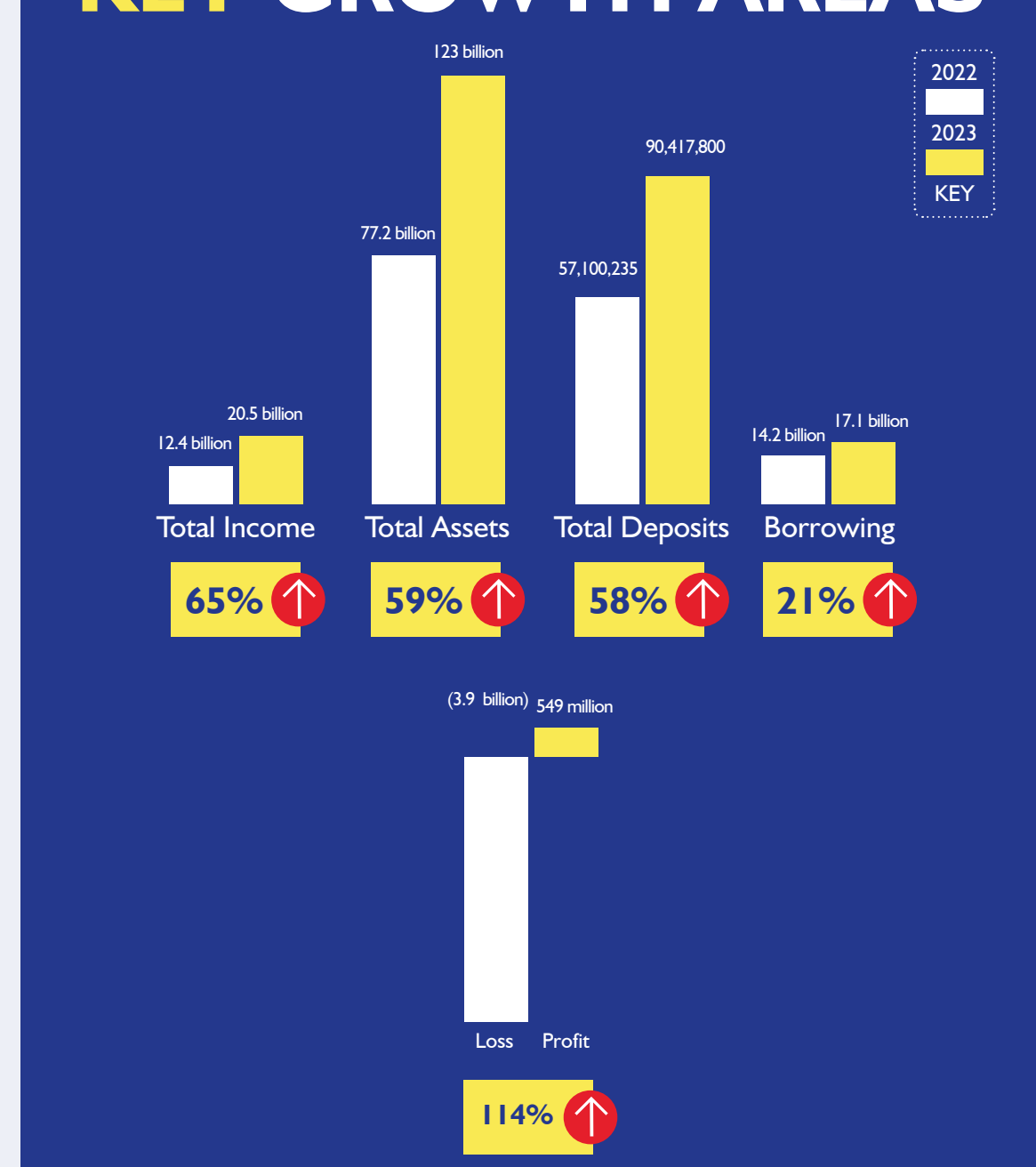
LENDING RATES

Reference Rate	31 Dec 23	31 Dec 22
Base Lending Rate (local currency)	23.60%	17.30%
Maximum Applicable Range (percentage points)	11.60%	11.60%
Base Lending Rate (foreign currency)	8.10%	8.10%
Reserve Bank of Malawi Bank Rate	24.00%	18.00%

DEPOSIT RATES

Type of Deposit	31 Dec 2023		31 Dec 2022	
	Rate	Rate	Rate	Rate
1. Current Account (on credit balances of K10,000,000 and above)	0.05%	0.05%		
2. Fixed Deposits				
a) 1 Month	3.5%	4.0%		
b) 2 Months	4.0%	4.5%		
c) 3 Months	5.0%	5.0%		
d) 6 Months	Negotiable	Negotiable		
e) 9 Months	Negotiable	Negotiable		
f) 12 Months	Negotiable	Negotiable		
3. Call Accounts				
a) 7 day Notice	2.0%	2.0%		
b) 14 day Notice	2.0%	2.0%		
c) 21 day Notice	2.0%	2.0%		
d) 30 day Notice	3.0%	3.0%		
4. Savings Account				
a) Ordinary Savings	2.0%	2.0%		
b) Linga Savings	5.0%	5.0%		
c) Student Savings	2.0%	2.0%		
d) SME Savings	2.0%	2.0%		

KEY GROWTH AREAS



FINANCIAL REVIEW

We hereby present the summarised, audited financial results for the year ended 31st December 2023.

ECONOMIC HIGHLIGHTS

Headline inflation averaged 34.5% in December 2023, compared to 25.4% in December 2022. The increase was predominantly on account of currency devaluation and increasing pressure from food inflation. The Reserve Bank of Malawi introduced an auction system of the USD which saw the Kwacha depreciate by a monthly average of 3% from second quarter before eventual 44% devaluation on 9th November 2023. The reference rate closed at 23.6% compared to 17.3% in 2022.

PERFORMANCE

The year 2023 was earmarked as a recovery year for the Group following adverse performance for the previous two years. The Group achieved significant progress specifically business growth, customer confidence, improvement in liquidity and improved customer experience. The Bank introduced simplified products for customers key one being customer self on boarding. We have attained business volume growth and reduced the cost of doing business despite increasing economic pressures. The Group continues to face downside risk in terms of increased impairments from existing facilities arising from economic conditions which have negatively affected its performance. In terms of profitability, the Group closed the year with a profit after tax of MK549 million compared to a loss after tax of MK3.9bn million in December 2022, which represented 114% increase in profitability.

The Group earned MK1.8 billion in interest income compared to prior year interest income of MK15.0 billion representing 20% income growth due to increase on lending and new investments in liquid assets.

Interest expense for the year was MK7.6 billion against prior year expense of MK7.2 billion, representing 2% interest expense reduction from 2022 due to repayment of borrowed funds and reduction in cost of doing business. Total non-interest revenue increased by 92% to MK10.0 billion from MK5.2 billion earned in year 2022 due to increase in exchange gains and increase in commissions earned on lending and transaction fees. Impairment charges on loans and advances to customers declined by 31% to MK1.8 billion in 2023 which is still on the higher side from MK2.6 billion in 2022 mainly due to efforts which management have put in place to enhance the quality of credit assessments. Operating expenditure rose by 17% to MK17.8 billion from MK15.2 billion reported in 2022 mainly due to inflationary pressures.

The Group closely monitored and implemented various cost containment strategies to ensure below inflation costs growth.

Total assets for the Group increased by 59% to close at MK123 billion in 2023 from MK77.2 billion in 2022. The growth is mainly driven by increased customer deposits arising from business growth strategies and changes in shareholding.

The Group's earnings per share for the year increased to MK39.00 in 2023 from (MK683) in 2022.

OUTLOOK FOR 2024

The IMF projects domestic real GDP to grow by 3.3% on the backdrop of increased public investments and increased output from large scale mechanised farming. The ECF programme that was approved late 2023 is expected to improve foreign currency inflows. We however expect macroeconomic pressures to persist in the first half of 2024 and ease in the second half of the year. We are however optimistic about continuing with business growth as we continue to implement the various business growth strategies we have embarked on since the start of the year 2023.

We will continue to focus on improving customer satisfaction and improving efficiencies, upgrading our systems and driving the digitalization agenda to grow the business as well as enhancing customers experience.

We will also continue to focus on cost rationalization, prudent management of risk and liquidity, diversification of balance sheet funding, whilst maintain a health capital position.

We remain focused on delivering our mission critical products in the areas of Agriculture, green financing and micro lending targeting the marginalized and environmental sustainability.

By order of the Board

F.Z. Pelekamoyo
Chairman

M.Z.U. Tembo
Director

Z. Shaba
Managing Director

C.F. Midiani
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. The Directors have considered the requirements of the Financial Services Act, 2010 and believe that the summary statements of financial position, profit or loss and other 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 26th April 2024 and it is available at Company's registered office.

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

To the Shareholders of Centenary Bank Limited (Formerly MyBucks Banking Corporation Limited)

Opinion
The summary consolidated and separate financial statements (the "summary financial statements") of Centenary Bank Limited, which comprise the summary consolidated and separate statements of financial position as at 31st December 2023, the summary consolidated and separate statements of profit or loss and other 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 (the "audited financial statements") of Centenary Bank Limited for the year ended 31st December 2023.

In our opinion, the accompanying summary consolidated and separate financial statements of Centenary Bank Limited (the "Company") and its subsidiary are consistent in all material respects, with the audited consolidated and separate financial statements, in accordance with the Basis of Preparation paragraph.

Other matter
We have not audited the overall performance and outlook included in the summary of consolidated and separate financial statements and accordingly do not express any opinion thereon.

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 and the auditor's report thereon. The summary consolidated and separate financial statements