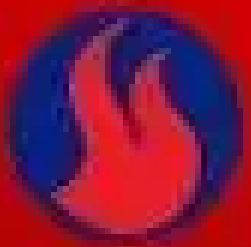


NBS Bank

Q 2 STRATEGY EXECUTION REVIEW REPORT



NBS Bank
Your Caring Bank

June 2025



Title: Q2 2025 Strategic Initiative Progress Report – NBS Bank Malawi

To: Board of Directors & Executive Committee, NBS Bank Malawi

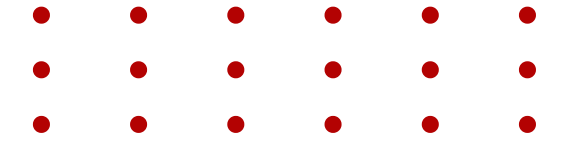
From: Manager: Strategy, NBS Bank Malawi

Date: September 04, 2025

Period Covered: April 1 – June 30, 2025

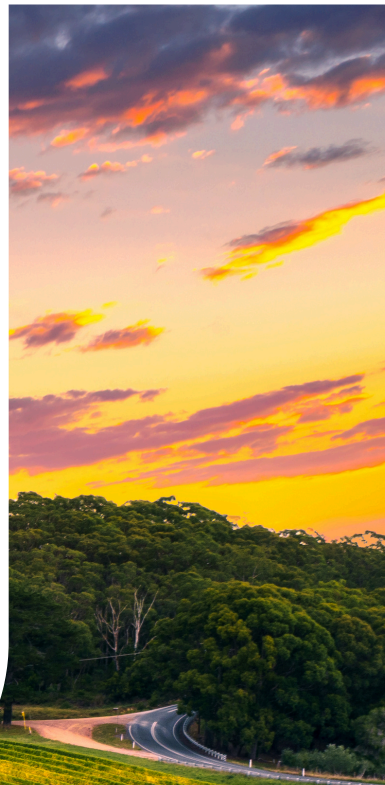
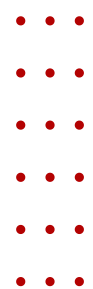


EXECUTIVE SUMMARY



1. Executive Summary

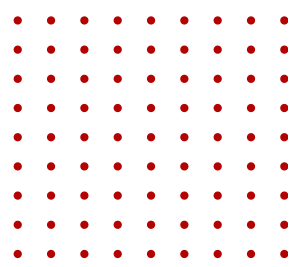
- **Overall Status: Delayed (Amber).** No Progress Update provided on the Strategy Platform with supporting evidence of performance for all Initiatives.
- **Key Achievement(s):** Unable to report on these due to Strategic Initiatives not having Quarterly or Monthly Milestones to track traction achieved in Strategy Execution.
- **Critical Risk:** Inability to deliver on Strategic Priorities due to lack of focus and robust progress tracking in executing Strategic Initiatives and Projects.
- **Mitigation:**
 - Training Intervention: NBS Strategic Strategy Execution, Monitoring and Evaluation Training.
 - Adoption of One Pager Project Completion / Post-Mortem Report as evidence of performance where Strategic Initiatives have been successfully delivered.



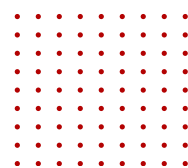


	Strategic Objective	Key Initiative (s)	Lead	Status (RAG)	Progress Summary
Financial Focus	F 1: Increase Profits from Strategic Initiatives.	<ul style="list-style-type: none"> Drive Income from Tailored Project Finance Solutions (Target: MK243m) 	Alfred Nhlema	● Behind	<ul style="list-style-type: none"> No indication of what corrective action will be taken going forward.
		<ul style="list-style-type: none"> Grow income through structured transactions from Funded Lines of Credit From USD14Mn in 2024 to USD20Mn in 2025. 	Alfred Nhlema.	● On Track	<ul style="list-style-type: none"> No comment on what has been delivered YTD.
		<ul style="list-style-type: none"> Establishment of new business premises to increase revenue generation. 	Priscilla Mchenga	● On Track	<ul style="list-style-type: none"> Two initiatives are 100% complete one initiative at 71%.
	F 2: Sustainable Growth through YoY Loan Portfolio Growth.	<ul style="list-style-type: none"> Income with ESG/Climate/Sustainability Finance Solutions (Target: MK80m) 	Alfred Nhlema	● Behind	<ul style="list-style-type: none"> No indication of what corrective action will be taken going forward.
F 3: Reduction in Operational Costs	<ul style="list-style-type: none"> Invest in LED Lighting Energy efficient Technology. (Target Savings: xx) 	Priscilla Mchenga	● On Track	<ul style="list-style-type: none"> We have replaced old light fittings in most spaces we have worked in. 	
	<ul style="list-style-type: none"> Implement solar power pilot at Dedza Digitalise account Opening online by 31st Dec. 2025. (Target Savings: xx) 	Priscilla Mchenga Kelvin Chatuwa	● Complete ● Behind	<ul style="list-style-type: none"> 100% complete. (Project Closure Report Outstanding) No indication of what corrective action will be taken going forward. 	
F 4: Revenue Diversification.	<ul style="list-style-type: none"> Grow Revenues from Structured Finance Solutions. (Target: MK243m) 	Alfred Nhlema	● Behind	<ul style="list-style-type: none"> No indication of what corrective action will be taken going forward. 	
	<ul style="list-style-type: none"> Grow Government Subvented Accounts from 18 to 30. 	Alfred Nhlema	● On Track	<ul style="list-style-type: none"> No comment on what has been delivered YTD. 	
	<ul style="list-style-type: none"> Strategic Loan Book Growth through High-Quality Government Lending 	Alfred Nhlema	● On Track	<ul style="list-style-type: none"> No comment on what has been delivered YTD. 	
	<ul style="list-style-type: none"> Grow FCDA balances by acquiring new clients in sweet spots leveraging on long term funding from impact lenders. Acquire new project accounts supporting the Agribusiness value chains. 	Alfred Nhlema	● On Track	<ul style="list-style-type: none"> No comment on what has been delivered YTD. 	



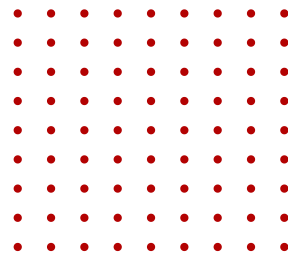


	Strategic Objective	Key Initiative (s)	Lead	Status (RAG)	Progress Summary
Customer Focus	C 1: Customer Loyalty - Improve customer satisfaction and brand perception to 85%.	<ul style="list-style-type: none">Introduce just in time customer feedback system.Centralization of Customer Complaints Platforms by 30 Sep. 25	Sibusiso Nyasulu Chinga Chaguluka	● Behind ● At Risk	<ul style="list-style-type: none">No indication of what corrective action will be taken going forward.Consultations with CCC done. Architecture done. Wireframe done.
	C 2: Market Share Increase in all products.	<ul style="list-style-type: none">Establishment of new business premises to increase revenue generation.	Priscilla Mchenga	● On Track	<ul style="list-style-type: none">Two initiative are 100% complete one initiative at 71%
	C 3: Digital Leadership in Malawi.	<ul style="list-style-type: none">Digitalise account Opening online by 31st Dec. 2025.	Kelvin Chatuwa	● Behind	<ul style="list-style-type: none">No indication of what corrective action will be taken going forward.
	C 4: Brand Reputation through improving Brand Health score by 10 Points YoY.	<ul style="list-style-type: none">Improve premises ambience through maintenance works.Upgrade ATM Hardware and Site Outlook	Priscilla Mchenga	● On Track ● On Track	<ul style="list-style-type: none">No comment on what has been delivered YTD.Currently upgrades on 4/13 sites have been completed

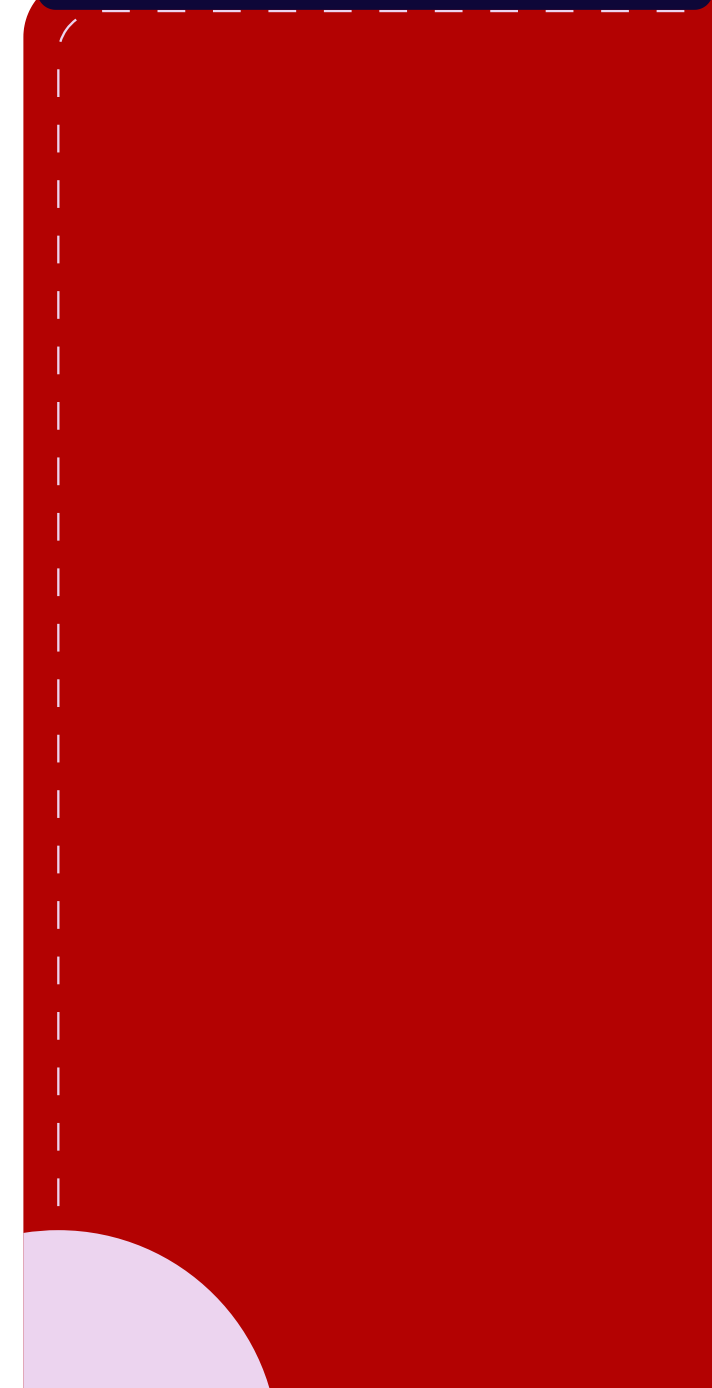
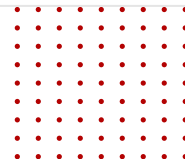


	Strategic Objective	Key Initiative (s)	Lead	Status (RAG)	Progress Summary
Process Efficiency Focus	PE 1: Improve Operational Efficiency	<ul style="list-style-type: none"> Implement a digitized quotation system and Implement or enhance credit impairment model. 	Ernest Tembo	● Behind	<ul style="list-style-type: none"> offtrack the bank is still looking for vendor for the system.
		<ul style="list-style-type: none"> Implement new impairment model that will do provisions per contract by 30 Sep. 25 	Ernest Tembo	● On Track	<ul style="list-style-type: none"> Ontrack the project is in progress data submission done
	PE 1: Improve Operational Efficiency	<ul style="list-style-type: none"> Trade Finance POP emailer Automation by 30 Sep. 2025. Enhance CFERs Solution by 30 Sep. 2025. 	Priscilla Mchenga Priscilla Mchenga	● Behind ● Behind	<ul style="list-style-type: none"> No indication of what corrective action will be taken going forward. No indication of what corrective action will be taken going forward.
		<ul style="list-style-type: none"> Implement Pan African Payments and Settlement System (PAPS). Implement National E Payment Gateway. 	Chinga Chaguluka Chinga Chaguluka	● On Track ● Behind	<ul style="list-style-type: none"> SIT is still in progress and making good progress Start of SIT. We are still waiting for guidance from Natswitch on how to initiate the test transactions
PE 2: Security Risk Management	<ul style="list-style-type: none"> Improve Security risk management by 30 Dec. 2025. Improve ICT Governance by Implementing COBIT Framework by 30 Dec. 2025. 	Priscilla Mchenga Chinga Chaguluka	● On Track ● On Track	<ul style="list-style-type: none"> Q1 plans are on track (Q 2 update Outstanding) ICT Governance framework has been drafted and is currently undergoing the review process 	
PE 3: Digitalise the Bank	<ul style="list-style-type: none"> Digitizing 30 processes across the bank by 31 Dec. 2025. Complete Digitization Goals for the Bank as per DIGICO plan. Formulate the AI Strategy by 30 Dec. 25. Formulate the Data Strategy by 30 Dec. 25 	Dzoole Mwale Priscilla Mchenga Chinga Chaguluka	● Behind ● On Track ● Behind ● On Track	<ul style="list-style-type: none"> No indication of what corrective action will be taken going forward. No comment on what has been delivered YTD. No indication of what corrective action will be taken going forward. Strategy to be shared with Board at the next sitting 	





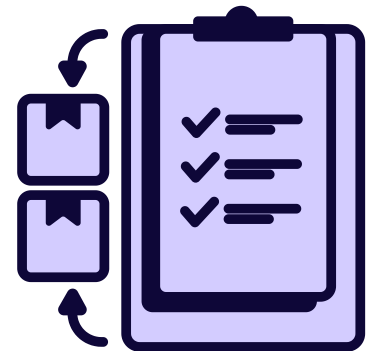
	Strategic Objective	Key Initiative (s)	Lead	Status (RAG)	Progress Summary
Organisation Capacity Focus	OC 1: Work force skilled in digitalisation, AI and cyber risks.				
	OC 2: Data Capability and Digitalisation reflected by Department Heads use of Digital Dashboards.				
	OC 3: Innovative culture through implementation of viable employee ideas.				
	OC 4: High Performance Culture.				



STRATEGIC INITIATIVES DELIVERED IN Q 2



3.1 INITIATIVE: ISSUANCE OF STRATEGIC ASSETS BY 31ST DECEMBER 2025

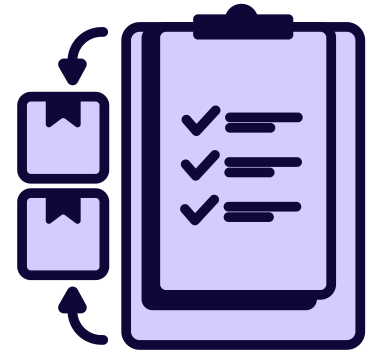


- **Objective:** Deploy and onboard 200 new rural agency banking partners by end of Q1 2025.
- **Q2 Target:** Activate 50 agents in the Northern Region (Mzimba, Rumpi).
- **Actual Q2 Result:** Only 15 agents activated. Primary delay in procuring reliable VSAT terminals for connectivity.
- **Key Performance Indicators (KPIs):**
 - Agents Activated: 15 of 50 (30% of Q3 target)
 - Budget Utilized: MWK 45M / MWK 70M (64%)
 - Transaction Volume through New Agents: MWK 120M
- **Next Steps:**
 - Source VSAT terminals from alternative supplier by Oct 25.
 - Accelerate agent training sessions in November.
 - Revise full rollout schedule by Nov 5.

STRATEGIC INITIATIVES DELIVERED IN Q 2



3.2 INITIATIVE: INTRODUCTION OF STRUCTURED FINANCE (FERTILISERS & FUEL)



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STRATEGIC INITIATIVES DELIVERED IN Q 2



3.3 INITIATIVE: RELAUNCH SILVER SEGMENTS BY 31ST DEC. 2025.

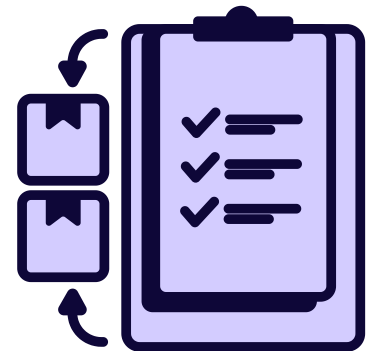


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STRATEGIC INITIATIVES TO BE DELIVERED IN Q 3



3.4 INITIATIVE: DIGITALISE ACCOUNT OPENING ONLINE BY 31ST DEC. 2025.



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- **Q2 Target:** Activate 50 agents in the Northern Region (Mzimba, Rumphu).
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STRATEGIC INITIATIVES TO BE DELIVERED IN Q 3



**WHAT OUR
CUSTOMERS
SAY**

3.5 INITIATIVE: INTRODUCE JUST IN TIME CUSTOMER FEEDBACK SYSTEM.

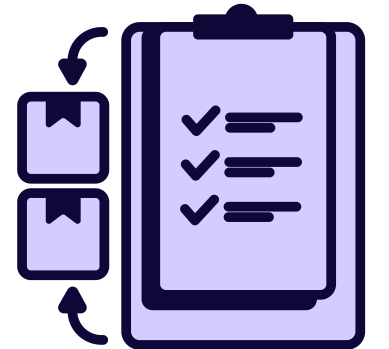


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STRATEGIC INITIATIVES TO BE DELIVERED IN Q 3



3.6 INITIATIVE: INTRODUCE MORE DISTRIBUTION/BANKING CHANNELS FOR THE BANK.

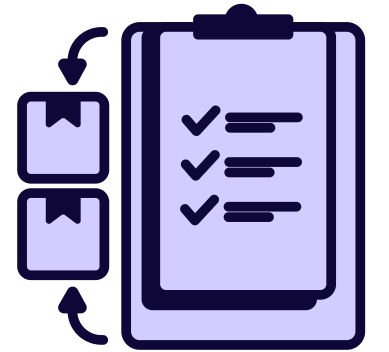


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STRATEGIC INITIATIVES TO BE DELIVERED IN Q 3



3.7 INITIATIVE: DIGITIZING 30 PROCESSES ACROSS THE BANK BY 31 DEC. 2025.



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- **Next Steps:**
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Debit
Platinum

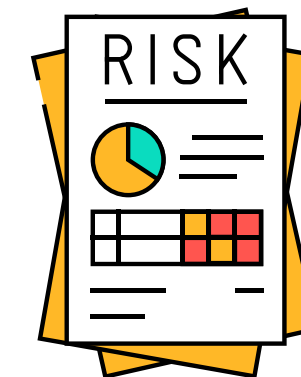
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3.1 RISKS AND ISSUES



Description	Impact	Probability	Mitigation Plan	Owner
Strategic Initiatives don't have Milestones and Tasks.	High	High	Capturing of all Strategic Initiatives Milestones and Tasks on the Strategy Execution Platform.	Neema Mojoo
Strategic Plan combined with BAU and Operational Activities.	High	High	Separating Strategic Initiatives and Projects from BAU and Operational Activities.	Neema Mojoo
No Progress Update provided on the Strategy Platform with supporting evidence of performance for all Initiatives.	High	High	Training Intervention: NBS Strategic Strategy Execution, Monitoring and Evaluation Training.	Mabutho Hlubi



5. RESOURCE & BUDGET HEALTH

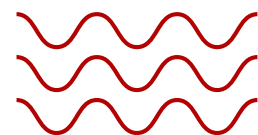


- **Total Annual Strategic Budget:** MWK 1.2 Billion
- **Budget Spent to Date:** MWK 450 Million (37.5%)
- **Variance Analysis:** Slightly under budget due to delays in Initiative Mlimi. Re-allocation of MWK 25M to the WhatsApp Banking initiative is requested to address technical complexity.



6. FORECAST FOR NEXT QUARTER (Q3 2025)

- Resolve Strategic Initiatives and Projects vs BAU and Operational Activities.
- Resolve Strategic Initiatives Milestone Issues
- Resolve Strategy Progress Update challenges
- Operationalise Strategy Progress Review Reports.
 - 1. Quarterly Strategy Execution Review Report (For Senior Leadership/Board)
 - 2. Concise Monthly Status Report (For NBS Bank Department Heads)
 - 3. Visual Dashboard Report (For NBS Bank Weekly Stand-ups)
 - 4. Project Completion / Post-Mortem Report
 - 5. Daily Kanban Board (For Strategy Manager, Strategy Champions, Department Heads, and Senior Leadership)



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NBS Bank is regulated by the Reserve Bank of Malawi which can be contacted on 01 770 600. The Bank principal office is at Simonyi Corner Blantyre.

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The advertisement features a man in a suit holding a smartphone, with a large smartphone graphic behind him showing a loan application interface. The background includes a stylized building with 'Service' and 'STORE' signs. At the bottom, there are several award logos and social media icons.



NBS Bank - Strategy Office

THANK YOU
SO MUCH

04 Sept. 2025

