

SUMMARY OF AUDITED RESULTS FOR THE YEAR ENDED 31st DECEMBER 2009

	31 –Dec- 09	31-Dec-08	
	K'000	K'000	
<u>STATEMENT OF COMPREHENSIVE INCOME</u>		As restated	<u>PERFORMANCE</u>
Interest received	3,603,948	2,424,729	We are pleased to announce a pre-tax profit of K1,207 million compared to K1,124 million and net profit after tax of K 810 million compared to K779 million earned in 2008 representing an increase of 7% and 4% respectively.
Interest payable	(1,072,510)	(565,241)	Total income grew by 32% with Interest Income growing by 49% due to growth in Advances and Non Interest Income growing marginally by 4% due to lower supply of foreign exchange which resulted in reduced fees and margins. Cost Income Ratio was adversely affected from 66% to 70% as a result of the bank paying higher interest on most of its deposits. The Bank remains committed to a target Industry Norm of 60%.
Net Interest Income	2,531,438	1,859,488	The Bank grew the asset and deposit base through its strategy of taking banking to the people which resulted in deposits and lending growth of 47% and 39% respectively. A number of initiatives introduced over the years and customer loyalty continued to have a favorable impact on the business.
Other Income	1,574,917	1,512,589	
Net Income	4,106,355	3,372,077	<u>DISTRIBUTION NETWORK</u>
Operating expenses	(2,755,437)	(2,155,687)	During the period the bank started operating Agencies at CrossRoads in Lilongwe, Raiply in Mzimba and Neno and a few off premises ATMs. This increased the number of Static outlets to 30 and is in line with the Bank's Strategy of taking banking to the people.
Profit before impairment losses	1,350,918	1,216,390	
Impairment provisions	(143,776)	(92,316)	<u>DIVIDEND</u>
Profit before tax	1,207,142	1,124,074	An interim dividend of 20 tambala per share was paid on 18 th December 2009. The Directors will propose a final dividend of K172.7 million (35 tambala per share) at the forthcoming Annual General meeting. This will represent a total dividend paid for the year of K271.33 million, translating to 55 tambala per share (2008: 50 tambala per share)
Income tax expenses	(397,077)	(345,347)	
Profit for the period	810,065	778,727	<u>OUTLOOK</u>
Other Comprehensive Income			We expect performance to improve in 2010 on account of a number of innovations the Bank is pursuing. Margin management will remain crucial for the success of the Bank as it seeks to perform better in its core business.
Net Gain on Property Revaluation	53,735	(3,602)	
Net loss on availability for sale assets	(1,314)	(14,106)	
Total Comprehensive Income	862,486	761,019	
<u>STATEMENT OF FINANCIAL POSITION</u>			
<u>LIABILITIES & EQUITY</u>			
Liabilities to Depositors	24,317,506	16,504,940	
Other liabilities	2,480,535	2,241,442	
Ordinary shareholders funds	2,520,100	1,904,281	
TOTAL	29,318,141	20,650,663	
<u>ASSETS</u>			
Cash and cash equivalents	6,137,262	4,188,461	
Money market investments	1,793,109	906,679	
Other receivables	707,451	1,125,965	
Other investments	68,530	18,665	
Loans and Advances	17,945,806	12,871,498	
Property, plant and equipment	2,665,983	1,539,305	
TOTAL	29,318,141	20,650,663	
Memorandum Items			Increase in the number of points of representation and payment of tobacco proceeds direct through commercial banks will result in increase in non- interest income that will in turn contribute to improve Cost Income Ratio and increased profitability.
Contingent liabilities	197,490	240,011	
<u>STATEMENT OF CHANGES IN EQUITY</u>			BY ORDER OF THE BOARD
As at beginning of period	1,904,281	1,241,060	12TH March 2010
Total Comprehensive income for the period	810,065	778,727	
Other movements net	(194,246)	(115,506)	
As at end of Period	2,520,100	1,904,281	
Basic and diluted earnings per share (tambala)			F L MLUSU, CHAIRMAN
Number of ordinary share in issue (million)	164	158	
<u>STATEMENT OF CASH FLOWS</u>			E NUKA (MRS), DIRECTOR
<u>OPERATING ACTIVITIES</u>			Registered Office
Interest and fees received	5,178,865	3,937,318	Corner Masauko Chipembere Highway/ Johnstone Road Ginnery Corner, Blantyre
Interest paid	(1,072,510)	(565,241)	
Income tax paid	(373,973)	(301,670)	
Cash paid to Suppliers and employees	(3,514,946)	(2,031,477)	
Movement in net customer balances	2,738,258	755,133	
Cash flows from operating activities	2,955,694	1,794,063	
<u>FINANCING ACTIVITIES</u>			<u>AUDITORS REPORT TO THE MEMBERS OF NBS BANK LTD</u>
Proceeds from loan required	281,000		We have audited the financial statements of NBS Bank Ltd for the year ended 31 st December 2009 from which the accompanying summarised financial statements were derived, in accordance with International Standards on Auditing. In our report dated 12 th March 2010, we expressed an unqualified opinion on the financial statements from which the summarised financial statements were derived.
Long – term Loan Repayment	(311,781)	(145,475)	
Dividend Paid	(246,667)	(222,000)	In our opinion, the summarised financial statements are consistent, in all material respects with the financial statements from which they were derived.
Cash flow from financing activities	(277,448)	(367,475)	
<u>INVESTING ACTIVITIES</u>			For a better understanding the bank's financial position and the results of its operations for the period and of the scope of our audit, the summarised financial statements should be read in conjunction with the financial statements from which they were derived and our full audit report thereon.
Investment in shares	(49,865)	(7,390)	
Acquisition of property and equipment	(679,580)	(425,831)	
Cash flows to investing activities	(729,445)	(433,221)	
Net movement in Cash and Cash equivalent	1,948,801	993,367	
Cash and Cash equivalent at beginning of period	4,188,461	3,195,094	
Cash and cash equivalent at end of period	6,137,262	4,188,461	KPMG
			Public Accountants
			Blantyre, Malawi
			12th March 2010

