

SUMMARY OF UNAUDITED INTERIM RESULTS FOR THE PERIOD ENDED 30TH JUNE 2009

	Unaudited six months ended		Audited year ended
	30-Jun 09	30-Jun-08	31-Dec-08
	K'000	K'000	K'000
<u>STATEMENT OF COMPREHENSIVE INCOME</u>			
Interest received	1,722,856	1,094,737	2,424,729
Interest payable	(484,510)	(257,463)	(565,241)
Net Interest Income	1,238,346	837,274	1,859,488
Other Income	745,777	672,779	1,512,589
Net Income	1,984,123	1,510,053	3,372,077
Operating expenses	(1,245,045)	(940,759)	(2,155,687)
Profit before impairment losses	739,078	569,294	1,216,390
Impairment provisions	(84,203)	(48,078)	(92,316)
Profit before tax	654,875	521,216	1,124,074
Income tax expenses	(234,683)	(187,667)	(345,347)
Profit for the period	420,192	333,549	778,727
Other Comprehensive Income			
Decrease in Fair Value of Investments	-	-	(17,708)
Other	-	-	-
Total Comprehensive Income	420,192	415,129	761,019
Earnings per share (tambala)	85	68	158
Number of ordinary share in issue (million)	493	493	493
<u>STATEMENT OF FINANCIAL POSITION LIABILITIES & EQUITY</u>			
Liabilities to Depositors	18,450,222		16,504,940
Other liabilities	2,357,683		2,135,103
Ordinary shareholders funds	2,052,271		1,780,079
TOTAL	22,860,176		20,420,122
<u>ASSETS</u>			
Cash and Cash equivalents	4,580,530		4,188,461
Other receivables	1,458,643		1,926,395
Other investments	18,665		18,665
Loans and Advances	15,030,789		12,747,296
Property, plant and equipment	1,771,549		1,539,305
TOTAL	22,860,176		20,420,122
Memorandum Items			
Contingent liabilities	197,490		240,011
<u>STATEMENT OF CHANGES IN EQUITY</u>			
As at beginning of period	1,780,079	1,241,060	1,241,060
Total Comprehensive income for the period	420,192	415,129	761,019
Other movements net	(148,000)	-	(222,000)
As at end of Period	2,052,271	1,656,189	1,780,079
<u>STATEMENT OF CASH FLOWS OPERATING ACTIVITIES</u>			
Interest and fees received	2,468,638	1,767,516	3,937,318
Interest paid	(484,510)	(257,463)	(565,241)
Cash paid to Suppliers and employees	(502,153)	(1,420,343)	(2,031,477)
Movement in net customer balances	(352,752)	(282,335)	755,133
Income Tax paid	(192,973)	(144,267)	(301,670)
Cash flows from operating activities	936,250	(336,892)	1,794,063
<u>FINANCING ACTIVITIES</u>			
Long – term Loan Repayment	(73,066)	0	(145,475)
Dividend Paid	(148,000)	0	(222,000)
Cash flow from financing activities	(221,066)	0	(367,475)
<u>INVESTING ACTIVITIES</u>			
Investment in shares	0	0	(7,390)
Acquisition of property and equipment	(323,115)	(228,410)	(425,831)
Cash flows to investing activities	(323,115)	(228,410)	(433,221)
Net movement in Cash and Cash equivalent	392,069	(565,302)	993,367
Cash and Cash equivalent at beginning of period	4,188,461	3,195,094	3,195,094
Cash and cash equivalent at end of period	4,580,530	2,629,792	4,188,461

Performance

We are pleased to announce the pre-tax profit of K655 million compared to K521 million earned during a similar period in 2008 representing 26% increase whilst profit after tax at K420 million was 26% up on the corresponding period.

The growth in profitability has been largely due to 48% growth in Net Interest Income arising from a 54% growth in the Loan portfolio which has been funded by a 48% growth in deposits. However, Non Interest income has grown by only 11% due to foreign exchange scarcity.

Outlook

We expect the trend to improve in the second half as the Bank will be rolling out some new products and increasing Points of Representation to continue with its strategy of "Bringing Banking To The People".

The cost to income ratio at 66% was a slight increase from last years ratio of 65% and is forecast to reduce by year end due to cost containment measures and increase in revenue during the second half of the year. The overall after tax profit of K420 million translates to an annualized after tax return on equity of 40%.

Dividend

Considering the ongoing Capital Expenditure Projects which will be completed before the end of year, the Directors have decided that no interim dividend should be paid.

BY ORDER OF THE BOARD

18TH AUGUST 2009

F L MLUSU, CHAIRMAN

E NUKA (MRS), DIRECTOR

Registered Office

**Corner Masauko Chipembere Highway/
Johnstone Road**

Ginnery Corner, Blantyre

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