SUMMARY OF AUDITED RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2006

<table>
<thead>
<tr>
<th>GROUP</th>
<th>COMPANY</th>
<th>31-Dec-06</th>
<th>31-Dec-05</th>
<th>31-Dec-06</th>
<th>31-Dec-05</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>K'm</td>
<td>K'm</td>
<td>K'm</td>
<td>K'm</td>
<td></td>
</tr>
</tbody>
</table>

**INCOME STATEMENTS**

- Interest income: 5,109, 4,180, 5,097, 4,035
- Interest expense: (1,060), (945), (1,060), (793)
- Net interest income: 4,049, 3,335, 4,037, 3,242
- Other income: 2,589, 510, 2,631, 1,868
- Net income: 6,644, 5,245, 6,068, 5,110

**Operating expenses**

- Operating expenses: (3,744), (2,726), (3,090), (2,705)

- Profit before impairment losses on loans and advances: 2,900, 2,451, 2,982, 2,405
- Net recoveries / (losses) on impaired loans and advances: 32, (314), 32, (308)

- Profit before taxation: 2,932, 2,137, 3,014, 2,097
- Taxation: (998), (899), (949), (884)

- Profit after taxation: 1,974, 1,238, 2,065, 1,413
- Minority interest: (9), (3), - , -
- Profit attributable to shareholders: 1,965, 1,235, 2,065, 1,413

**DIVIDENDS PAID**

- Interest: 342, 260, 342, 260
- Dividend per share (Kwacha): 1.75, 1.56
- Number of ordinary shares in issue (millions): 456, 456

**BALANCE SHEETS**

**ASSETS**

- Cash and cash equivalents: 789, 716, 798, 718

**LIABILITIES & EQUITY**

**STATEMENTS OF CHANGES IN EQUITY**

As at beginning of period: 5,376, 4,518, 5,251, 4,444
Net profit for the period: 1,969, 1,435, 2,065, 1,413
Dividends paid: (798), (710), (798), (710)
Revaluation surplus: 201, 201
Impairment on previously revalued assets: (74), (74)
Deferred tax on previously revalued assets: 76, 76
Other movements (net): 32, 32
As at end of period: 6,524, 5,376, 6,522, 5,251

**CASH FLOW STATEMENTS**

Cash flows from operating activities: 2,932, 2,137, 3,014, 2,097
Profit before tax: 2,932, 2,137, 3,014, 2,097
Adjustments for:
- Depreciation: 368, 252, 365, 243
- Gain on winding up subsidiary: - , - , (97), -
- Profit on disposal of fixed assets: (51), (9), (51), (9)
- Dividends received: - , - , - , -
- Reversal of impairment loss: (4), (4), - , -
- Increase in operating liabilities: (6,062), (2,961), (6,649), (2,889)
- Cash generated from operating activities: (6,424), 1,428, 2,065, 1,017
- Tax paid: (825), (643), (820), (637)
- Net cash from operating activities: (1,169), 4,823, 5,157, 4,879
- Net cash inflow from investing activities: 1,134, 1,226, 1,402, 1,231
- Net cash used in financing activities: (891), (714), (753), (738)

**OUTLOOK**

Economic growth prospects, however, improved remarkably in the first half of the year. The Bank registered satisfactory growth in its deposit base and significant growth in its lending portfolio, driven by the ongoing customer recruitment programme. In particular, following the strategic decision to incorporate the business of the former leasing subsidiary of the Bank into the mainstream banking operations, the segment was for the first time able to leverage on the Bank's balance sheet, which saw gross lease debtors grow by 106%.

In addition to the strong earnings performance, it is pleasing to note the satisfactory capital gain enjoyed by our shareholders. Opening at K21, the share price closed at K35, representing a 43% growth within the year. This is a manifestation of the public's confidence in the Bank's earning's potential exemplified by the return of 2006.

**DIVIDEND**

During the year the Bank paid an interim dividend of K342m (K0.75 per share). The Board has resolved to propose to the Annual General Meeting a final dividend amounting to K650m (2005 final: K456m) representing K1.42 per share (2005 final: K1.00), payable on 8th June 2007 to members whose names appear on the register as at the close of business in 18th May, 2007.

**BY ORDER OF THE BOARD**

Dr. M.A.P. Chikaonda
Chairman
E.J Kambalame
Director
29th March, 2007
Registered Office: 19 Victoria Avenue
Blantyre, Malawi