

## QUARTERLY FINANCIAL STATEMENTS

Published in accordance with Section 61(3) of the Banking and Financial Services Act, 1994

Take note that the financial statements on a month on month basis are available on request at every branch of our bank

| BALANCE SHEET   | Quarter Ended<br>30th Sept 2014 | Quarter Ended<br>31st Dec 2014 |
|---|---------------------------------|--------------------------------|
|   | ZMW'000                         | ZMW'000                        |
| <b>ASSETS</b>   |                                 |                                |
| Notes and coins   | 52,988                          | 34,264                         |
| Balances with Bank of Zambia  | 94,687                          | 96,796                         |
| Balances with banks and other financial institutions in Zambia  | 9,525                           | 10,670                         |
| Balances with banks and other financial institutions abroad   | 37,664                          | 14,405                         |
| Investments in securities   | 60,271                          | 53,595                         |
| Loans and advances (net of Capitalised interest on non - performing loans and allowances for loan losses) | 360,060                         | 408,340                        |
| Interbranch   | 2,657                           | 1,989                          |
| Fixed assets  | 35,724                          | 36,664                         |
| Other assets  | 52,020                          | 55,960                         |
| <b>Total Assets</b>   | <b>705,599</b>                  | <b>712,683</b>                 |
| <b>LIABILITIES</b>  |                                 |                                |
| Deposits  | 545,651                         | 556,567                        |
| Balances due to banks and other financial institution in Zambia   | 10,000                          | 10,000                         |
| Balances due to banks and other financial institution abroad  | 31,600                          | 26,900                         |
| Other liabilities   | 9,492                           | 8,914                          |
| Shareholders' equity  | 108,856                         | 110,302                        |
| <b>Total liabilities and shareholders' equity</b>   | <b>705,599</b>                  | <b>712,683</b>                 |
| Off balance sheet items   |                                 |                                |
| Contingent liabilities  | 45,034                          | 95,667                         |
|   | 45,034                          | 95,667                         |

| STATEMENT OF LIQUIDITY POSITION   | 31st Dec 2014 |
|---|---------------|
|   | ZMW'000       |
| (i) DEPOSIT LIABILITIES AND BILLS PAYABLE   |               |
| 1. Demand deposits  | 283,558       |
| 2. Savings deposits   | 77,125        |
| 3. Time deposits  | 195,884       |
| 4. Bills payable  | 75            |
| Total liabilities to the public and bills payable   | 556,642       |
| (ii) TOTAL DEPOSIT LIABILITIES AND BILLS PAYABLE AT THE END OF THE PREVIOUS QUARTER   | 545,874       |
| (iii) LIQUID ASSETS   |               |
| 1. Gold coins & bullion   |               |
| 2. Notes & coins which are legal tender in Zambia   | 34,264        |
| 3. Balances at Bank of Zambia   |               |
| (a) Current account   | 19,914        |
| (b) Statutory deposits account  | 76,882        |
| (c) OMO deposits  | -             |
| (d) Other balances  | -             |
| 4. Treasury bills issued by the Government of the republic of Zambia (including those held as collateral for the Clearing House)  | 47,979        |
| 5. Money at call with any other bank  | -             |
| 6. Bills of exchange and promissory notes eligible for discount at Bank of Zambia   |               |
| 7. Local registered securities which are issued or guaranteed by Government of the Republic of Zambia and which have a final maturity date of not more than six years (at book value) and such other securities as the Minister may have approved | 5,510         |
| 8. Items in transit between banks, branches and head office of bank   | 10,670        |
| Total Liquid assets   | 195,219       |
| (iv) RATIOS   |               |
| 1. Liquid assets (items 2, 3 (a), 3 (c) and 4 as a percentage of total deposit liabilities and bills payable  | 18.35         |
| 2. Total liquid assets as a percentage of total deposit liabilities and bills payable   | 35.07         |
| 3. Total liquid assets as a percentage of total deposit liabilities and bills payable at the end of the previous quarter  | 39.64         |

| INCOME STATEMENT   | Quarter Ended<br>31st Dec 2014 | Year to Date<br>31st Dec 2014 |
|--|--------------------------------|-------------------------------|
|  | ZMW'000                        | ZMW'000                       |
| <b>Interest income from:</b>                               |                                |                               |
| Loans & overdrafts   | 20,151                         | 60,612                        |
| Banks and financial institution                            | 186                            | 3,116                         |
| Securities   | 2,284                          | 10,080                        |
| Other  | -                              | -                             |
| <b>Total interest income</b>                               | <b>22,621</b>                  | <b>73,808</b>                 |
| <b>Interest expense</b>                                    |                                |                               |
| Deposits   | 8,964                          | 27,018                        |
| Paid to banks and financial institution                    | 1,510                          | 5,059                         |
| Shareholders Loans   | -                              | -                             |
| Other  | 7                              | 18                            |
| <b>Total interest expense</b>                              | <b>10,481</b>                  | <b>32,095</b>                 |
| <b>Net interest income</b>                                 | <b>12,140</b>                  | <b>41,713</b>                 |
| Provision for loan losses                                  | 2,584                          | 4,278                         |
| <b>Net interest income after provision for loan losses</b> | <b>14,724</b>                  | <b>45,991</b>                 |
| <b>Non interest and other income</b>                       |                                |                               |
| Commissions fees and service charge                        | 7,687                          | 29,274                        |
| Foreign exchange   |                                |                               |
| - Fees from foreign exchange transactions                  | 23                             | 78                            |
| - Realised trading gains (losses)                          | 1,492                          | 8,218                         |
| - Unrealised trading gains (losses) from forex holding     | 366                            | 1,951                         |
| Dividend income  | -                              | -                             |
| Other  | 370                            | 1,123                         |
| <b>Total non-interest income</b>                           | <b>9,938</b>                   | <b>40,644</b>                 |
| <b>Net interest and other income</b>                       | <b>24,662</b>                  | <b>86,635</b>                 |
| <b>Non-interest expense</b>                                |                                |                               |
| Depreciation   | 1,736                          | 6,689                         |
| Other  | 20,702                         | 77,024                        |
| <b>Total non-interest expense</b>                          | <b>22,438</b>                  | <b>83,713</b>                 |
| Income before taxes and extraordinary items                | 2,224                          | 2,922                         |
| Taxation   | 778                            | 1,094                         |
| Income after taxation                                      | 1,446                          | 1,828                         |
| Extraordinary items  | -                              | -                             |
| Income after Taxation and Extra-ordinary items             | 1,446                          | 1,828                         |
| <b>Net Income</b>  | <b>1,446</b>                   | <b>1,828</b>                  |

| STATEMENT OF CAPITAL POSITION   | 31st Dec 2014  |
|---|----------------|
|   | ZMW'000        |
| <b>I. PRIMARY (Tier 1) CAPITAL</b>  |                |
| (a) Paid-up common shares   | 95,915         |
| (b) Eligible preferred shares   | -              |
| (c) Contribution surplus  | 49,725         |
| (d) Retained earnings   | (44,572)       |
| (e) General reserves  | -              |
| (f) Statutory reserves  | 5,000          |
| (g) Minority interests (common shareholders' equity)  | -              |
| <b>(h) Sub-total</b>  | <b>106,068</b> |
| <b>LESS:</b>  |                |
| (i) Goodwill and intangible assets  | -              |
| (j) Investments in unconsolidated subsidiaries and associates   | -              |
| (k) Lending of a capital nature to subsidiaries and associates  | -              |
| (l) Holding of other banks' or financial institutions' capital instruments  | -              |
| (m) Assets pledged to secure liabilities  | -              |
| <b>Sub-total(A) (items i to m)</b>  | <b>-</b>       |
| <b>OTHER ADJUSTMENTS:</b>   |                |
| Provisions  |                |
| Assets of little or no realisable value   | (106)          |
| Other adjustments (specify)   |                |
| <b>(n) Sub-total (B) - (Sub total A above + Other adjustments)</b>  | <b>(106)</b>   |
| <b>(o) Total primary capital (h-n)</b>  | <b>105,962</b> |
| <b>II. SECONDARY (Tier 2) CAPITAL</b>   |                |
| (a) Eligible preferred share (Regulations 13 and 17)  | -              |
| (b) Eligible subordinated term debt {Regulation 17 (b)}   | -              |
| (c) Eligible loan stock/capital {Regulation 17 (b)}   | -              |
| (d) Revaluation reserves {Regulation 17 (a)} (maximum is 40% of revaluation res)  | -              |
| (e) Other {Regulation 17 (a) specify}   | 1,693          |
| <b>(f) Total secondary capital</b>  | <b>1,693</b>   |
| <b>III. ELIGIBLE SECONDARY CAPITAL</b>  | <b>1,693</b>   |
| (the maximum amount of secondary capital is limited to 100% of primary capital)   |                |
| <b>IV. ELIGIBLE TOTAL CAPITAL [(o)+III] (Regulatory capital)</b>  | <b>107,655</b> |
| <b>V. MINIMUM TOTAL CAPITAL REQUIREMENT:</b>  | <b>104,000</b> |
| (The higher of 104,000 or 10 % of total on and off balance sheet risk-weighted assets as established in the First schedule) |                |
| <b>VI. EXCESS (DEFICIENCY) (IV minus V)</b>   | <b>3,655</b>   |
| <b>RISK BASED ASSETS</b>  | <b>549,763</b> |

Charles H. de B Carey  
Chief Executive Officer

Louis Kabula  
Chief Financial Officer