



INVESTRUST BANK PLC

THIS PRE-LISTING STATEMENT IS NOT AN INVITATION TO THE PUBLIC TO SUBSCRIBE FOR SECURITIES, BUT IS ISSUED IN COMPLIANCE WITH THE LISTINGS REQUIREMENTS OF THE LUSAKA STOCK EXCHANGE FOR THE PURPOSE OF GIVING INFORMATION TO THE PUBLIC WITH REGARD TO THE COMPANY

Pre-Listing Statement

INVESTRUST BANK PLC

**Financial Advisor and Sponsoring
Broker to Investrust**

PANGAEA/EMI SECURITIES
LIMITED

(Reg. no. 33424)

Attorneys to Investrust

LEGAL DEPARTMENT AT INVESTRUST

Date of issue: May 2007



SALIENT DATES AND TIMES

Registration of Investrust Shares by SEC	9th September 2004
LuSE Approval for listing of Investrust Shares on the LuSE	31 May 2007
Abridged Pre-Listing Statement published in the Zambian press	1 June 2007
Investrust Shares listed on the LuSE	from 09:00 hours on 1 June 2007

Note: The above dates are subject to change, with the approval of the LuSE.



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DEFINITIONS AND INTERPRETATION

In this document, unless the context indicates a contrary intention, the following expressions bear the meanings assigned to them below, and an expression which denotes any gender includes the other gender, any reference to a natural person includes a juristic person and vice versa, and the singular includes the plural and vice versa.

“Board”	the Board of Directors of Investrust Bank Plc
“Business Day”	any day other than a Saturday, Sunday or official public holiday
“CSD”	Central Shares Depository of the Lusaka Stock Exchange
“Company”, “Group” or “Investrust”	Investrust Bank Plc, a public limited Company incorporated in Zambia on 19 September 1996 (converted into a public limited Company on 6 April 2004), registration number 21906 and whose registered office is located at Investrust House Plot No. 4527/28, Freedom Way, City Centre, Lusaka, Zambia
“Companies Act”	the Companies Act, 1994 (Act No. 26 of 1994) of Zambia
“Government”	the Government of the Republic of Zambia
“K” or “Kwacha”	the currency of Zambia
“LuSE”	Lusaka Stock Exchange Limited
“Pre-Listing Statement”	this document provides information to the public with regard to the Company
“Rules”	the Listing Rules of the LuSE
“SEC”	Securities and Exchange Commission of Zambia established under the Securities Act, CAP 354 of the laws of Zambia
“Securities Act”	the Securities Act, CAP 354 of the laws of Zambia, governing the operations of the SEC and the Zambian capital market
“Shares”	2,964,000,000 authorised and issued ordinary Shares of par value K 1.00 in Investrust Bank Plc



INVESTRUST BANK PLC

(Incorporated in the Republic of Zambia)
(Registration number: 21906)
("Investrust", "the Company", or "the Group")

PRE-LISTING STATEMENT

Prepared and issued pursuant to the listing of 2,964,000,000 ordinary par value Shares of K 1.00 each in Investrust on the LuSE.

Proposed listing date

Friday, 1 June 2007

1. INTRODUCTION

This Pre-Listing Statement is not an invitation to the public to subscribe for Shares in Investrust, but is issued in accordance with the Rules of the LuSE for the purpose of giving information to the public with regard to the Company.

During the ordinary general meeting of the Company held on 30 April 2007, the members passed a resolution to seek moving the company from the quoted tier to the listed tier on the LuSE. The LuSE granted listing approval commencing 31 May 2007. The share register will be maintained by the CSD. Interested Investors may buy and/or sell Investrust Shares over the LuSE.

2. GENERAL INFORMATION ABOUT THE COMPANY

2.1 Name and Nationality of Company

Investrust Bank Plc is a Company incorporated in the Republic of Zambia and listed on the LuSE.

2.2 Names and Addresses of the Company's Directors

The Board is constituted as follows:

Executive directors

FC Ndhlovu (63), BA (Econ.),MSc (Bus.Admin/Econ B.Com), Managing Director
Plot No. 11 of 50A Makeni, Lusaka.

Non-executive directors

Dr. JB Zulu (60+), BA (Econ.) MA (Econ.) Ph.D. (Econ.) Chairman
Investrust House, Plot 4527/28, Freedom Way, Lusaka.

M.M McNie (67). Fellow Chartered Institute of Bankers England and Wales, and Zambia.
6 Courtyard, Alderbrook, Smithwood Common, Cranleigh, Surrey GU6 8 QU, England.

RL Bvulani (69), Over 40 years experience in business management
Investrust House, Plot 4527/28, Freedom Way, Lusaka.



E Jhala (52), LLB
Investrust House, Plot 4527/28, Freedom Way, Lusaka.

2.3 Names and Addresses of Company's:

(a) Corporate Financial Advisor

Pangaea/EMI Securities Limited
Farmers House at Central Park
Third Floor, North Wing
Cairo Road
P.O. Box 30163
Lusaka, Zambia

(b) Sponsoring Broker

Pangaea/EMI Securities Limited
Farmers House at Central Park
Third Floor, North Wing
Cairo Road
P.O. Box 30163
Lusaka, Zambia

(c) Authorised Representative

Friday Ndhlovu
Investrust House
Plot No. 4527/28
Freedom Way
P. O. Box 32344
Lusaka, Zambia

(d) Legal Advisor

Legal Department
Investrust House
Plot No. 4527/28
Freedom Way
P. O. Box 32344
Lusaka, Zambia

(e) Transfer Agent

LuSE – Central Share Depository
3rd Floor Stock Exchange Building
Central Park
Cairo Road
P.O. Box 34523
Lusaka, Zambia



2.4 Name, Address and Professional Qualifications of Issuer’s Auditors

Deloitte & Touche
2nd Floor Kafue House
Cairo Road
Lusaka, Zambia

Deloitte & Touch is one of the leading international audit firms and among the top five audit firms in Zambia.

2.5 Company’s Date of Incorporation

19 September 1996

3. STATEMENT THAT APPLICATION MADE AND DETAILS OF THE LISTING

3.1 Statement that Application Made

The Company has registered the Shares with the SEC and has secured approval from the LuSE to have the Shares listed on and traded over the LuSE.

3.2 Details of the Listing

(a) Purpose of the listing

This listing is being completed via an introduction. There will be no formal public offer of Shares. Rather, the key shareholders of the Bank have been selling down up to an initial amount of 25% of their shareholdings in the Bank while on the quoted tier of the market. This will continue, but by being on the listed tier, it will provide the added confidence many investors require (in particularly institutional investors) to buy shares and permit the Bank to broaden its shareholding basis and further enhance liquidity in the stock.

(b) Proposed listing date

The proposed date of listing on the LuSE is Friday 1 June 2007.

3.3 Listings on Other Exchanges

None

4. PARTICULARS OF SHARE CAPITAL

The authorised and issued share capital of Investrust are as follows:

	K’000
Authorised:	
5,000,000,000 ordinary Shares of K 1.00 each	5,000,000,000
Issued:	



2,964,000,000 ordinary Shares of K 1.00 each	2,964,000,000
Share premium	2,528,461,000

- Class of Shares : Ordinary
- Nominal value : K 1.00
- Number in the CSD : 2,964,000,000
- Price : K35.00 (market price as at 15.05.07)
- Ranking for dividend : Pari Passu
- Document of title : Share Certificate deposited in the CSD

5. GENERAL INFORMATION ABOUT THE BUSINESS OF THE COMPANY

Investrust Bank is a registered commercial bank with the Bank of Zambia under the Banking and Financial Services Act. The Bank has been in existence since September 1996 and has been expanding its operations with branches in Lusaka, Kitwe, Chipata, and Luangwa. In addition it also has operations at Mulungushi and at the Arcades shopping Mall, both in Lusaka.

On the 6th of April 2004 the bank changed from a private limited company to a public limited company and subsequently had its shares quoted on the Lusaka Stock Exchange (LuSE)

Over the past ten years the Bank has performed well in terms of volume of business with significant growth being recorded in terms of total assets, deposits and profitability year after year. At present the Bank has exceeded the minimum required regulatory capital of Twelve Billion Kwacha.

Clientele

The number of customer accounts continues to rise and include the retail market, government agencies and medium to large sized corporate clients.

Information Technology

The Bank has built its information technology system based on the best standards in the banking industry and all services are fully computerized. The Bank has state-of-the-art technology and computer equipment.

Services

The Bank's services include the following.

- General commercial banking services

- Current and deposit accounts
- Loans and advances
- Issuance of guarantees and bid bonds
- Foreign exchange trading
- Inward and outward letters of credit
- Foreign funds transfers
- Sale of Master Card traveller's cheques
- Safe custody services
- Night safe facilities

- Corporate Finance

The Corporate Finance Division offers a wide range of services such as:



Acceptances and discounting of bills of exchange
Issuance of negotiable certificates of deposit
Provision of overdrafts and short to medium term loans
Provision of financial and investment advice in;
Share issues and rights issues
Underwriting
Mergers and acquisitions
Management buy outs
Private placements
Privatisations
Project and infrastructure finance
Structured and syndicated loans

Provision of leasing facilities for plant, equipment and motor vehicles denominated in Kwacha or US Dollars; and
Merchant banking services relating to initial public offers.

- Treasury

The Treasury Department offers the following services:

Dealing in short-term assets such as;
Treasury bills
Negotiable certificates of deposit
Bankers' acceptances
Government bonds
Commercial paper
Corporate bonds
Call deposits
Time deposits
Inter-bank transactions
Provision of foreign exchange facilities including currency trading



6. FINANCIAL INFORMATION ABOUT THE COMPANY AND PROSPECTS

6.1 Historic Performance

Income Statements

(K '000')	2006	2005	2004
Interest Income	39,718,096	28,682,704	13,649,486
Interest Expense	(14,136,251)	(12,194,457)	(4,893,645)
Net Interest Income	25,581,845	16,488,247	8,755,841
Fee and Commission income	7,667,299	5,689,069	4,029,025
Fee and commission expense	(521,733)	(469,673)	(301,414)
Net Fee and Commission Income	7,145,566	5,219,396	3,727,591
Gains from foreign currency	5,614,844	9,398,580	6,932,720
Other operating Income	289,460	49,440	56,830
Total income	38,631,715	31,625,336	19,472,982
Other Operating Expenses	(23,642,798)	(20,862,628)	(15,298,155)
Impairment charge for credit	(2,919,322)	(1,686,157)	(1,026,121)
Profit before taxation	12,069,595	9,076,551	3,148,706
Taxation	(2,951,339)	(2,942,990)	(1,202,525)
Profit after taxation	9,118,256	6,133,561	1,946,181



BALANCE SHEETS AT

K'000	2006	2005	2004	2003
ASSETS				
Cash and Bank balances with Bank of Zambia	49,979,129	30,053,388	21,775,714	14,611,558
Balances with other Banks all due in 1 yr	22,814,787	12,632,145	32,919,935	13,605,081
Held to Maturity investments	56,922,544	60,663,176	37,250,198	20,933,783
Other Assets	8,576,299	8,103,615	5,514,870	3,553,689
Originating loans and advances	127,481,547	72,648,897	41,886,676	7,627,177
Finance lease receivables	13,112,255	5,597,433	11,419,560	6,146,722
Taxation recoverable	645,701	956,288	880,643	584,583
Available for sale asset	87,398	87,398	87,398	87,398
Property plant and equipment	7,307,307	6,123,819	4,302,570	2,518,689
Total Assets	286,926,967	196,866,159	156,037,564	69,668,680
LIABILITIES				
Customer deposits	243,283,266	162,912,248	119,223,702	47,183,974
Other liabilities	14,653,571	14,071,516	24,157,659	10,210,612
Balances with other Banks all due in 1 yr	1,109,648	-	-	-
Finance lease payables	560,925	398,101	8,093	19,127
Deferred tax	4,170,348	3,953,341	1,922,438	1,021,762
Total Liabilities	263,777,758	181,335,206	145,311,882	58,435,475
EQUITY				
Share Capital	2,964,000	2,964,000	2,964,000	2,964,000
Share premium	2,528,461	2,528,461	2,528,461	2,528,461
Statutory reserves	2,964,000	2,964,000	2,238,824	1,849,588
Revaluation reserve	-	150,438	159,294	162,580
General Banking reserves	-	970,867	-	200,603
Dividend reserves	-	-	474,240	-
Revenue reserves	14,692,748	5,953,187	2,360,863	3,527,973
Total Equity	23,149,209	15,530,953	10,725,682	11,233,205
Total Equity and Liabilities	286,926,967	196,866,159	156,037,564	69,668,680

Indicator	2006	2005	2004
Market Price	K15.00	K7.50	N/A
Earnings Per Share (EPS)	3.08	2.07	0.66
Dividend Per Share (DPS)	K0.77	K0.51	K0.16
Dividend payout %	25%	25%	24%
Dividend yield	5.1%	6.8%	N/A



Dividend cover	4.0	4.06	4.1
Return on Equity (ROE) %	39%	39%	18%
Quick assets to demand liabilities	1.02	1.21	1.49
Quick assets to total deposit ratio	0.44	0.51	0.70
Loan loss coverage ratio	0.09	0.12	0.08
Demand liabilities to total deposits	0.43	0.42	0.47



6.2 Material Accounting Policies of Investrust

Basis of Accounting

The Bank's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements are prepared on the historical cost basis of accounting, modified to include the revaluation and fair valuing of certain property, plant and equipment, financial assets and financial liabilities.

Interest income and expense

Interest income and expense for all interest bearing instruments, except for those classified as held for trading or designated at fair value through profit and loss, are recognised within 'interest income' and 'interest expense' in the income statement using the effective interest method. Interest income includes coupons earned on fixed price investment and trading securities and accrued discount and premium on Treasury Bills and other discounted instruments. When loans and advances become doubtful of collection, they are written down to their recoverable amounts and interest income is thereafter recognised based on the rate of interest that was used to discount the future cash flows for the purpose of measuring the recoverable amount.

Fees and commission income

Fees and commission income are generally recognised on an accruals basis when the service has been provided.

Translation of foreign currencies

The financial statements are presented in Zambian Kwacha in thousands of Kwacha, which is the Bank's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates ruling at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement in the period in which they arise.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using the tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The principal temporary differences arise from the depreciation of property, plant and equipment, revaluation of certain financial assets and liabilities and tax losses carried forward; and in relation to acquisitions, on the difference between their fair values of the net assets acquired and their tax base. The rates enacted or substantially enacted at the balance sheet date are used to determine deferred income tax.



Deferred income tax assets are recognised where it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Income tax payable on profits, based on the applicable Zambian tax law, is recognised as an expense in the period in which profits arise. The tax effects of income tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months maturity from the date of acquisition including cash and non-restricted balances with the Bank of Zambia, treasury bills, loans and advances to banks, amounts due from other banks and short-term government securities.

Financial Assets

The Bank classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. Management determines the classification of its investments at initial recognition.

a) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception.

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated as hedging instruments.

Financial assets and financial liabilities are designated at fair value through profit or loss when:

Doing so significantly reduces measurement inconsistencies that would arise if the related derivatives were treated as held for trading and the underlying financial instruments were carried at amortised cost for such as loans and advances to customers or banks and debt securities in issue;

Certain investments, such as equity investments, that are managed and evaluated on a fair value basis in accordance with a documented risk management or investment strategy and reported to key management personnel on that basis are designated at fair value through profit and loss; and

Financial instruments, such as debt securities held, containing one or more embedded derivatives significantly modify the cash flows, are designated at fair value through profit and loss. Gains and losses arising from changes in the fair value of derivatives that are managed in conjunction with designated financial assets or financial liabilities are included in 'net income from financial instruments designated at fair value'.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than: (a) those that the entity intends to sell immediately or in the short term, which are classified as held for trading, and those that the entity upon initial recognition designates as at fair



value through profit or loss; (b) those that the entity upon initial recognition designates as available for sale; or (c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

c) *Held to maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank's management has the positive intention and ability to hold to maturity. If the Bank were to sell other than an insignificant amount of held-to-maturity assets, the entire category would be reclassified as available for sale. These include Treasury Bills, Government Bonds and other loans such as debentures.

d) *Available for sale assets*

Available for sale assets are measured at fair value, unless there is no reliable measure of fair value, in which case, they are stated at cost. Income from investments is included in the financial statements when amounts are received.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the assets and settle the liability simultaneously.

Impairment of financial assets

a) *Assets carried at amortised cost*

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial assets or group of financial assets that can be reliably estimated.

The criteria that the Bank uses to determine that there is objective evidence of an impairment loss include:

Delinquency in contractual payments of principal or interest;

Cash flow difficulties experienced by the borrower (for example, equity ratio, net income percentage of sales)

- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings;
- Deterioration of the borrower's competitive position;
- Deterioration in the value of collateral; and
- Downgrading below investment grade level.

The estimated period between a loss occurring and its identification is determined by local management for each identified portfolio. In general, the periods used vary between three months and 12 months; in exceptional cases, longer periods are warranted.

The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually



significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Bank may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement in impairment charge for credit losses.

b) *Assets classified as available for sale*

The bank assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining



whether the assets are impaired. If any such evidence exists for available for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the income statement.

c) *Renegotiated loans*

Loans that are either subject to collective impairment assessment or individually significant and whose terms have been renegotiated are no longer considered to be past due but are treated as new loans. In subsequent years, the asset is considered to be past due and disclosed only if renegotiated.

Statutory and other regulatory loan loss reserve requirements that exceed these amounts are dealt with in the general banking reserve as an appropriation of retained earnings.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Leases

a) *The Bank as a lessee*

Operating leases

The leases entered into by the Bank are primarily operating leases. The total payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Finance leases

When assets are held subject to finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.



b) The Bank as a lessor

Amount due from lessees under finance leases are recorded as receivables at the amount of the Bank's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Bank's net investment outstanding in respect of the leases.

Property, plant and equipment

Land and buildings comprise mainly branches and offices. All property, plant and equipment is stated at historical cost or valuation less depreciation. Revaluations of leasehold properties are carried out periodically. Historical costs include expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost down to their residual values over their estimated useful lives, as follows:

Leasehold buildings		50 years
Furniture and fixtures	10 years	
Leasehold land improvements	5 years or over life of the lease	
Motor vehicles	4 years	
Office equipment	4 years	

Leasehold improvements are written off over the shorter of the period of the lease or the economic life of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is immediately written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains and losses on disposal of assets are determined by comparing proceeds with carrying amounts. These are included in the income statement.

Expenditure on property, plant and equipment which are under construction is classified as work-in-progress.

Revaluation reserve

The surplus arising on revaluation of tangible assets is credited to a non-distributable reserve. Decreases that offset previous revaluations of the same asset are charged against the revaluation reserve. All other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the income statement) and depreciation based on the asset's original cost is transferred from the revaluation reserve to revenue reserves. On disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to revenue reserves.

Employment benefits



The Bank has a contributory pension scheme for eligible employees and the benefits are payable as per terms set out in the scheme. The Bank has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Bank's contributions to the defined contribution pension plan are charged to the income statement in the period in which they arise.

On 1 February 2000, the National Pension Scheme Authority (NAPSA) also came into effect. Membership of NAPSA with the exception of expatriate employees is compulsory and monthly contributions by both employer and employee are made.

Short-term benefits, such as salaries, paid absences, and other benefits, are accounted for on an accruals basis over the period which employees have provided services in the year. Bonuses are recognised to the extent that the Bank has a present obligation to its employees that can be measured reliably.

All expenses related to employee benefits are recognised in the income statements in staff benefit expenses, which is included within operating expenses.

Share capital

a) *Share Issue Costs*

Incremental costs directly attributed to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

b) *Dividends on ordinary shares*

Dividends on ordinary shares are recognized in equity in the period in which they are approved by the Bank's shareholders. Dividends for the year that are declared after the balance sheet date are dealt with in the subsequent events note.

Provisions

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events. In addition it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

6.3 Prospects



The directors believe continued sustained growth in the business is achievable. The expansion of the bank in the past ten years has generated increasing profits to the benefit of shareholders. The bank will continue with its steady branch expansion programme in order to provide its services to a wider geographical reach.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are given in Section 2.2 on pages 5 and 6 above collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no other facts the omission of which would make any statement false or misleading, that they have made all reasonable enquiries to ascertain such facts and that this Pre-listing Statement contains all information required by the Lusaka Stock Exchange.

The directors confirm that the listing particulars include all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) as investors and their professional advisers would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the issuer and of the rights attaching to the securities to which the listing particulars relate.

8. DIRECTORS' BORROWING POWERS

The Articles of Association of Investrust provide the following in relation to borrowing powers:

Borrowing powers of directors and how varied

Directors may exercise all the powers of the Company to borrow money for the purposes of the Company and to issue required security (see Article 13).

Restrictions on borrowing powers

The borrowing powers are limited to twenty (20) times the issued share capital of the company at any time.

9. COMPLIANCE WITH GOOD CORPORATE GOVERNANCE

The directors of Investrust subscribe to the principles of transparent and honest corporate management and conform to its requirements in all essential respects. The Bank strives to maintain the highest standards of integrity and ethics throughout its dealings with customers, staff, shareholders and regulators, thereby ensuring the highest level of credibility, confidence and stability.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered offices of Investrust and at the offices of the sponsoring broker, Pangaea/EMI Securities Limited, at any time during normal business hours from **Friday 1 June 2007**:

- Articles of Association of Investrust
- Audited annual financial statements of Investrust for the five years ended 31 December 2002 to 31 December 2006.



An abridged pre-listing statement was published in the Daily Mail and the Times of Zambia in Zambia on 1 June 2007.

Signed by or on behalf of all the directors of Investrust Bank PLC on Friday 1 June 2007.

F NDHLOVU
Managing Director
Investrust Bank PLC
