## Summary consolidated and separate financial statements

### as at 30 June 2019

#### Summary Statements of Profit or Loss and Other Comprehensive Income

		Consolidated			Separate	
	6 months to		12 months to	6 months to	1	2 months to
	30-Jun-19	30-Jun-18	31-Dec-18	30-Jun-19	30-Jun-18	31-Dec-18
US\$	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
Interest income	39 114 732	50 521 021	95 069 602	31 262	421	602 274
Interest expense on deposits and other accounts	(11 457 161)	(12 182 202)	(22 246 619)	(593 504)	(556 071)	(1 206 915)
Net interest income/(expense)	27 657 571	38 338 818	72 822 983	(562 242)	(555 649)	(604 641)
Fees and commissions	13 662 831	22 790 923	41 333 681	-	-	(70 200)
Income from investments	225 513	1 431 799	2 413 333	-	5 598 519	6 200 152
Gain/(loss) on foreign exchange transactions	6 334 722	11 802 635	21 077 712	(27 911)	-	(292 613)
Other operating income	(273 233)	359 285	751 070	3 104 879	353	3 369 005
	19 949 833	36 384 642	65 575 796	3 076 968	5 598 872	9 206 344
Total operating income/(expense)	47 607 404	74 723 460	138 398 779	2 514 726	5 043 222	8 601 703
Staff and training costs	16 736 010	24 222 856	48 922 039	1 508 158	627 372	2 657 388
Premises and equipment costs	6 492 118	6 740 882	14 131 332	443 672	21 492	31 204
Depreciation expense	3 052 558	3 966 947	6 602 258	92 353	-	17 076
Other expenses	9 280 568	12 897 224	26 960 645	641 934	779 563	1 908 898
Impairment loss on financial assets	4 239 399	2 591 850	4 166 418	-	-	-
Total expenses	39 800 652	50 419 760	100 782 692	2 686 116	1 428 427	4 614 566
Profit/(loss) before income tax expense	7 806 752	24 303 700	37 616 087	(171 390)	3 614 795	3 987 137
Income tax expense	(2 727 105)	(4 187 375)	(6 998 336)	-	-	(612 217)
Profit/(loss) for the period	5 079 647	20 116 325	30 617 751	(171 390)	3 614 795	3 374 920
Other comprehensive income						
Items that will never be classified to profit or loss						
Revaluation surplus on property	(1 775 419)	-	4 173 295	-	-	-
Deferred tax on revalued property	457 171	-	(1 033 972)	-	-	-
Fair value (loss)/gain on investment	(225 486)	-	2 723 663	-	-	-
	(1 543 735)	-	5 862 986	-	-	-
Items that are or may be classified to profit or loss Translation difference for foreign operations	(13 820 676)	(1 174 773)	(55 128 886)	_	_	
Total other comprehensive income for the period	(15 364 411)	(1 174 773)	(49 265 900)			
Total comprehensive (loss)/income for the period	(10 284 764)	18 941 552	(18 648 149)	(171 390)	3 614 795	3 374 920
Profit or loss attributable to:	(10 204 704)	10 941 552	(10 040 149)	(171390)	5 0 14 / 95	5 574 920
Owners of the parent	4 407 005	10.000.105	16 601 205	(171 200)	2 614 705	2 274 020
Non-controlling interest	4 497 095 582 552	10 839 195 9 277 131	16 601 205 14 016 546	(171 390)	3 614 795	3 374 920
Profit/(loss) for the period	5 079 647	20 116 325	<b>30 617 751</b>	(171 390)	3 614 795	3 374 920
	5079047	20 110 325	50017751	(171390)	5014795	5 514 520
Total comprehensive (loss)/income attributable to:	(4 220 472)	10 207 010	(2 204 220)	(171 200)	2 (14 705	2 274 020
Owners of the parent	(4 329 473)	10 387 019	(3 394 328)	(171 390)	3 614 795	3 374 920
Non-controlling interest	(5 955 291)	8 554 533	(15 253 821)	(474.200)	-	-
Total comprehensive (loss)/income for the period	(10 284 764)	18 941 552	(18 648 149)	(171 390)	3 614 795	3 374 920
Basic and diluted earnings per share (US' cents)	0.183	0.464	0.709			

#### Summary Statements of Cash Flow

		Consolidated			Separate	
	6 months to		12 months to	6 months to	1	2 months to
	30-Jun-19	30-Jun-18	31-Dec-18	30-Jun-19	30-Jun-18	31-Dec-18
US\$	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
Cash flows from operating activities						
Interest and fees received	61 707 867	85 225 166	159 054 073	3 352	774	3 608 466
Interest paid	(11 457 161)	(12 182 202)	(22 246 619)	(593 504)	(556 071)	(1 206 915)
Cash paid to suppliers and employees	(29 104 353)	(52 524 262)	(100 653 291)	(2 073 488)	(1 150 052)	(5 493 719)
	33 751 175	20 518 701	36 154 163	(2 663 641)	(1 705 349)	(3 092 168)
(Decrease)/Increase in net customer balances	(38 041 569)	(31 541 408)	(169 969 730)	-	-	(3 820 127)
Cash generated from operations	(16 895 216)	(11 022 706)	(133 815 567)	(2 663 641)	(1 705 349)	(6 912 295)
Dividend received net of tax	-	468 474	1 009 699	-	5 598 519	6 200 152
Income taxes paid	(3 864 822)	(3 953 503)	(7 847 231)	-	-	(612 217)
Cash flows from operating activities	(20 760 038)	(14 507 736)	(140 653 099)	(2 663 641)	3 893 170	(1 324 360)
Cash flows from investing activities						
Maturities/(Purchases)/of investment securities	78 127 413	(122 915 896)	(65 094 765)	357 934	(1 470 000)	(626 739)
(Purchases)/maturities of Repos	(7 141 076)	17 880 443	4 820 256	-	-	-
Subscription of shares in subsidiary companies	-	-	-	-	-	(2 812 894)
Proceeds from sale of equipment	-	-	108 866	-	-	-
Acquisition of property and equipment	(8 605 101)	(4 294 084)	(11 650 094)	(896 372)	(55 319)	(207 574)
Cash outflows applied to investing activities	62 381 235	(109 329 537)	(71 815 737)	(538 438)	(1 525 319)	(3 647 207)
Cash flows from financing activities						
Proceeds from issue of shares	-	-	11 701 116	-	-	11 701 116
Loan from related parties	-	-	-	3 000 000	-	-
Long-term placements	-	-	-	(4 055 459)	-	-
Proceeds/(Repayment) of long term borrowings	9 418 213	-	(447 739)	-	520 000	-
Cash flows from financing activities	9 418 213	-	11 253 377	(1 055 459)	520 000	11 701 116
Net increase/(decrease) in cash and cash equivalents	51 039 410	(123 837 272)	(201 215 459)	(4 257 538)	2 887 851	6 729 549
Cash and cash equivalents at 1 January	242 823 101	499 167 446	499 167 446	6 773 806	44 257	44 257
Effect of changes in exchange rates	(13 820 676)	(1 174 773)	(55 128 886)	-	-	-
Cash and cash equivalents at peiod end	280 041 835	374 155 401	242 823 101	2 516 268	2 932 108	6 773 806

US    Notes    01-unudited    01-unudi		n						
US    Notes    Unaudited				Consolidated			Separate	
US\$    Notes    Unaudited    Audited    Audited    Unaudited    Audited    Unaudited    Audited    Audit    Audit    Au			6 months to		12 months to	6 months to		12 months t
Assets    280 041 835    374 155 401    242 823 101    2 516 268    2 932 108    6 773 4      Money market investments    148 428 572    135 015 034    226 424 936    268 805    1 470 000    626 6      Inance lease receivables    130 558    4 63141    2 228 832    -    -    -      Amounts due from related parties    331 807    -    2 996 134    -<			30-Jun-19	30-Jun-18	31-Dec-18	30-Jun-19	30-Jun-18	31-Dec-1
Cash and cash equivalents    280 041 835    374 155 401    242 823 101    2 516 268    2 932 108    6 773 1      Money market investments    148 428 72    135 01504    224 24 293 62    268 805    1 470 000    6 273 1      Money market investments    130 9 558    4 638 141    2 228 832    -    -    -      Amounts due from related parties    34 1807    -    6 334 211    -    -      Repurchase agreements    37 110 210    16 908 947    29 969 134    -    -    -      Viewstments ta fair value through profit    7 450 904    8 148 083    7 665 487    -	US\$ Not	es	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audite
Money market investments  148 428 572  135 015 034  226 424 936  268 805  1 470 000  626 1    Lans and advances to customers  333 496 946  402 024 425  359 147 613  -	Assets							
Money market investments  148 428 572  135 015 034  226 424 936  268 805  1 470 000  626 1    Lans and advances to customers  333 496 946  402 024 425  359 147 613  -	Cash and cash equivalents		280 041 835	374 155 401	242 823 101	2 516 268	2 932 108	6 773 80
Laans and advances to customers      153 496 946    402 024 425    359 147 633    -    -      Amounts due from related parties    341 807    -    228 832    -    -      Amounts due from related parties    37 110 210    16 908 947    29 969 134    -    -      Current tax asset    27 06 516    3 947 711    3 698 352    -    -    -      Investments at fair value through profit    827 877    153 974 133    1793 644    -    -    -      Investment in subsidiary companies    -    -    123 996 981    123 128 150    125 941 0      Investment in point venture    2    14 829 149    -								626 73
Finance lease receivables  1 309 558  4 638 141  2 228 832  -  -    Amounts due from related parties  37 110 210  16 908 947  29 969 134  -  -    Current tax asset  2 706 516  3 947 711  3 698 352  -  -  -    Investments at fair value through profit  8 27 877  153 974 133  773 644  -  -  -    Investment in subsidiary companies  1  -  -  -  129 996 498  123 128 150  125 941    Investment in joint venture  2  14 829 149  - </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>_</td> <td></td>							_	
Amounts due from related parties  341 807  -  6 334 211  -    Repurchase agreements  37 110 210  16 908 947  29 969 134  -  -    Current tax asset  2 706 516  3 947 711  3 698 352  -  -  -    Financial assets at FVOCI  827 877  153 974 133  1793 644  -  -  -    Investment is subidiary companies  7450 904  81 480 83  7 665 487  - <td></td> <td></td> <td></td> <td></td> <td></td> <td>_</td> <td>-</td> <td></td>						_	-	
Repurchase agreements  37 110 210  16 908 947  29 969 134  -  -    Financial assets at FVOCI  827 877  153 974 113  1793 644  -  -    Investment is subsidiary companies  1  -  -  129 996 498  123 128 150  125 941 (0)    Investment in subsidiary companies  1  -  -  -  129 996 498  123 128 150  125 941 (0)    Investment in joint venture  2  14 829 149  -				-		6 334 211	-	
Current tax asset  2 706 516  3 947 711  3 698 352  -  -    Financial assets at FVOCI  827 877  153 974 133  1 793 644  -  -    Investments at fair value through profit  7 450 904  8 148 083  7 655 487  -  -  -    Investment in joint venture  2  14 829 149  -  -  129 996 498  123 128 150  125 941 0    Investment in joint venture  2  14 829 149  -  -  1  -				16 908 947	29 969 134	_	-	
Financial assets at FVOCI  827 877  153 974 133  1 793 644  -  -    Investments at fair value through profit  7 450 904  8 148 083  7 665 487  -  -    Investment in subsidiary companies  1  -  -  -  129 996 498  123 128 150  125 941 0    Investment in joint venture  2  14 829 149  -						_	-	
Investments at fair value through profit  7 450 904  8 148 083  7 65 487  - <t< td=""><td></td><td></td><td></td><td></td><td></td><td>_</td><td>-</td><td></td></t<>						_	-	
or loss  7 450 904  8 148 083  7 655 487								
Investment in subsidiary companies  1  -  -  129 996 498  123 128 150  125 941 0    Investment in joint venture  2  14 829 149  -			7 450 904	8 148 083	7 665 487	_	_	
Investment in joint venture  2  14 829 149  -		1	-	-		129 996 498	123 128 150	125 941 0
Investment property  5 818 306  6 340 494  6 545 861			14 829 149	_	_	-	-	123 9 11 0
Intangible assets  8 546 306  7 920 616  6 917 153  627 298  -    Property and equipment  3  57 097 135  45 253 843  54 948 935  367 220  55 319  190 4    Assets held for sale  1000 945  15 129 298  17 531 259  - <td></td> <td>-</td> <td></td> <td>6 340 494</td> <td>6 545 861</td> <td>-</td> <td>_</td> <td></td>		-		6 340 494	6 545 861	-	_	
Property and equipment  3  57 097 135  45 253 843  54 948 935  367 220  55 319  100 4    Assets held for sale  1000 945  15 129 298  17 531 259  -  -  -    Deferred tax asset  -  -  499 256  -						627 298	_	
Assets held for sale  1 000 945  15 129 298  17 531 259  -  -  -    Deferred tax asset  4 31 731 791  19 181 727  10 825 578  535 878  161 133  3 821 0    Other assets  4 31 731 791  19 181 727  10 825 578  535 878  161 133  3 821 0    Liabilities  950 737 629  1 92 637 854  971 019 161  140 646 177  127 746 711  137 353 0    Liabilities  Balances due to other banks  5 87 457 235  45 251 100  47 735 602  -  -    Customer deposits  641 073 860  918 557 841  720 825 817  -  -  -    Other apayables  52 771 031  32 202 566  27 825 897  1 484 558  589 879  1 020 0    Subordinated debt  6 26 277 711  31 737 295  16 859 518  -  -  -  -    Provisions  1 064 11  2 63 121  1 68 590  - </td <td></td> <td>3</td> <td></td> <td></td> <td></td> <td></td> <td>55 319</td> <td>190.4</td>		3					55 319	190.4
Deferred tax asset  -  -  -  499 256  -  -  -    Other assets  4  31 731 791  19 181 727  10 825 578  535 878  161 133  3 821 0    Total assets  950 737 629  1 192 637 854  971 019 161  140 646 177  127 746 711  137 353 0    Liabilities and Equity  -<		5						1201
Other assets  4  31 731 791  19 181 727  10 825 578  535 878  161 133  3 821 0    Total assets  950 737 629  1192 637 854  971 019 161  140 646 177  127 746 711  137 353 0    Liabilities  Balances  971 019 161  140 646 177  127 746 711  137 353 0    Balances due to other banks  5  87 457 235  45 251 100  47 735 602  -  -  -    Customer deposits  641 073 860  918 557 841  720 825 817  -				-		-	_	
Total assets    950 737 629    1 192 637 854    971 019 161    140 646 177    127 746 711    137 353 0      Liabilities    Balances due to other banks    5    87 457 235    45 251 100    47 735 602    -    -    -      Customer deposits    641 073 860    918 557 841    720 825 817    -		4	31 731 791	19 181 727		535 878	161 133	3 821 0
Liabilities  S7 457 235  45 251 100  47 735 602  -  -    Balances due to other banks  5  S7 457 235  45 251 100  47 735 602  -  -    Customer deposits  641 073 860  918 557 841  720 825 817  -  -  -    Other payables  52 771 031  32 202 566  27 825 897  1 484 558  589 879  1 020 0    Subordinated debt  6  26 277 731  13 972 295  16 859 518  -  -  -    Income tax payable  481 918  695 926 1 306 308  -  -  -  -    Provisions  1 064 011  2 363 121  1 698 590  -  -  -  -    Casn payable  7  6 500 000  6 500 000  9 500 000  8 785 064  6 500 0    Redeemable preference shares  8  10 786 747  10 786 747  10 786 747  10 786 747  10 786 747  10 786 747  10 786 747  10 786 747  10 786 747  10 786 747  10 786 747  10 786 747  10 786 747  10 786 747  10 786 747  10 786 747  10 786 747  10 786 747  10 78								
Liabilities  87 457 235  45 251 100  47 735 602  -  -    Balances due to other banks  5  87 457 235  45 251 100  47 735 602  -  -  -    Customer deposits  641 073 860  918 557 841  720 825 817  -  -  -  -    Other payables  52 771 031  32 202 566  27 825 897  1 484 558  589 879  1 020 0    Subordinated debt  6  26 277 731  13 972 295  16 859 518  -  -  -    Income tax payable  481 918  695 926  1 306 308  -  -  -  -  -    Income tax payable  1064 011  2 363 121  1 698 590  - <th></th> <th>_</th> <th>550 T 5T 625</th> <th>1172 057 054</th> <th>571015101</th> <th>140 040 111</th> <th>12//40/11</th> <th>157 555 00</th>		_	550 T 5T 625	1172 057 054	571015101	140 040 111	12//40/11	157 555 00
Balances due to other banks  5  87 457 235  45 251 100  47 735 602  -  -  -    Customer deposits  641 073 860  918 557 841  720 825 817  -								
Customer deposits  641 073 860  918 557 841  720 825 817  -  -  -    Other payables  52 771 031  32 202 566  27 825 897  1 484 558  589 879  1 020 0    Subordinated debt  6  26 277 731  13 972 295  16 859 518  -  -  -    Deferred tax liabilities  981 753  3 652 622  3 243 342  -  -  -    Income tax payable  481 918  695 926  1 306 308  -  -  -  -    Loans payable  1064 011  2 363 121  1 698 590  -  -  -  -  -  -    Customer deposits  8  10 786 747  10 786		-	07 457 225	45 251 100	47 725 602			
Other payables  52 771 031  32 202 566  27 825 897  1 484 558  589 879  1 02 0    Subordinated debt  6  26 277 731  13 972 295  16 859 518  -		5				-	-	
Subordinated debt  6  26 277 731  13 972 295  16 859 518  -  -    Deferred tax liabilities  981 753  3 652 622  3 243 342  -  -    Income tax payable  481 918  695 926  1 306 308  -  -    Provisions  1 064 011  2 363 121  1 698 590  -  -    Loans payable  7  6 500 000  6 500 000  9 500 000  8 785 064  6 500 00    Redeemable preference shares  8  10 786 747 <td></td> <td></td> <td></td> <td></td> <td></td> <td>1 404 550</td> <td>E 00 070</td> <td>1 0 2 0 0</td>						1 404 550	E 00 070	1 0 2 0 0
Deferred tax liabilities  981 753  3 652 622  3 243 342      Income tax payable  481 918  695 926  1 306 308      Provisions  1 064 011  2 363 121  1 698 590       Loans payable  7  6 500 000  6 500 000  6 500 000  9 500 000  8 785 064  6 500 00    Redeemable preference shares  8  10 786 747		~				1 484 338	283 813	1 020 0
Income tax payable  481 918  695 926  1 306 308  -  -  -    Provisions  1 064 011  2 363 121  1 698 590  - <td></td> <td>0</td> <td></td> <td></td> <td></td> <td>-</td> <td>-</td> <td></td>		0				-	-	
Provisions  1 064 011  2 363 121  1 698 590						_		
Loans payable  7  6 500 000  6 500 000  6 500 000  9 500 000  8 785 064  6 500 00    Redeemable preference shares  8  10 786 747 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td>-</td><td></td></t<>							-	
Redeemable preference shares  8  10 786 747  10 780 747  10 7			481 918	695 926	1 306 308	-	-	
Total liabilities    827 394 285    1 033 982 219    836 781 821    21 771 305    20 161 689    18 306 8      Equity    Share capital    117 409 081    105 707 965    117 409 081    117 409 081    105 707 965    117 409 081    105	Provisions	7	481 918 1 064 011	695 926 2 363 121	1 306 308 1 698 590			6 500 0
Equity  117 409 081  105 707 965  117 409 081  117 409 081  105 707 965  117 409 081    Restructuring reserve  (54 510 623)  (54 510 623)  (54 510 623)  -  -  -    Property revaluation reserve  2 442 665  15 348  3 005 294  -  -  -    Investment revaluation reserve  3 399 442  4 614 103  2 903 507  -  -  -    Investment revaluation reserve  (31 985 153)  (435 156)  (23 817 452)  -  -  -    Translation reserve  (31 985 153)  (435 156)  (23 817 452)  -  -  -    Retained earnings  37 396 625  25 343 997  33 656 133  1 465 791  1 877 056  1 637 1    Total equity attributable to equity holders of the company  74 935 185  80 735 634  79 524 678  118 874 872  107 585 021  119 046 2    Non-controlling interest  123 343 344  158 655 635  134 237 340  118 874 872  107 585 021  119 046 2	Provisions Loans payable		481 918 1 064 011 6 500 000	695 926 2 363 121 6 500 000	1 306 308 1 698 590 6 500 000			
Share capital  117 409 081  105 707 965  117 409 081  117 409 081  105 707 965  117 409 081    Restructuring reserve  (54 510 623)  (54 510 623)  (54 510 623)  (54 510 623)  -	Provisions Loans payable Redeemable preference shares		481 918 1 064 011 6 500 000 10 786 747	695 926 2 363 121 6 500 000 10 786 747	1 306 308 1 698 590 6 500 000 10 786 747	10 786 747	10 786 747	10 786 7
Restructuring reserve  (54 510 623)  (54 510 623)  (54 510 623)  -  -    Property revaluation reserve  2 442 665  15 348  3 005 294  -  -    Loan loss reserve  3 399 442  4 614 103  2 903 507  -  -  -    Investment revaluation reserve  783 148  -  878 738  -  -  -    Translation reserve  (31 985 153)  (435 156)  (23 817 452)  -  -  -  -    Retained earnings  37 396 625  25 343 997  33 656 133  1 465 791  1 877 056  1 637 1    Total equity attributable to equity holders of the company  74 935 185  80 735 634  79 524 678  118 874 872  107 585 021  119 046 2    Non-controlling interest  48 408 159  77 920 001  54 712 662  -  <	Provisions Loans payable Redeemable preference shares Total liabilities		481 918 1 064 011 6 500 000 10 786 747	695 926 2 363 121 6 500 000 10 786 747	1 306 308 1 698 590 6 500 000 10 786 747	10 786 747	10 786 747	10 786 7
Property revaluation reserve  2 442 665  15 348  3 005 294  -  -    Loan loss reserve  3 399 442  4 614 103  2 903 507  -  -    Investment revaluation reserve  783 148  -  878 738  -  -    Translation reserve  (31 985 153)  (435 156)  (23 817 452)  -  -    Retained earnings  37 396 625  25 343 997  33 656 133  1 465 791  1 877 056  1 637 1    Total equity attributable to equity holders of the company  74 935 185  80 735 634  79 524 678  118 874 872  107 585 021  119 046 2    Total equity  123 343 344  158 655 635  134 237 340  118 874 872  107 585 021  119 046 2	Provisions Loans payable Redeemable preference shares Total liabilities Equity		481 918 1 064 011 6 500 000 10 786 747 827 394 285	695 926 2 363 121 6 500 000 10 786 747 <b>1 033 982 219</b>	1 306 308 1 698 590 6 500 000 10 786 747 <b>836 781 821</b>	10 786 747 21 771 305	10 786 747 20 161 689	10 786 7 18 306 8
Loan loss reserve  3 399 442  4 614 103  2 903 507  -  -  -    Investment revaluation reserve  783 148  -  878 738  -	Provisions Loans payable Redeemable preference shares <b>Total liabilities</b> <b>Equity</b> Share capital		481 918 1 064 011 6 500 000 10 786 747 827 394 285	695 926 2 363 121 6 500 000 10 786 747 <b>1 033 982 219</b> 105 707 965	1 306 308 1 698 590 6 500 000 10 786 747 <b>836 781 821</b> 117 409 081	10 786 747 21 771 305	10 786 747 20 161 689	10 786 7 18 306 8
Investment revaluation reserve  783 148  -  878 738  -<	Provisions Loans payable Redeemable preference shares <b>Total liabilities</b> <b>Equity</b> Share capital Restructuring reserve		481 918 1 064 011 6 500 000 10 786 747 827 394 285 117 409 081 (54 510 623)	695 926 2 363 121 6 500 000 10 786 747 <b>1 033 982 219</b> 105 707 965 (54 510 623)	1 306 308 1 698 590 6 500 000 10 786 747 <b>836 781 821</b> 117 409 081 (54 510 623)	10 786 747 21 771 305	10 786 747 20 161 689	10 786 7 18 306 8
Translation reserve  (31 985 153)  (435 156)  (23 817 452)  -	Provisions Loans payable Redeemable preference shares <b>Total liabilities</b> <b>Equity</b> Share capital Restructuring reserve Property revaluation reserve		481 918 1 064 011 6 500 000 10 786 747 827 394 285 117 409 081 (54 510 623) 2 442 665	695 926 2 363 121 6 500 000 10 786 747 <b>1 033 982 219</b> 105 707 965 (54 510 623) 15 348	1 306 308 1 698 590 6 500 000 10 786 747 <b>836 781 821</b> 117 409 081 (54 510 623) 3 005 294	10 786 747 21 771 305	10 786 747 20 161 689	10 786 7 <b>18 306 8</b>
Retained earnings  37 396 625  25 343 997  33 656 133  1 465 791  1 877 056  1 637 1    Total equity attributable to equity holders of the company  74 935 185  80 735 634  79 524 678  118 874 872  107 585 021  119 046 2    Non-controlling interest  123 343 344  158 655 635  134 237 340  118 874 872  107 585 021  119 046 2	Provisions Loans payable Redeemable preference shares <b>Total liabilities</b> <b>Equity</b> Share capital Restructuring reserve Property revaluation reserve Loan loss reserve		481 918 1 064 011 6 500 000 10 786 747 827 394 285 117 409 081 (54 510 623) 2 442 665 3 399 442	695 926 2 363 121 6 500 000 10 786 747 <b>1 033 982 219</b> 105 707 965 (54 510 623) 15 348	1 306 308 1 698 590 6 500 000 10 786 747 <b>836 781 821</b> 117 409 081 (54 510 623) 3 005 294 2 903 507	10 786 747 21 771 305	10 786 747 20 161 689	10 786 7 18 306 8
Total equity attributable to equity holders of the company  74 935 185  80 735 634  79 524 678  118 874 872  107 585 021  119 046 2    Non-controlling interest  123 343 344  158 655 635  134 237 340  118 874 872  107 585 021  119 046 2	Provisions Loans payable Redeemable preference shares <b>Total liabilities</b> Equity Share capital Restructuring reserve Property revaluation reserve Loan loss reserve Investment revaluation reserve		481 918 1 064 011 6 500 000 10 786 747 <b>827 394 285</b> 117 409 081 (54 510 623) 2 442 665 3 399 442 783 148	695 926 2 363 121 6 500 000 10 786 747 <b>1 033 982 219</b> 105 707 965 (54 510 623) 15 348 4 614 103	1 306 308 1 698 590 6 500 000 10 786 747 <b>836 781 821</b> 117 409 081 (54 510 623) 3 005 294 2 903 507 878 738	10 786 747 21 771 305	10 786 747 20 161 689	10 786 7 18 306 8
the company  74 935 185  80 735 634  79 524 678  118 874 872  107 585 021  119 046 2    Non-controlling interest  48 408 159  77 920 001  54 712 662  -	Provisions Loans payable Redeemable preference shares <b>Total liabilities</b> <b>Equity</b> Share capital Restructuring reserve Property revaluation reserve Loan loss reserve Investment revaluation reserve Translation reserve		481 918 1 064 011 6 500 000 10 786 747 <b>827 394 285</b> 117 409 081 (54 510 623) 2 442 665 3 399 442 783 148 (31 985 153)	695 926 2 363 121 6 500 000 10 786 747 <b>1 033 982 219</b> 105 707 965 (54 510 623) 15 348 4 614 103 – (435 156)	1 306 308 1 698 590 6 500 000 10 786 747 <b>836 781 821</b> 117 409 081 (54 510 623) 3 005 294 2 903 507 878 738 (23 817 452)	10 786 747 <b>21 771 305</b> 117 409 081 - - - - - -	10 786 747 <b>20 161 689</b> 105 707 965 - - - - - - -	10 786 7 18 306 8 117 409 0
Non-controlling interest    48 408 159    77 920 001    54 712 662    -    -      Total equity    123 343 344    158 655 635    134 237 340    118 874 872    107 585 021    119 046 2	Provisions Loans payable Redeemable preference shares <b>Total liabilities</b> <b>Equity</b> Share capital Restructuring reserve Property revaluation reserve Loan loss reserve Investment revaluation reserve Translation reserve		481 918 1 064 011 6 500 000 10 786 747 <b>827 394 285</b> 117 409 081 (54 510 623) 2 442 665 3 399 442 783 148 (31 985 153)	695 926 2 363 121 6 500 000 10 786 747 <b>1 033 982 219</b> 105 707 965 (54 510 623) 15 348 4 614 103 – (435 156)	1 306 308 1 698 590 6 500 000 10 786 747 <b>836 781 821</b> 117 409 081 (54 510 623) 3 005 294 2 903 507 878 738 (23 817 452)	10 786 747 <b>21 771 305</b> 117 409 081 - - - - - -	10 786 747 <b>20 161 689</b> 105 707 965 - - - - - - -	10 786 7 <b>18 306 8</b> 117 409 0
Total equity    123 343 344    158 655 635    134 237 340    118 874 872    107 585 021    119 046 2	Provisions Loans payable Redeemable preference shares <b>Total liabilities</b> <b>Equity</b> Share capital Restructuring reserve Property revaluation reserve Loan loss reserve Investment revaluation reserve Translation reserve Retained earnings <b>Total equity attributable to equity holders of</b>	8	481 918 1 064 011 6 500 000 10 786 747 <b>827 394 285</b> 117 409 081 (54 510 623) 2 442 665 3 399 442 783 148 (31 985 153) 37 396 625	695 926 2 363 121 6 500 000 10 786 747 <b>1 033 982 219</b> 105 707 965 (54 510 623) 15 348 4 614 103 	1 306 308 1 698 590 6 500 000 10 786 747 <b>836 781 821</b> 117 409 081 (54 510 623) 3 005 294 2 903 507 878 738 (23 817 452) 33 656 133	10 786 747 21 771 305 117 409 081 - - - 1 465 791	10 786 747 20 161 689 105 707 965 - - - - 1 877 056	10 786 7 <b>18 306 8</b> 117 409 0 1 637 1
	Provisions Loans payable Redeemable preference shares Total liabilities Equity Share capital Restructuring reserve Property revaluation reserve Loan loss reserve Investment revaluation reserve Translation reserve Retained earnings Total equity attributable to equity holders of the company	8	481 918 1 064 011 6 500 000 10 786 747 <b>827 394 285</b> 117 409 081 (54 510 623) 2 442 665 3 399 442 783 148 (31 985 153) 37 396 625 <b>74 935 185</b>	695 926 2 363 121 6 500 000 10 786 747 <b>1 033 982 219</b> 105 707 965 (54 510 623) 15 348 4 614 103 - (435 156) 25 343 997 <b>80 735 634</b>	1 306 308 1 698 590 6 500 000 10 786 747 <b>836 781 821</b> 117 409 081 (54 510 623) 3 005 294 2 903 507 878 738 (23 817 452) 33 656 133 <b>79 524 678</b>	10 786 747 21 771 305 117 409 081 - - - 1 465 791	10 786 747 20 161 689 105 707 965 - - - - 1 877 056	6 500 00 10 786 7 <b>18 306 8</b> 117 409 03 1 637 13 <b>119 046 2</b> 0
	Provisions Loans payable Redeemable preference shares Total liabilities Equity Share capital Restructuring reserve Property revaluation reserve Loan loss reserve Investment revaluation reserve Translation reserve Retained earnings Total equity attributable to equity holders of the company	8	481 918 1 064 011 6 500 000 10 786 747 <b>827 394 285</b> 117 409 081 (54 510 623) 2 442 665 3 399 442 783 148 (31 985 153) 37 396 625 <b>74 935 185</b>	695 926 2 363 121 6 500 000 10 786 747 <b>1 033 982 219</b> 105 707 965 (54 510 623) 15 348 4 614 103 - (435 156) 25 343 997 <b>80 735 634</b>	1 306 308 1 698 590 6 500 000 10 786 747 <b>836 781 821</b> 117 409 081 (54 510 623) 3 005 294 2 903 507 878 738 (23 817 452) 33 656 133 <b>79 524 678</b>	10 786 747 21 771 305 117 409 081 - - - 1 465 791	10 786 747 20 161 689 105 707 965 - - - - 1 877 056	10 786 7 <b>18 306 8</b> 117 409 0 1 637 1
	Provisions Loans payable Redeemable preference shares <b>Total liabilities</b> <b>Equity</b> Share capital Restructuring reserve Property revaluation reserve Loan loss reserve Investment revaluation reserve Translation reserve Retained earnings <b>Total equity attributable to equity holders of the company</b> Non-controlling interest	8	481 918 1 064 011 6 500 000 10 786 747 <b>827 394 285</b> 117 409 081 (54 510 623) 2 442 665 3 399 442 783 148 (31 985 153) 37 396 625 <b>74 935 185</b> 48 408 159	695 926 2 363 121 6 500 000 10 786 747 <b>1 033 982 219</b> 105 707 965 (54 510 623) 15 348 4 614 103 (435 156) 25 343 997 <b>80 735 634</b> 77 920 001	1 306 308 1 698 590 6 500 000 10 786 747 <b>836 781 821</b> 117 409 081 (54 510 623) 3 005 294 2 903 507 878 738 (23 817 452) 33 656 133 <b>79 524 678</b> 54 712 662	10 786 747 21 771 305 117 409 081 - - - 1 465 791 118 874 872 -	10 786 747 20 161 689 105 707 965 - - - 1 877 056 107 585 021 -	10 786 7 <b>18 306 8</b> 117 409 0 1 637 1

#### Summary Statements of Changes in Equity

US\$	6 months to 30-Jun-19 Unaudited	31-Jun-18 Unaudited	12 months to 31-Dec-18 Audited	6 months to 30-Jun-19 Unaudited	31-Jun-18 Unaudited
As at the beginning of the period	134 237 340	143 211 288	143 211 288	119 046 262	103 970 226
Net profit for the period	5 079 647	20 116 325	30 617 751	(171 390)	3 614 795
IFRS 9 Transition adjustment (net of tax)	-	(3 497 206)	(2 745 454)	-	-
Other comprehensive income	(15 364 411)	(1 174 773)	(49 265 900)	-	-
Comprehensive Income attributable to owners	123 952 576	158 655 635	121 817 685	118 874 873	107 585 021
Dividends paid	-	-	-	-	-
Other transactions with owners	(609 232)	-	12 419 655	-	-
Balance at the end of the period	123 343 344	158 655 635	134 237 340	118 874 873	107 585 021

Consolidated

#### Notes to the summary consolidated and separate financial statements

#### (1) Investment in subsidiary companies

At end of the reporting period the Company's portfolio of investments in subsidiary companies comprised:

Name of the Subsidiary	Nature of Business	Type of investment	Jun-19	Jun-18
First Capital Bank Plc (Malawi)	Banking	Equity shares	88 034 223	105 707 965
Afcarme Zimbabwe Holdings (Private) Ltd	Banking	Equity shares	17 420 080	17 420 080
First Capital Bank Zambia Ltd	Banking	Equity shares	4 634 343	-
First Capital Bank Ltd (Botswana)	Banking	Preference shares	2 475 355	-
First Capital Bank Ltd (Botswana)	Banking	Equity shares	3 046 405	-
First Capital Shared Services Ltd	Shared Services	Equity shares	105	-
First Capital Bank S.A. (Mozambique)	Banking	Subordinated debt	817 889	-
First Capital Bank S.A. (Mozambique)	Banking	Equity shares	13 568 097	-

# **FMBcapital**

#### (2) Investment in joint venture

First Capital Bank Zimbabwe, has a 50% share in the Joint Venture Makasa Sun Ltd. Having taken the decision to hold this investment, this has been reclassified from a current asset held for sale.

#### (3) Property, equipment and intangible assets

Additional capital expenditure during the year was financed using internally generated resources.

#### (4) Other Assets

12 months to 31-Dec-18

Audited

103 970 226

107 345 146

11 701 116

Dec-18

101 073 622

17 420 080

4 634 343

1 995 000

119 046 262

3 374 920

Separate

Following the change in currency in Zimbabwe, First Capital Bank had a net open position of US\$14 million, which the Reserve Bank have committed to support. Consequently we have booked a receivable from the Reserve Bank, the valuation for which will be adjusted in the second half, once we have details of the proposed support framework.

#### (5) Balances due to other banks

All balances due to other banks represent short term borrowings for liquidity purposes, borrowing under Repurchase arrangement and credit line facilities for on lending to customers in specified economic sectors. The line of credit facilities carry interest between 3.9% and 5.8% per annum and are repayable in equal bi annual installments. Borrowing under repurchase arrangements carry interest at an average interest rate of 12% per annum.

#### (6) Subordinated debt

The subordinated debt notes constitute direct, subordinated and unsecured obligations as follows:

- a) On 3 June 2016, First Capital Bank Plc (Malawi) issued through private placement K7 billion (US\$9 million), fixed term unsecured floating rate subordinated note which will mature in its entirety on 3 June 2023. Interest is referenced against the published average yield for 91 day Malawi Government Treasury Bills for auctions preceding repricing dates and is payable quarterly in arrears.
- b) In 2017, First Capital Bank Ltd (Botswana), issued P30 million (US\$3.038.958) floating rates notes maturing on 18 January 2022 which earn interest at 70 basis points below the bank rate for the first 5 years, and thereafter at 20 basis points below the bank rate.
- c) In 2017, First Capital Bank Ltd (Botswana) also issued P15 million (US\$1 519 479) floating rate notes maturing on 1 July 2027 and earning interest at 270 basis points above the bank rate. The bank has an early optional redemption date of 18 January 2022 subject to prior written consent from the Bank of Botswana.
- d) On 1 July 2018, First Capital Bank Ltd (Botswana) issued another P33 million (US\$3 085 496) floating rate notes maturing on 25 July 2028 and earning interest at 290 basis points above the bank rate. The bank has an early option date of 25 July 2023 subject to prior written consent from the Bank of Botswana.
- e) In May 2019, First Capital Bank Ltd (Botswana) also issued a total of P104 million (floating rate notes maturing on 31 May 2029 and earning interest at 325 basis points above the bank rate. The bank has an early optional redemption date of 31 May 2024 subject to prior written consent from the Bank of Botswana
- f) The subordinated debt notes constitute direct, subordinated and unsecured obligations of First Capital Bank Plc Malawi and First Capital Bank Ltd (Botswana) respectively. The notes rank pari passu among

#### REVIEW OF THE PERIOD

The establishment of a unified operating platform across the group to extract service and cost efficiencies is still continuing and we are starting to see improvements in the group's reduction in overall year on year costs. The focus remains on completing this process so that long term growth is assured for the shareholders.

The Group continues to experience economic challenges in Zimbabwe, manifesting in high inflation, devaluation of the Zimbabwe dollar, combined with ongoing foreign currency challenges. In addition we are seeing pressure on the policy rate in Malawi, impacting lending margins there. Both of these events, but principally the impact of the changes in Zimbabwe significantly impacted the group's profitability during the first half of 2019, with profit attributable to shareholders decreasing by 59% year on year. Adjusting for the impact of Zimbabwe, we would have seen year on year revenue and profitability growth across the group.

In general, business sentiment remains cautious across our territories of operation. This has limited our lending opportunities, given our measured and cautious lending approach across the group. However our balance sheet remains resilient with over 50% of total assets in liquid form thereby giving the group the capacity to easily take advantage of investment opportunities as they arise. Growth in customer liabilities has been contained accordingly with the focus on increasing the proportion of transactional balances.

themselves and are subordinated to general creditors and claims of depositors

g) In July 2018, First Capital Bank S.A. Mozambique entered into a subordinated loan arrangement with FMBcapital Holdings Plc. The principal amount under the arrangement is 50 million Meticais for a period of 7 years, with payment of semi-annual coupons, with the rate for the first coupon being 18.55%. The loan has since been paid off after the reporting date

#### (7) Loan Payable

FMBcapital Holdings Plc, obtained loan facilities of US\$6.5 million from related parties for the purpose of discharging the purchase consideration for acquisition of shares in Afcarme. These loans are unsecured and bear an interest of 9% pa, with the first interest payment due one year after drawdown and thereafter every quarter. The principal amount including any interest outstanding is repayable after six years.

#### (8) Redeemable preference shares

FMBCH concluded an agreement with Barclays Bank PLC ("BBPLC"), for the acquisition of the 81% of the issued share capital in Afcarme Zimbabwe Holdings (Private) Limited (holding company of Barclays Bank of Zimbabwe Limited). Payment for the acquisition was made partly through cash consideration of US\$6.6 million and partly by issue to BBPLC of 10 786 747 convertible preference shares of US\$1.00 each in the capital of the Company with redemption option.

#### Preferred dividend

The Preference shareholders shall be entitled to be paid out of profits or other reserves available for distribution a fixed cumulative preferential dividend of 5% per annum thereon in priority to any payment of any distribution to the holders of any other class of shares. The holder has no voting right at any General Meeting.

#### Redemption

The Company may, at its absolute discretion, subject to law, redeem or buy back the Preference Shares (in whole or in part) together with a sum equal to the prorated Preferred Dividend payable in respect of the relevant financial year, plus any Preferred Dividend accrued but not paid from previous financial years

The holders of the preference shares shall have the right to require the Company to redeem the whole of the preference shares when there is a change of control of the company or upon expiry of three years from the issue date

#### Convertibility into ordinary shares

In the event that the preference shares are not redeemed as provided, the holder shall be entitled to convert all its shares into full ordinary shares by providing a conversion notice to the Company. Each preference share shall be converted into ordinary shares at a predetermined conversion price of US\$0.0472

#### Status and ranking of the redeemable preference shares

Preference Shares shall constitute unsecured and subordinated obligations of the Company and shall accordingly rank junior to all secured and unsubordinated creditors of the Company but ahead of ordinary shareholders. Preference Shares have been classified as a financial liability ir the balance sheet.

During the period, we have completed a significant landmark in the corporate restructuring process of the group. After fulfilling all regulatory conditions in Botswana and Mozambigue, we transferred First Capital Bank Plc Malawi's shareholding in First Capital Bank Ltd (Botswana) and First Capital Bank S.A. (Mozambigue) to FMBcapital Holdings Plc in February and June 2019 respectively

#### Outlook

The group has made significant investment in our Mozambique and Botswana operations to augment capital base. As a result, significant capacity exists to grow our assets and increase the proportion of higher yielding risk assets in our asset base. The migration and realignment of IT infrastructure in Zimbabwe is now bearing fruit with the enhanced operating platform expected to lead to savings to the group in the medium to long term

The capital adequacy and liquidity ratios of all group banks comfortably exceed the prescribed prudential minimum ratios in their respective territories. We will, however, continue to exercise prudence in our balance sheet management and do not foresee a major increase in our risk appetite given the current economic and business environment prevailing in territories where we operate..

Dheeraj Dikshit Director

**Terence Davidson** Director

BOTSWANA • MALAWI • MAURITIUS • MOZAMBIQUE • ZAMBIA • ZIMBABWE

129 996 498 123 128 045 125 941 039

817 889

105