

UNAUDITED SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

for the six-month interim period ended 30 June 2024

Summary statements of comprehensive income

Summary statemen	its of c	ompre	ehensiv	ve inco	me	
	COI	NSOLIDA'	TED	9	EPARAT	E
	UNAU	DITED	AUDITED	UNAU	DITED	AUDITED
USD'000	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 Dec 2023	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 Dec 2023
Interest and similar income Interest expense and similar charges	104 063 (30 727)	90 461 (25 627)	191 964 (55 429)	180 (1 294)	149 (1 162)	297 (2 385)
Net interest income/(expense) Non-interest income	73 336 54 856	64 834 56 088	136 535 114 744	(1 114) 23 149	(1 013) 15 218	(2 088) 34 181
Total operating income	128 192	120 922	251 279	22 035	14 205	32 093
Operating expenses	(58 723)	(57 356)	(122 999)	(5 490)	(5 286)	(11 543)
Impairment loss on financial assets	(2 922)	(6 251)	(13 288)	-	_	_
Operating profit	66 547	57 315	114 992	16 545	8 919	20 550
Share of loss in joint venture	(51)	_	(1 240)	_		
Profit before income tax expense Income tax expense	66 496 (19 672)	57 315 (15 283)	113 752 (35 008)	16 545 (1 355)	8 919 (1 073)	20 550 (2 510)
Profit for the period	46 824	42 032	78 744	15 190	7 846	18 040
Other comprehensive income Items that will not be classified to profit or loss Revaluation (loss)/surplus on property Deferred tax on revalued property Fair value gain/(loss) on investments Deferred tax on fair value changes on investments	- - 464 (223)	(5 314) 1 958 (2 365) 72	4 514 383 (1 573) 389	- -	- - -	- - -
Items that may be reclassified subsequently to profit or loss Fair value loss on FVOCI financial assets Exchange differences on translating foreign operations	(126) 2 809	(5 649) - (1 875)	3 713 (1 325) (39 509)	-	-	-
translating roleigh operations	2 683	(1 875)	(40 834)			
Total other comprehensive income/(loss) for the period Total comprehensive income	2 924	(7 524)	(37 121)	-	-	-
for the period	49 748	34 508	41 623	15 190	7 846	18 040
Profit or loss attributable to: Owners of the parent Non-controlling interest	29 499 17 325	30 024 12 008	52 625 26 119	15 190 –	7 846 –	18 040 –
Profit for the period	46 824	42 032	78 744	15 190	7 846	18 040
Total comprehensive income attributable to: Owners of the parent Non-controlling interest	31 851 17 897	26 601 7 907	23 009 18 614	15 190 -	7 846 –	18 040 –
Total comprehensive income for the period	49 748	34 508	41 623	15 190	7 846	18 040
Basic earnings per share (US cents) Diluted earnings per share	1.200	1.221	2.141			

Summary statements of changes in equity

Summary statements of changes in equity									
	CO	NSOLIDA ^T	ΓED	SEPARATE					
	UNAUDITED		AUDITED	UNAUDITED		AUDITED			
USD'000	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 Dec 2023	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 Dec 2023			
Opening equity Profit for the period Total other comprehensive income/ (loss) for the period Dividends declared and paid Movements in other reserves	215 854 46 824 2 924 (19 208) 167	196 882 42 032 (7 524) (14 097)	196 882 78 744 (37 121) (22 652)	130 386 15 190 - (10 625)	125 821 7 846 – (8 313)	125 821 18 040 - (13 475)			
Closing equity	246 561	217 293	215 854	134 951	125 354	130 386			

1.116 1.133 1.994

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PROFIT AFTER TAX 11% 🙃

COST INCOME

46%

CUSTOMER ADVANCES 4% 🕜

RETURN ON AVERAGE EQUITY 36%

ary statements of financial position

Summary stateme	nts of	financ	ial pos	sition		
	СО	NSOLIDA [*]	TED	:	SEPARATI	E
	UNAU	DITED	AUDITED	UNAU	DITED	AUDITED
	As at	As at	As at	As at	As at	As at
USD'000	30 June 2024	30 June 2023	31 Dec 2023	30 June 2024	30 June 2023	31 Dec 2023
ASSETS						
Cash and balances with central						
banks	540 291	392 206	439 423	12 370	1 562	6 515
Money market investments	317 581	297 750	220 156	_	_	-
Loans and advances to customers	728 908	700 022	716 389	_	_	_
Repurchase agreements Derivative financial assets	5 025	16 738	4 980	_	_	_
Current tax asset	13 798 1 607	1 126	6 209 2 759	_		
Assets held for sale	2 217	81	2 7 3 9	_	_	_
Investments at fair value through	2217	01	2211	_	_	_
profit or loss	13 331	10 736	9 815	_	_	_
Investments at fair value through		.5.50	20.5			
other comprehensive income	4 332	4 435	4 332	_	_	-
Investments in subsidiary companies	_	-	-	141 386	141 386	141 386
Investment in joint venture	14 288	15 580	14 340	_	-	-
Other assets	22 534	21 141	24 862	16 547	5 919	5 906
Investment property	1 494	4 800	1 494	-	_	-
Intangible assets	5 769	7 509	6 808	2 133	3 986	4 037
Property and equipment and						
right-of-use assets	71 282	69 667	65 300	1 083	691	775
Deferred tax assets	2 134	1 622	1 448		_	
Total assets	1 744 591	1 543 413	1 520 532	173 519	153 544	158 619
LIABILITIES AND EQUITY						
Liabilities						
Balances due to other banks	87 345	82 188	70 274	-	-	-
Customer deposits		1 133 897	1 096 195	-	_	-
Derivative financial liabilities	10 460	-	4 845	-	-	-
Other payables and provisions	81 247	64 909	58 541	11 100	1 368	1 104
Current tax liabilities	6 937	6 109	9 518	_	_	_
Deferred tax liabilities	10 176 53 723	3 881 16 035	8 862 33 835	16 681	16 035	16 342
Loans payable Subordinated debt	11 658	8 314	11 821	10 00 1	10 033	10 342
Convertible preference shares	10 787	10 787	10 787	10 787	10 787	10 787
Total liabilities	1 498 030	1 326 120	1 304 678	38 568	28 190	28 233
Equity	447 400	447.400	447 400	447 400	447 400	447 400
Share capital	117 409	117 409	117 409	117 409	117 409	117 409
Restructuring reserve	(54 511) 13 320	(54 511)	(54 511)	_	_	_
Property revaluation reserve		8 928	13 320 5 084		_	_
Loan loss reserve Other reserves	6 143 12 612	3 097 2 977	5 084 6 624		_	_
Foreign currency translation	12 012	2311	0 024		_	_
reserve	(79 733)	(51 182)	(82 024)	_	_	_
Retained earnings	143 605	119 857	131 549	17 542	7 945	12 977
Total equity attributable to						
equity holders of the company	158 845	146 575	137 451	134 951	125 354	130 386
Non-controlling Interest	87 716	70 718	78 403	_	_	_
Total equity	246 561	217 293	215 854	134 951	125 354	130 386
Total equity and liabilities	1 744 591	1 543 413	1 520 532	173 519	153 544	158 619
rotal equity and liabilities	1 177 371	(17 CFC 1	1 220 222	113313	177 744	130 013

Summary statements of cash flows

diffinition by statements of cash flows								
	CO	NSOLIDA	ΓED	SEPARATE				
	UNAU	UNAUDITED		UNAU	DITED	AUDITED		
SD'000	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 Dec 2023	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 Dec 2023		
et cash generated from perating activities et cash (used in)/generated	243 025	124 889	176 107	5 036	7 619	19 561		
rom investing activities et cash generated from/(used	(186 358)	(105 122)	(126 474)	827	(663)	(1 569)		
) financing activities	26 477	(5 880)	21 304	(8)	(8 291)	(14 374)		
et increase/(decrease) in ash and cash equivalents ash and cash equivalents at	83 144	13 887	70 937	5 855	(1 335)	3 618		
ash and cash equivalents at eginning of period ¹ Ffect of changes in exchange	392 722	376 788	376 788	6 515	2 897	2 897		
ite	1 250	(5 818)	(55 003)	-	_	_		
ash and cash equivalents t end of period¹	477 116	384 857	392 722	12 370	1 562	6 515		

1 Excludes provision for expected credit losses and restricted balances held for mandatory reserving with Banco de Moçambique. The June 2023 comparatives were restated to exclude these restricted cash balance

CUSTOMER

DEPOSITS

8% 🕠

CREDIT LOSS

RATIO

ADDITIONAL INFORMATION Investment in subsidiary companies

At the end of the reporting period, the company's portfolio of investments in subsidiary companies was

TOTAL ASSETS

13%

DIVIDEND PER

SHARE (US CENTS)

	Nature of	Type of	Holding %	USD'000
Name of entity	Business	Investment	30 June 2024	
First Capital Bank Plc (Malawi)	Banking	Equity shares	100	88 034
Afcarme Zimbabwe Holdings (Private) Limited	Banking	Equity shares	100	17 670
First Capital Bank (Zambia) Limited	Banking	Equity shares	49	4 634
First Capital Shared Services Limited	Shared Services	Equity shares	100	4 160
First Capital Bank Ltd (Botswana)	Banking	Equity shares	38.6	3 047
First Capital Bank Ltd (Botswana)	Banking	Preference shares	100	2 475
First Capital Bank S.A. (Mozambique)	Banking	Equity shares	80	21 366
Total investment in subsidiary companies				141 386

Non-interest income

	SEPARATE					
	UNAU	UNAUDITED				
JSD'000	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 Dec 2023			
Dividend income from preference shares Dividend income from ordinary shares Management fees Other income	76 17 771 5 116 186	81 10 109 4 591 437	161 23 305 9 928 787			
	23 149	15 218	34 181			

Debt and other liabilities Balances due to other banks

	COI	NSOLIDA	TED
	UNAU	DITED	AUDITED
USD'000	As at 30 June 2024	As at 30 June 2023	As at 31 Dec 2023
Borrowings from other banks	81 976	55 250	58 090
Repurchase agreements	5 000	16 100	3 314
Bank of Zambia – TMTRF	369	7 757	2 870
FMO Line of Credit	-	3 081	6 000
	87 345	82 188	70 274
Maturing as follows			
Due within 1 year	70 661	78 056	53 590
Due between 2 and 5 years	16 684	4 132	16 684
	87 345	82 188	70 274
Borrowings from other banks include, but are not limited to, facility lines of credit from Furopean Investment Bank Afreximbank and Crown			

Agents Bank, In May 2022, FCB Zimbabwe secured a development line Agents Bank. In May 2022, FCB Zimbabwe secured a development line of credit amounting to EUR 12.5 million from EIB. The facility matures in April 2029. In August 2023, FCB Zimbabwe secured a USD 20 million trade finance facility from African Export Import Bank to support its SME clients. The trade finance facility expires in June 2026. In addition, FCB Mozambique has correspondent banking lines with Crown Agents Bank and CitiBank. These amounted to USD 13 million, attracting 0%, and reasyable on a short-term, revolving basis. and repayable on a short-term, revolving basis. In 2020, FCB Zambia secured a facility, Bank of Zambia – Targeted Medium Term Refinancing Facility, for further lending to customers. Interest is payable linked to the Zambia Monetary policy rate which was 8% per annum. The loan is repayable in quarterly installments with interest. The loan was disbursed in three tranches whose maturity dates are 1 September 2023, 4 February 2024 and 8 February 2025.

dates are 1 september 2025, 4 rebidary 2024 and 6 rebidary 2025.			
Subordinated debt			
Notes issued by FCB Botswana	11 658	8 314	11 821
The subordinated debt notes constitute direct, subordinated and unsecured obligations and the terms are unchanged from 30 June 2023.			
Convertible preference shares			
Convertible preference shares	10 787	10 787	10 787
These were acquired by Prime Bank Limited and Magni Holdings Limited in 2021 and are convertible at USD 0.0472 per share. FMBCH is obliged to pay a fixed cumulative preferential dividend of 9% per annum out of profits or other reserves available for distribution. The convertible preference shares agreement has been extended until 31 October 2027.			

Loans pavable 6 500 6 500 6 500 Related parties 9 467 8 844 Other lenders Commercial paper 37 041 17 214 691 715

Commercial paper was issued by FCB Mozambique in April and June 2024 with maturity dates of October 2024 and June 2025 and fixed interest rates of 14% and 15 % per annum respectively. Related party loans are unsecured and repayable in full in 2026. These loans bear interest of 9% payable annually

Exchange rate trends

		30 June 2024 30 Ju		30 Jun	e 2023	31 Dec 2023	
Country	Currency	Average rate	Closing rate	Average rate	Closing rate	Average rate	Closing rate
Botswana	BWP	13.66	13.59	13.44	13.51	13.36	13.40
Malawi	MWK	1 707.12	1 733.83	1035.20	1053.43	1145.60	1683.33
Mozambique	MZN	63.90	63.91	63.88	63.88	63.89	63.90
Zambia	ZMW	25.48	24.03	18.82	17.59	20.13	25.75
Mauritius	MUR	45.88	47.44	45.43	45.55	45.19	44.05
Zimbabwe	USD	1.00	1.00	1.00	1.00	1.00	1.00

REVIEW OF PERIOD

Group results

In the six months to 30 June 2024, FMBcapital Holdings plc (the Group or FMBCH) successfully navigated a difficult economic environment to record a profit after tax of USD 46.8 million and deliver a 12-month rolling return on average equity (ROE) of 36%. This performance is underpinned by continued balance sheet growth

- Key highlights of the Group's 2024 interim performance include:
 Net interest income for the half year is up 13% and total non-interest income is 2% below prior period, resulting in total operating income of USD 128 million a growth of 6% period on period.
 Profit after tax is USD 46.8 million up 11% from June 2023.
 Profit after tax attributable to owners of FMBCH is USD 29.5 million, 2% below prior period.

- Loans and advances to customers grew by 4%, closing at USD 729 million.
 Credit loss ratio on customer advances (net impairment expense as a proportion of average advances) continues to be market leading at 1.39% (June 2023: 0.94%).

- Customer deposits are up 8% to more than USD 1.23 billion. The Group's strategy remains growth oriented, with sustained impetus to build into a significant regional bank with a diversified portfolio of corporate, business and consumer banking solutions, complemented

by relevant treasury activities. Enterprise risk governance is a mainstay of the oversight process, such that capital, liquidity, and other resource allocation is optimal. All considered, the Group's results for the period ended 30 June 2024 reflect a healthy and growing brand, in which the efforts to enhance customer centricity, invest in our technology and our people, and remain well

governed, are reflected well. The business remains focused on delivering superior client experience, building sustainable solutions to

enable the Group to deliver against its strategy. Ongoing investment in clients and digital capabilities will support continued business growth.

Profit after tax by country

	UNAU	DITED	AUDITED		
USD Million	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 Dec 2023	Period on period growth	
Botswana	12.08	7.65	16.78	58%	
Malawi	9.76	16.33	26.30	(40%)	
Mauritius	(2.42)	(2.19)	(8.08)	(11%)	
Mozambique	11.81	8.93	19.18	32%	
Zambia	4.08	4.50	8.86	(9%)	
Zimbabwe	11.51	6.81	15.70	69%	
Total	46.82	42.03	78.74	11%	

Resolution of the independent auditor's report qualification matter on 2023 consolidated annual financial statements relating to the functional currency change for First Capital Bank (FCB) Zimbabwe

FCB Zimbabwe changed its functional currency on 1 January 2023, having assessed that the United States Dollar (USD) had become the dominant currency of trade since the last half of 2022. At the beginning of 2023, the USD contributed to more than 60% of all assets, liabilities, revenue, and expenses of FCB Zimbabwe and by the end of 2023, this had increased above the 90% mark. The transition date of 1 January 2023 was adopted as a practical expediency for the change in functional currency noting that the change was not an event, but the product of a technical assessment guided by practical experiences on the ground. FCB Zimbabwe successfully reported its financial outturn for 2023 with an unqualified opinion being issued by Deloitte, the component auditor for the 2023 financial year. However, the independent auditor of the Group, EY Mauritius, opined that the date of change in functional currency could only have been a date after 30 September 2023.

While this was a difference in judgement, EY concluded that the only remedy available was to issue a qualified opinion on the consolidated financial statements of the Group for the year ended 31 December 2023. Accordingly, EY believed the first nine months of FCB Zimbabwe's 2023 financial statements should have continued to be prepared on a hyperinflationary basis in accordance with IAS 29 Financial Reporting in Hyperinflationary Economies.

Following three-way discussions with FCB Zimbabwe's incoming auditor EY Zimbabwe. EY Mauritius and management, the following has been agreed to resolve the potential qualification of 2024 annual financia statements relating to this matter:

- Accept the functional currency change date of 1 October 2023, but for practical expediency purposes, the date of 31 December 2023 will be adopted as the effective date of the change.
 FCB Zimbabwe will prepare hyperinflationary financial statements up to 30 December 2023 and apply
- functional currency change from 31 December 2023.
 The new USD values for the assets held at fair value per Group's policy will be revalued on

31 December 2023. This approach has been adopted as it meets technical expectations set by EY to avoid further qualification of the 2024 financial statements because of the adoption date of functional currency change. This also achieve balance on the usefulness and cost of producing financial information and can be achieved in time for 2024

vear end reporting. The financial impact of the functional currency change on financial statements will only be fully determined after the preparation of the financial statements on a hyperinflationary basis has been completed and audited by the component auditor, EY. However, the Board's preliminary assessment indicates that the financial statements are unlikely to differ materially from the previously reported and consolidated figures in respect

Consequently, the functional currency change will not have an impact on the dividend declared and paid to shareholders, nor on the Group's liquidity, solvency and capital adequacy.

The Board of Directors has resolved to pay an interim dividend of USD 5 162 325 being 0.21 US cents per share (June 2023: 0.21 US cents). The interim dividend will be paid on or about 9 October 2024 to shareholders whose names will appear on the Register of Members at close of business on Friday 4 October 2024. Accordingly, the shares will go ex-dividend by Wednesday 2 October 2024. The dividend will be paid to Malawi resident shareholders in Malawi Kwacha calculated at the closing USD mid-market rate on 4 October 2024 as published by the Reserve Bank of Malawi. The Register of Members will be closed from 4 October to 7 October 2024, both days inclusive. During this period, no share transactions will be conducted.

By order of the Board

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Mr. Terence Davidson

Mr. Busisa Moyo

30 August 2024

Chairman

9 496

625

53 723 16 035 33 835

Belief comes first.