

UNAUDITED SUMMARY CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS

for the six-month interim period ended 30 June 2024

PROFIT
AFTER TAX

11%

↑

CUSTOMER
ADVANCES

4%

↑

CUSTOMER
DEPOSITS

8%

↑

TOTAL
ASSETS

13%

↑

COST INCOME
RATIO

46%

RETURN ON
AVERAGE EQUITY

36%

CREDIT LOSS
RATIO

1.39%

DIVIDEND PER
SHARE (US CENTS)

0.21

Summary statements of comprehensive income

	CONSOLIDATED			SEPARATE		
	UNAUDITED	AUDITED		UNAUDITED	AUDITED	
	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
USD'000						
Interest and similar income	104 063	90 461	191 964	180	149	297
Interest expense and similar charges	(30 727)	(25 627)	(55 429)	(1 294)	(1 162)	(2 385)
Net interest income/(expense)	73 336	64 834	136 535	(1 114)	(1 013)	(2 088)
Non-interest income	54 856	56 088	114 744	23 149	15 218	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	66 496	57 315	113 752	16 545	8 919	20 550
Income tax expense	(19 672)	(15 283)	(35 008)	(1 355)	(1 073)	(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	–	(5 314)	4 514	–	–	–
Deferred tax on revalued property	–	1 958	383	–	–	–
Fair value gain/(loss) on investments	464	(2 365)	(1 573)	–	–	–
Deferred tax on fair value changes on investments	(223)	72	389	–	–	–
Items that may be reclassified subsequently to profit or loss	241	(5 649)	3 713	–	–	–
Fair value loss on FVOCI financial assets	(126)	–	(1 325)	–	–	–
Exchange differences on translating foreign operations	2 809	(1 875)	(39 509)	–	–	–
	2 683	(1 875)	(40 834)	–	–	–
Total other comprehensive income/(loss) for the period	2 924	(7 524)	(37 121)	–	–	–
Total comprehensive income for the period	49 748	34 508	41 623	15 190	7 846	18 040
Profit or loss attributable to:						
Owners of the parent	29 499	30 024	52 625	15 190	7 846	18 040
Non-controlling interest	17 325	12 008	26 119	–	–	–
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	31 851	26 601	23 009	15 190	7 846	18 040
Non-controlling interest	17 897	7 907	18 614	–	–	–
Total comprehensive income for the period	49 748	34 508	41 623	15 190	7 846	18 040
Basic earnings per share (US cents)	1.200	1.221	2.141			
Diluted earnings per share (US cents)	1.116	1.133	1.994			

Summary statements of changes in equity

	CONSOLIDATED			SEPARATE		
	UNAUDITED	AUDITED		UNAUDITED	AUDITED	
	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
USD'000						
Opening equity	215 854	196 882	196 882	130 386	125 821	125 821
Profit for the period	46 824	42 032	78 744	15 190	7 846	18 040
Total other comprehensive income/(loss) for the period	2 924	(7 524)	(37 121)	–	–	–
Dividends declared and paid	(19 208)	(14 097)	(22 652)	(10 625)	(8 313)	(13 475)
Movements in other reserves	167	–	1	–	–	–
Closing equity	246 561	217 293	215 854	134 951	125 354	130 386

Where to find us

Registered Office:
C/o: JTC Fiduciary Services
(Mauritius) Limited,
Unit 5ABC, 5th Floor,
Standard Chartered Tower,
19 Cybercity, Ebène,
Mauritius

Branch Office:
Livingstone Towers, Glyn Jones Road,
Private Bag 122, Blantyre, Malawi
Tel: +265 1 821955 / 821943

www.fmbcapitalgroup.com

Summary statements of financial position

	CONSOLIDATED			SEPARATE		
	UNAUDITED	AUDITED		UNAUDITED	AUDITED	
	As at 30 June 2024	As at 30 June 2023	As at 31 Dec 2023	As at 30 June 2024	As at 30 June 2023	As at 31 Dec 2023
USD'000						
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	5 025	16 738	4 980	–	–	–
Derivative financial assets	13 798	–	6 209	–	–	–
Current tax asset	1 607	1 126	2 759	–	–	–
Assets held for sale	2 217	81	2 217	–	–	–
Investments at fair value through profit or loss	13 331	10 736	9 815	–	–	–
Investments at fair value through 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	1 225 697	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	3 881	8 862	–	–	–
Loans payable	53 723	16 035	33 835	16 681	16 035	16 342
Subordinated debt	11 658	8 314	11 821	–	–	–
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						
Share capital	117 409	117 409	117 409	117 409	117 409	117 409
Restructuring reserve	(54 511)	(54 511)	(54 511)	–	–	–
Property revaluation reserve	13 320	8 928	13 320	–	–	–
Loan loss reserve	6 143	3 097	5 084	–	–	–
Other reserves	12 612	2 977	6 624	–	–	–
Foreign currency translation 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

Summary statements of cash flows

	CONSOLIDATED			SEPARATE		
	UNAUDITED	AUDITED		UNAUDITED	AUDITED	
	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
USD'000						
Net cash generated from operating activities	243 025	124 889	176 107	5 036	7 619	19 561
Net cash (used in)/generated from investing activities	(186 358)	(105 122)	(126 474)	827	(663)	(1 569)
Net cash generated from/(used in) financing activities	26 477	(5 880)	21 304	(8)	(8 291)	(14 374)
Net increase/(decrease) in cash and cash equivalents	83 144	13 887	70 937	5 855	(1 335)	3 618
Cash and cash equivalents at beginning of period¹	392 722	376 788	376 788	6 515	2 897	2 897
Effect of changes in exchange rate	1 250	(5 818)	(55 003)	–	–	–
Cash and cash equivalents at 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 balances.

ADDITIONAL INFORMATION

Investment in subsidiary companies

At the end of the reporting period, the company's portfolio of investments in subsidiary companies was unchanged from the previous reporting period and comprised:

Name of entity	Nature of Business	Type of Investment	Holding %	USD'000
			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		
	UNAUDITED	AUDITED	
	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 Dec 2023
Dividend income from preference shares	76	81	161
Dividend income from ordinary shares	17 771	10 109	23 305
Management fees	5 116	4 591	9 928
Other income	186	437	787
	23 149	15 218	34 181

Debt and other liabilities

Balances due to other banks

	CONSOLIDATED		
	UNAUDITED	AUDITED	
	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 European Investment Bank, Afreximbank, and Crown 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 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.

Subordinated debt

Notes issued by FCB Botswana	11 658	8 314	11 821
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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
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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 payable			
Related parties	6 500	6 500	6 500
Other lenders	9 467	8 844	9 496
Commercial paper	37 041	–	17 214
Accrued interest	715	691	625
	53 723	16 035	33 835

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

Country	Currency	30 June 2024		30 June 2023		31 Dec 2023	
		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 and higher margins.

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