

# SUMMARY OF AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

for the year ended 31 December 2024  
prepared under Listing Rules of Malawi Stock Exchange

## Summary statements of profit or loss and other comprehensive income

for the year ended 31 December	CONSOLIDATED		SEPARATE	
	AUDITED	RESTATED¹	AUDITED	
	2024	2023	2024	2023
USD'000				
Interest and similar income	229 375	191 558	379	297
Interest expense and similar charges	(62 856)	(55 561)	(2 217)	(2 385)
Net interest income/(expense)	166 519	135 997	(1 838)	(2 088)
Fee and commission income	55 626	55 741	–	–
Fee and commission expense	(7 006)	(3 658)	–	–
Income from investments	1 466	6 239	26 584	23 467
Net gains/(losses) on foreign exchange transactions	52 427	59 098	(13)	658
Net gains on derivative instruments	6 794	2 091	–	–
Fair value gain on investment property	7	500	–	–
Other operating income	2 470	1 066	10 045	10 056
Total non-interest income	111 784	121 077	36 616	34 181
Total operating income	278 303	257 074	34 778	32 093
Staff and training costs	(63 257)	(57 988)	(6 795)	(5 876)
Premises and equipment costs	(17 541)	(17 323)	(1 139)	(2 703)
Depreciation and amortisation	(11 540)	(9 524)	(1 224)	(1 525)
Administration and general expenses	(34 313)	(31 786)	(1 953)	(1 438)
Total expenses	(126 651)	(116 621)	(11 111)	(11 542)
Impairment loss on financial assets	(5 444)	(12 792)	–	–
Operating profit	146 208	127 661	23 667	20 551
Net monetary loss	–	(68)	–	–
Share of (loss)/profit in joint venture	(442)	3 736	–	–
Profit before income tax expense	145 766	131 329	23 667	20 551
Income tax expense	(42 248)	(39 587)	(2 031)	(2 510)
Profit for the year	103 518	91 742	21 636	18 041
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss				
Revaluation surplus on property	1 297	10 802	–	–
Deferred tax on revalued property	(2 318)	(3 185)	–	–
Fair value gain on investments at FVOCI	636	1 091	–	–
Deferred tax on fair value changes on investments	(305)	432	–	–
	(690)	9 140	–	–
Items that will be reclassified subsequently to profit or loss				
Fair value loss on FVOCI financial assets	(320)	(1 459)	–	–
Exchange differences on translating foreign operations¹	5 781	(59 085)	–	–
	5 461	(60 544)	–	–
Total other comprehensive income/(loss) for the year	4 771	(51 404)	–	–
Total comprehensive income for the year	108 289	40 338	21 636	18 041
Profit or loss attributable to:				
Owners of the parent	68 645	59 431	21 636	18 041
Non-controlling interest	34 873	32 311	–	–
Profit for the year	103 518	91 742	21 636	18 041
Total comprehensive income attributable to:				
Owners of the parent	71 429	19 704	21 636	18 041
Non-controlling interest	36 860	20 634	–	–
Total comprehensive income for the year	108 289	40 388	21 636	18 041
Basic earnings per share (US cents)	2.792	2.418		
Diluted earnings per share (US cents)	2.591	2.248		

1 The prior period consolidated financial statements have been restated to reflect the revised adoption date for the change in functional currency from Zimbabwe Dollar (ZWL) to United States Dollar (USD) for Afcarne Holdings (Private) Limited and its subsidiaries. The comparative period also incorporates the effects of changes in exchange rates and hyperinflation. The change in functional currency, initially applied from 1 January 2023, became effective on 31 December 2023.

## Summary statements of financial position as at 31 December

USD'000	CONSOLIDATED		SEPARATE	
	AUDITED	RESTATED¹	AUDITED	
	2024	2023	2024	2023
ASSETS				
Cash and balances with banks	651 669	439 430	5 175	6 515
Money market investments	470 926	219 450	–	–
Loans and advances to customers	772 178	716 408	–	–
Repurchase agreements	5 026	4 980	–	–
Derivative financial assets	15 930	6 210	–	–
Current tax assets	2 339	2 759	–	–
Assets held for sale	–	2 217	–	–
Other assets	28 553	27 014	9 797	5 906
Investments at fair value through profit or loss	10 497	9 815	–	–
Investments at fair value through other comprehensive income	4 413	4 332	–	–
Investment in joint venture	13 897	14 340	–	–
Investment property	3 881	1 494	–	–
Intangible assets	7 934	6 650	1 871	4 037
Right-of-use assets	7 346	6 309	36	52
Investments in subsidiary companies	–	–	138 910	141 386
Property and equipment	67 650	58 866	803	722
Deferred tax assets	4 411	1 448	–	–
Total assets	2 066 650	1 521 722	156 592	158 618
LIABILITIES AND EQUITY				
Liabilities				
Balances due to other banks	84 389	70 275	–	–
Customer deposits	1 514 618	1 096 024	–	–
Derivative financial liabilities	13 512	4 845	–	–
Other payables	46 734	46 476	876	1 027
Current tax liabilities	9 386	9 518	–	–
Lease liabilities	6 854	6 077	59	76
Loans payable	55 865	33 835	8 635	16 342
Subordinated debt	11 551	11 821	–	–
Convertible preference shares	10 787	10 787	10 787	10 787
Provisions	10 154	6 178	–	–
Deferred tax liabilities	7 867	11 316	–	–
Total liabilities	1 771 717	1 307 152	20 357	28 232
Equity				
Share capital	117 409	117 409	117 409	117 409
Restructuring reserve	(54 511)	(54 511)	–	–
Property revaluation reserve	12 879	14 747	–	–
Loan loss reserve	3 925	4 114	–	–
Other reserves	14 155	8 944	–	–
Foreign currency translation reserve	(90 266)	(94 913)	–	–
Retained earnings	186 197	138 356	18 826	12 977
Total equity attributable to equity holders of the company	189 788	134 146	136 235	130 386
Non-controlling Interest	105 145	80 424	–	–
Total equity	294 933	214 570	136 235	130 386
Total equity and liabilities	2 066 650	1 521 722	156 592	158 618

1 Comparative figures have been restated. Refer to the footnote on the Statement of profit or loss and other comprehensive income for further details.

## Summary statements of changes in equity for the year ended 31 December

USD'000	CONSOLIDATED		SEPARATE	
	AUDITED	RESTATED¹	AUDITED	
	2024	2023	2024	2023
Opening equity (as previously reported)	215 854	196 882	130 386	125 820
Impact of restatements	(1 284)	–	–	–
Restated opening equity	214 570	196 882	130 386	125 820
Profit for the year	103 517	91 744	21 636	18 041
Total other comprehensive income/(loss) for the year	4 771	(51 404)	–	–
Dividends declared and paid	(27 925)	(22 652)	(15 787)	(13 475)
Closing equity	294 933	214 570	136 235	130 386

1 Comparative figures have been restated. Refer to the footnote on the Statement of profit or loss and other comprehensive income for further details.

## Summary statements of cash flows for the year ended 31 December

USD'000	CONSOLIDATED		SEPARATE	
	AUDITED	RESTATED¹	AUDITED	
	2024	2023	2024	2023
Operating activities	425 682	197 004	22 716	19 561
Investing activities	(267 238)	(123 185)	(834)	(1 569)
Financing activities	5 539	22 498	(23 298)	(14 374)
Net increase/(decrease) in cash and cash equivalents	163 983	96 317	(1 416)	3 618
Cash and cash equivalents at beginning of year¹	392 723	376 788	6 515	2 897
Effect of changes in exchange rates and hyperinflation¹	(17 416)	(80 382)	76	–
Cash and cash equivalents at 31 December	539 290	392 723	5 175	6 515

1 Comparative figures have been restated. Refer to the footnote on the Statement of profit or loss and other comprehensive income for further details.

## ADDITIONAL INFORMATION

### Investment in subsidiary companies

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

Name of entity	Nature of Business	Type of Investment	Holding %		USD'000
			31 Dec 2024	31 Dec 2024	
First Capital Bank Plc (Malawi)	Banking	Equity Shares	100	88 033	
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)¹	Banking	Preference Shares	100	–	
First Capital Bank S.A. (Mozambique)	Banking	Equity Shares	80	21 366	
Total investment in subsidiary companies				138 910	

1 Preference share investment has been reclassified to other assets as it meets the definition of a financial asset under IFRS 9.

### Exchange rate trends

ENTITY	Currency	2024		2023	
		Closing rate	Average rate	Closing rate	Average rate
Afcarme Zimbabwe Holdings (Private) Limited¹	USD	1.00	1.00	1.00	1.00
First Capital Bank (Botswana)	BWP	13.72	13.59	13.40	13.36
First Capital Bank Plc (Malawi)	MWK	1 733.83	1 722.70	1 683.33	1 145.60
First Capital Bank S.A (Mozambique)	MZN	63.91	63.91	63.90	63.89
First Capital Bank Limited (Zambia)	ZMW	27.93	26.02	25.75	20.13
First Capital Shared Services Limited	MUR	47.08	46.09	44.05	45.19

1 Afcarne Holdings (Private) Limited and its subsidiaries revised the effective date for adopting the United States Dollar (USD) as their functional currency to 31 December 2023. On this date, the official exchange rate of ZWL 6,104.72 to USD 1 was used to convert all Zimbabwe Dollar (ZWL) balances into USD.

### Profit after tax by country

USD Million	AUDITED		Year-on-Year growth
	2024	RESTATED 2023	
Botswana	24.09	16.78	44%
Malawi	27.42	26.30	4%
Mauritius	(4.66)	(8.12)	42%
Mozambique	26.12	19.18	36%
Zambia	7.29	8.86	(18)%
Zimbabwe	23.26	28.74	(19)%
Total	103.52	91.74	13%

## Debt and other liabilities

USD'000	AUDITED	
	2024	Restated 2023
Borrowings from other banks	67 001	47 308
Repurchase agreements	5 001	3 314
Bank of Zambia – TMTRF	330	2 870
FMO Line of Credit	–	6 000
European Investment Bank	12 057	10 783
	84 389	70 275
Maturing as follows		
Due within 1 year	74 646	53 590
Due between 2 and 5 years	9 743	16 685
	84 389	70 275

FCB Zambia accessed a BOZ-Targeted Medium-Term Refinancing Facility in 2020, with interest linked to the Zambia Monetary Policy Rate (8% p.a.), maturing in tranches between September 2023 and February 2025.

Short-term borrowings from other banks carry interest rates between 7% and 8%, including facilities from the European Investment Bank (EIB), Afreximbank, and Crown Agents Bank.

FCB Zimbabwe drew USD 12.7 million from a EUR 12.5 million development credit line from the EIB, maturing in April 2029. It also secured a USD 20 million trade finance facility from Afreximbank in August 2023, fully repaid by December 2024. FCB Mozambique maintains USD 13 million in interest-free, short-term correspondent banking lines with Crown Agents Bank and CitiBank.

## Debt and other liabilities continued

USD'000	AUDITED	
	2024	2023
Subordinated debt		
Notes issued by FCB Botswana	11 551	11 821
FCB Botswana has issued floating rate subordinated debt notes of BWP 1 each, bearing interest between 7.96% and 8.51% per annum. The notes are direct, unsecured, and subordinated obligations, ranking pari passu among themselves and below depositors and other general creditors. Maturities range from 1 July 2027 to 31 January 2030, with early redemption subject to prior approval from the Bank of Botswana.		
USD'000	AUDITED	
	2024	2023
Loans payable		
Related parties	5 500	6 500
Other lenders	3 000	9 496
Commercial paper	46 487	17 214
Accrued interest	878	625
	55 865	33 835

Related-party loans of USD 5.5 million (2023: USD 6.5 million) were obtained in 2017 to fund the acquisition of shares in FCB Zimbabwe. These are unsecured, bear 9% annual interest, and are repayable in 2026.

Other unsecured loans of USD 3.0 million (2023: USD 9.5 million) also carry a 9% annual interest rate and mature in 2026.

FCB Mozambique issued commercial paper totalling USD 46.5 million (2023: USD 17.2 million) in tranches with interest rates between 12.5% and 15%, maturing between April and July 2025.

### Independent Auditor's Report on the Summary Financial Statements

The audited consolidated, and separate, financial statements have been approved by the Board and abridged for purposes of this report. Ernst & Young Mauritius has expressed an unqualified audit opinion on the consolidated, and separate, financial statements. The signed auditor's report, along with the audited consolidated, and separate, financial statements will be available for viewing at FMBcapital Holdings Plc's website (<https://www.fmbcapitalgroup.com>) in due course. This abridged report is extracted from audited annual financial statements. The auditor's report is on the full consolidated, and separate, financial statements, and not on the abridged financial information. The auditor's report does not necessarily cover all the information contained in this announcement. Stakeholders are therefore advised that, to obtain a full understanding of the nature of the auditor's work, they may view the report together with the accompanying financial information.

### Basis of preparation

The Directors have prepared the summary consolidated, and separate, financial statements to meet the listing requirements of the Malawi Stock Exchange (MSELR). The Directors have considered the MSELR and believe that the summary statements of financial position, comprehensive income and cash flows are sufficient to meet the requirements of the users of the summary consolidated, and separate, financial statements. The accounting policies applied in the preparation of the consolidated, and separate, financial statements, from which the summary consolidated, and separate, financial statements were derived, are in terms of International Financial Reporting Standards and the IAS 29 Directive issued by the Institute of Chartered Accountants in Malawi (ICAM). These are consistent with the accounting policies applied in the preparation of the previous consolidated, and separate, financial statements.

The summary consolidated, and separate, financial statements were extracted from the audited annual financial statements; these were approved by the Directors on 23 April 2025. The summary consolidated, and separate, financial statements have been reviewed by our external auditors, Ernst & Young Mauritius.

## BUSINESS AND FINANCIAL PERFORMANCE

### Group results: Strong Growth and Quality Earnings in FY2024

FMBcapital Holdings Plc (the "Group" or "FMBCH") delivered a strong financial performance for the year ended 31 December 2024, reflecting our continued resilience and strategic execution. Our earnings are now well diversified across the Group, as four of our five banks individually achieved profit after tax ("PAT") in excess of **USD 20 million**. The Group reported a full-year profit after tax of **USD 103.5 million**, reflecting a **13% year-on-year growth** and an impressive **41% return on average equity ("ROE")** demonstrating our proven ability to generate quality earnings in a complex and evolving operating environment.

The Group's sustained growth was supported by a **37% increase in total customer and interbank deposits**, predominantly in current and savings accounts, reaching **USD 1.6 billion**. This drove a **33% growth in income-generating assets to USD 1.26 billion**, reflecting successful market share gains and disciplined balance sheet expansion.

### Key Financial Highlights:

- Net interest income** rose by **22%** year-on-year to **USD 166.5 million**, while **non-interest income** moderated to **USD 111.8 million**, resulting in **total operating income of USD 278.3 million**, up **8%** year-on-year.
- The Group sustained a strong efficiency focus, with a **cost-to-income ratio of 46%** and operating expenses held to a modest **9% year-on-year increase**.
- Profit attributable to FMBCH shareholders** grew by **16%** to **USD 68.6 million**, representing **66%** of total PAT (**2023: 65%**).
- Customer deposits closed the year at **over USD 1.5 billion**, a remarkable **38% year-on-year increase**, reflecting growing confidence in the Group's franchise.
- Loans and advances to customers** increased by **8%** to **USD 772 million**, while **investments in money market instruments** grew by **115%**, resulting in total interest-earning assets of **USD 1.2 billion (2023: USD 940 million)**.
- The **advances and money market instruments to deposits ratio** stood at **82% (2023: 85%)** supporting strong liquidity management.
- The **credit loss ratio** improved to **0.73% (2023: 1.9%)**, demonstrating the Group's prudent credit underwriting and risk management discipline.

These results stand out in the region covered by the Group's footprint, particularly in USD terms, and underscore the Group's ability to deliver healthy yields and strong returns to shareholders while maintaining a well-managed balance sheet.

**Strategic Outlook:** We will continue to pursue prudent market share growth across all markets, while remaining open to expansion opportunities that align with our long-term strategy.

### Restatement of FY2023 Consolidated Financial Statements

The Group has restated its consolidated financial statements for the year ended 31 December 2023 to reflect a revised effective date for adopting the United States Dollar (USD) as the functional currency for its Zimbabwean subsidiaries: Afcarne Zimbabwe Holdings (Private) Limited and First Capital Bank Zimbabwe Limited ("the Bank").

Originally, the functional currency change from Zimbabwean Dollars (ZWL) to USD was applied from 1 January 2023. However, following a reassessment, the Group concluded that the economic conditions supporting the change only materialised in the last quarter of 2023. In line