

UNAUDITED SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

for the year ended 31 December 2023

TOTAL ASSETS
10% ↑

CUSTOMER ADVANCES
10% ↑

RETURN ON AVERAGE EQUITY
38%

PROFIT AFTER TAX
29% ↑

TOTAL OPERATING INCOME
31% ↑

COST INCOME RATIO
49%

CREDIT LOSS RATIO
1.9%

DIVIDEND PER SHARE DISTRIBUTED FROM 2023 PROFITS (US CENTS)
0.64

Summary statements of comprehensive income

for the year ended 31 December

| | CONSOLIDATED | | SEPARATE | |
|--|------------------|-------------------------------|-----------------|----------------|
| | UNAUDITED | RESTATED ¹ AUDITED | UNAUDITED | AUDITED |
| USD'000 | 2023 | 2022 | 2023 | 2022 |
| Interest and similar income ¹ | 191 964 | 147 419 (38 473) | 297 | 291 (2 381) |
| Interest expense and similar charges ¹ | (55 429) | (38 473) | (2 088) | (2 090) |
| Net interest income/(expense) | 136 535 | 108 946 | (2 088) | (2 090) |
| Fee and commission income | 54 416 | 38 182 | – | – |
| Fee and commission expense | (1 959) | (1 673) | – | – |
| Income from investments | 6 292 | 4 337 | 23 467 | 16 366 |
| Net gains on foreign exchange transactions ¹ | 53 752 | 37 631 | 658 | 292 |
| Net gains on derivative instruments ¹ | 2 091 | 1 932 | – | – |
| Fair value loss on investment property | (1 089) | – | – | – |
| Other operating income | 1 241 | 2 197 | 10 056 | 7 737 |
| Total non-interest income | 114 744 | 82 606 | 34 181 | 24 395 |
| Total operating income | 251 279 | 191 552 | 32 093 | 22 305 |
| Staff and training costs | (56 655) | (47 750) | (5 876) | (4 399) |
| Premises and equipment costs | (18 331) | (14 293) | (2 703) | (1 904) |
| Depreciation and amortisation | (11 709) | (8 668) | (1 525) | (946) |
| Administration and general expenses | (36 304) | (25 583) | (1 439) | (1 406) |
| Total expenses | (122 999) | (96 294) | (11 543) | (8 655) |
| Impairment loss on financial assets | (13 288) | (4 202) | – | – |
| Operating profit | 114 992 | 91 056 | 20 550 | 13 650 |
| Net monetary loss | – | (7 662) | – | – |
| Impairment loss on investment in joint venture | – | (719) | – | – |
| Share of (loss)/profit in joint venture | (1 240) | 4 424 | – | – |
| Profit before income tax expense | 113 752 | 87 099 | 20 550 | 13 650 |
| Income tax expense | (35 008) | (25 904) | (2 510) | (1 692) |
| Profit for the year | 78 744 | 61 195 | 18 040 | 11 958 |
| Other comprehensive income | | | | |
| Items that will not be reclassified to profit or loss | | | | |
| Revaluation surplus on property | 4 514 | 3 351 | – | – |
| Deferred tax on revalued property | 383 | 592 | – | – |
| Fair value (loss)/profit on investments net of deferred tax ² | (1 184) | 399 | – | – |
| Fair value movement on FVOCI financial assets | (1 168) | (58) | – | – |
| Items that will be reclassified subsequently to profit or loss | 2 545 | 4 284 | – | – |
| Fair value loss on investments net of deferred tax ² | (157) | (194) | – | – |
| Exchange differences on translating foreign operations ³ | (39 509) | (35 663) | – | – |
| Total other comprehensive loss for the year | (39 666) | (35 857) | – | – |
| Total other comprehensive loss for the year | (37 121) | (31 573) | – | – |
| Total comprehensive income for the year | 41 623 | 29 622 | 18 040 | 11 958 |
| Profit or loss attributable to: | | | | |
| Owners of the parent | 52 625 | 40 089 | 18 040 | 11 958 |
| Non-controlling interest | 26 119 | 21 106 | – | – |
| Profit for the year | 78 744 | 61 195 | 18 040 | 11 958 |
| Total comprehensive income attributable to: | | | | |
| Owners of the parent | 23 009 | 17 589 | 18 040 | 11 958 |
| Non-controlling interest | 18 614 | 12 033 | – | – |
| Total comprehensive income for the year | 41 623 | 29 622 | 18 040 | 11 958 |
| Basic earnings per share (US cents) | 2.141 | 1.631 | – | – |
| Diluted earnings per share (US cents) | 1.994 | 1.525 | – | – |

¹ Prior year financial statements were restated to correct errors relating to presentation of net gains from derivative financial instruments.

² During 2023, the group reassessed the order of liquidity within the statement of financial position and moved provisions and deferred tax liabilities below convertible preference shares line on the face of the statement of financial position as these items were found to be less liquid than those that precede them in the above presentation. This had no impact on the associated amounts within these line items. The reorder has also been applied to the prior year and notes where the line items are listed.

³ Comparative period incorporates effects of hyperinflation from Zimbabwe.

Summary statements of financial position

as at 31 December

| | CONSOLIDATED | | SEPARATE | |
|---|------------------|-------------------------------|----------------|----------------|
| | UNAUDITED | RESTATED ¹ AUDITED | UNAUDITED | AUDITED |
| USD'000 | 2023 | 2022 | 2023 | 2022 |
| ASSETS | | | | |
| Cash and balances with central banks | 439 423 | 384 137 | 6 515 | 2 897 |
| Money market investments ¹ | 220 156 | 210 289 | – | – |
| Loans and advances to customers | 716 389 | 651 726 | – | – |
| Repurchase agreements ¹ | 4 980 | 5 038 | – | – |
| Derivative financial assets ¹ | 6 209 | 4 391 | – | – |
| Current tax assets | 2 759 | 2 375 | – | – |
| Assets held for sale | 2 217 | 133 | – | – |
| Investments at fair value through profit or loss | 9 815 | 4 611 | – | – |
| Investments at fair value through other comprehensive income | 4 332 | 5 906 | – | – |
| Investments in subsidiary companies | – | – | 141 386 | 141 386 |
| Investment in joint venture | 14 340 | 15 580 | – | – |
| Other assets ¹ | 24 862 | 24 589 | 5 906 | 5 441 |
| Investment property | 1 494 | 4 800 | – | – |
| Intangible assets | 6 808 | 8 251 | 4 037 | 3 922 |
| Right-of-use assets | 6 434 | 6 593 | 53 | 42 |
| Property and equipment | 58 866 | 54 021 | 722 | 786 |
| Deferred tax assets | 1 448 | 2 262 | – | – |
| Total assets | 1 520 532 | 1 384 702 | 158 619 | 154 474 |
| LIABILITIES AND EQUITY | | | | |
| Liabilities | | | | |
| Balances due to other banks ¹ | 77 280 | 36 785 | – | – |
| Customer deposits | 1 096 195 | 1 039 070 | – | – |
| Derivative financial liabilities ¹ | 4 845 | 3 401 | – | – |
| Other payables ¹ | 46 987 | 45 315 | 1 275 | 1 124 |
| Current tax liabilities | 9 518 | 3 748 | – | – |
| Lease liabilities | 6 077 | 6 572 | 76 | 63 |
| Loans payable | 26 128 | 16 679 | 16 095 | 16 679 |
| Subordinated debt | 11 821 | 12 447 | – | – |
| Convertible preference shares | 10 787 | 10 787 | 10 787 | 10 787 |
| Provisions ² | 6 178 | 5 574 | – | – |
| Deferred tax liabilities ² | 8 862 | 7 442 | – | – |
| Total liabilities | 1 304 678 | 1 187 820 | 28 233 | 28 653 |
| Equity | | | | |
| Share capital | 117 409 | 117 409 | 117 409 | 117 409 |
| Restructuring reserve | (54 511) | (54 511) | – | – |
| Property revaluation reserve | 13 320 | 10 189 | – | – |
| Loan loss reserve | 5 084 | 3 097 | – | – |
| Other reserves | 6 624 | 4 181 | – | – |
| Foreign currency translation reserve | (82 024) | (50 594) | – | – |
| Retained earnings | 131 549 | 98 146 | 12 977 | 8 412 |
| Total equity attributable to equity holders of the company | 137 451 | 127 917 | 130 386 | 125 821 |
| Non-controlling interest | 78 403 | 68 965 | – | – |
| Total equity | 215 854 | 196 882 | 130 386 | 125 821 |
| Total equity and liabilities | 1 520 532 | 1 384 702 | 158 619 | 154 474 |

¹ Prior year financial statements were restated to correct errors relating to presentation and disclosures of derivative financial assets and liabilities.

² During 2023, the group reassessed the order of liquidity within the statement of financial position and moved provisions and deferred tax liabilities below convertible preference shares line on the face of the statement of financial position as these items were found to be less liquid than those that precede them in the above presentation. This had no impact on the associated amounts within these line items. The reorder has also been applied to the prior year and notes where the line items are listed.

Summary statements of changes in equity

for the year ended 31 December

| | CONSOLIDATED | | SEPARATE | |
|--------------------------------|----------------|----------------|----------------|----------------|
| | UNAUDITED | AUDITED | UNAUDITED | AUDITED |
| USD'000 | 2023 | 2022 | 2023 | 2022 |
| Opening equity | 196 882 | 181 362 | 125 821 | 120 009 |
| Profit for the year | 78 744 | 61 195 | 18 040 | 11 958 |
| Total other comprehensive loss | (37 120) | (31 573) | – | – |
| Dividends declared and paid | (22 652) | (13 676) | (13 475) | (6 146) |
| Movements in other reserves | – | (426) | – | – |
| Closing equity | 215 854 | 196 882 | 130 386 | 125 821 |

Summary statements of cash flows

for the year ended 31 December

| | CONSOLIDATED | | SEPARATE | |
|---|------------------|-------------------------------|-----------------|-----------------|
| | UNAUDITED | RESTATED ¹ AUDITED | UNAUDITED | AUDITED |
| USD'000 | 2023 | 2022 | 2023 | 2022 |
| Cash generated from operating activities | 165 550 | 258 034 | 18 671 | 10 977 |
| Net cash generated from/(used in) investing activities | (126 615) | 46 397 | (1 569) | (2 658) |
| Net cash generated from/(used in) financing activities | 24 629 | (191 198) | (13 484) | (14 522) |
| Net increase/(decrease) in cash and cash equivalents | 63 564 | 113 233 | 3 618 | (6 203) |
| Cash and cash equivalents at beginning of period | 384 151 | 308 755 | 2 897 | 9 100 |
| Effect of changes in exchange rate and hyperinflation | (55 320) | (37 837) | – | – |
| Cash and cash equivalents at end of period¹ | 392 395 | 384 151 | 6 515 | 2 897 |

¹ Consolidated cash and cash equivalents at 31 December 2023 are gross amounts excluding expected credit losses of USD 37 195, cash collateral of USD 229 668, and restricted cash balance of USD 46 750 644 held for liquidity reserving requirements with Bank of Mozambique. Consolidated cash balance for 2022 excludes expected credit loss of USD 14 730.

Basis of preparation

The Directors have prepared the summary consolidated and separate financial statements in order to meet the listing requirements of the Malawi Stock Exchange. The Directors have considered the listing requirements 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 are consistent with the accounting policies applied in the preparation of the previous consolidated and separate financial statements. These summary consolidated and separate preliminary unaudited financial statements have been reviewed by our external auditors, Ernst & Young Mauritius.

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 | 31 December | |
|--|--------------------|--------------------|-------------|----------------|
| | | | Holding % | USD'000 |
| First Capital Bank Plc (Malawi) | Banking | Equity shares | 100 | 88 034 |
| Afcarne Zimbabwe Holdings (Private) Limited ¹ | 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 |

¹ Afcarne Zimbabwe Holdings (Private) Limited in turn owns 52.49% of First Capital Bank Zimbabwe Limited's issued share capital.

Exchange rate trends

| Entity | Currency | 2023 | | 2022 | |
|--|----------|--------------|--------------|--------------|--------------|
| | | Closing rate | Average rate | Closing rate | Average rate |
| Afcarne Zimbabwe Holdings (Private) Limited ¹ | USD/ZWL | 1.00 | 1.00 | 687.28 | 687.28 |
| First Capital Bank (Botswana) | BWP | 13.40 | 13.36 | 12.76 | 12.32 |
| First Capital Bank Plc (Malawi) | MWK | 1 683.33 | 1 145.60 | 1 026.09 | 937.46 |
| First Capital Bank S.A. (Mozambique) | MZN | 63.90 | 63.89 | 63.87 | 63.84 |
| First Capital Bank Limited (Zambia) | ZMW | 25.75 | 20.13 | 18.11 | 16.89 |
| First Capital Shared Services Limited | MUR | 44.05 | 45.19 | 43.65 | 43.91 |

¹ Effective 1 January 2023 Afcarne Zimbabwe Holdings (Private) Limited and its subsidiaries changed their functional currency from Zimbabwe Dollar to United States Dollar.

Profit after tax by country

for the year ended 31 December

| USD Million | UNAUDITED | | Year-on-Year growth |
|--------------|--------------|--------------|---------------------|
| | 2023 | 2022 | |
| Botswana | 16.78 | 13.66 | 23% |
| Malawi | 26.30 | 19.34 | 36% |
| Mauritius | (8.08) | (4.24) | (91%) |
| Mozambique | 19.18 | 11.05 | 74% |
| Zambia | 8.86 | 10.01 | (11%) |
| Zimbabwe | 15.70 | 11.37 | 38% |
| Total | 78.74 | 61.19 | 29% |

Debt and other liabilities

as at 31 December

| USD'000 | UNAUDITED | | RESTATED AUDITED | |
|-----------------------------|---------------|---------------|------------------|------|
| | 2023 | 2022 | 2023 | 2022 |
| Borrowings from other banks | 65 095 | 10 692 | – | – |
| Currency swap liabilities | 3 314 | 12 440 | – | – |
| Bank of Zambia – TMTRF | 2 871 | 7 485 | – | – |
| FMO Line of Credit | 6 000 | 6 168 | – | – |
| | 77 280 | 36 785 | | |
| Maturing as follows | | | | |
| Due within 1 year | 57 725 | 32 773 | – | – |
| Due between 2 and 5 years | 19 555 | 4 012 | – | – |
| | 77 280 | 36 785 | | |

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. As at 31 December 2023, the Bank had drawn down in the order of USD 11 million. 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. As at 31 December 2023, the Bank had an outstanding balance of USD 6 million. 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 targeted medium-term refinancing facility, Bank of Zambia – Targeted Medium Term. Refinancing Facility, for on-lending to customers. Interest is