

## **SUMMARY RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021**

HOLDINGS plc						011110 211020 30 30112 2023											
Consolidated and separate statements of other comprehensive income				Consolidated and separate statements of financial position							Addittional information						
		Group			Company			Group			Company		Investment in subsidiary companies				
	30-Jun-21	1 30-Jun-20	31-Dec-20	30-Jun-21	30-Jun-20 31-Dec-20		30-Jun-21	30-Jun-20	31-Dec-20	30-Jun-21	30-Jun-20	31-Dec-20	At the end of the reporting period, the Company's port	folio of investments in subsid	diary companies comprised:		
	Un-audited		Audited	Un-audited	Un-audited Audited		Un-audited	Un-audited	Audited	Un-audited	Un-audited	Audited		Nature of Type o			\$\$000
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000 US\$'000		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	l	Business Investme	nt 30-Jun-21	31-Dec-20 <b>30-Jun-2</b>	21 31-Dec-20
Interest income	56,948	41,358	90,946	137	2 419	ASSETS								Banking Equity Sha		100 88,03	
Interest expense on deposits and other accounts	(12,775)		(25,197)	(1,144)	(966) (1,977	Cash and cash equivalents	264,738	294,876	307,756	8,133	4,993	4,217	* ' '	Banking Equity Sha		81 17,670	
Net interest income/(expense)	44,173		65,749	(1,007)	(964) (1,558	1	253,935	173,428	179,495	•	-	-		Banking Equity Sha		49 4,63	
Fees and commissions Income from investments (including investment properties)	20,000 854	13,522	35,649 (571)	3,904	4,480 8,333	Loans and advances to customers  Current tax asset	513,868 2,173	366,178 2,131	409,710 770				· ·	ared Service Equity Sha Banking Equity Sha		100 69i 38.6 3,04	90 690 17 3,047
Gain/(loss) on foreign exchange transactions	11,376		25,991	105	852 (12	Repurchase agreements	56,717	132,530	57,201		-			Banking Preference		100 2.47	
Other operating income	271	368	442	2,264	1,705 3,103	Assets held for sale	2,322	3,074	2,656					Banking Equity Sha		80 21.36	
Total non-interest income	32,501	23,903	61,511	6,273	7,037 11,424	Investments at fair value through profit or loss	4,864	5,640	4,910			-			Total investment in subsidiar	ry companies 137,91	
Total operating income	76,674	52,963	127,260	5,266	6,073 9,866	Equity investments	3,635	1,056	699			-	In April 2021, the Group acquired the remaining 19% of				owe to 52.68%. The
Staff and training costs	(20,666)	(15,620)	(33,089)	(755)	(664) (1,642	Investment in subsidiary companies	-	-		137,916	134,905	137,666	preference shares currently earn a dividend at the Bank	of Botswana rate plus 300 b	pasis points, currently 7.5% pe	er annum.	
Premises and equipment costs	(7,323)	(6,036)	(13,119)	(627)	(768) (1,435	Investment in Joint Venture	11,978	12,014	11,933		-	-	IAS 29 – Financial Reporting in Hyperinflationary Econo	omies			
Depreciation and amortisation	(4,940)	(4,098)	(9,794)	(366)	(387) (768	Other assets	35,748	31,604	29,804	7,258	7,268	5,773	The Zimbabwe economy continues to be deemed a hyp				
Administration and general expenses	(13,369)	(10,242)	(23,685)	(410)	(420) (920	Deferred tax asset	3,535	1,578	2,847	-	-	-	to reflect the impact of inflation in its functional current used was the Zimbabwe CPI which increased by 21% ov				
Total expenses	(46,298)	(35,996)	(79,687)	(2,158)	(2,239) (4,765	Investment property	4,618	4,825	4,700	-	-	-	to 85.42, an increase of 4%.				
Impairment loss on financial assets	(3,341)	(2,242)	(6,111)	•		Intangible assets	9,914	9,639	10,000	1,679	1,581	1,841					
Operating profit/(loss)	27,035		41,462	3,108	3,834 5,101	Right of use assets	7,786	7,369	7,699	123	237	112			to other banks		
Net Monetary Gain/(Loss)	(898)	(1,262)	(3,579)			Property and equipment	48,054	48,578	48,399	737	1,068	949		Group			
Impairment loss on owner occupied property	(1,240)	3,481	(991)			Total assets	1,223,885	1,094,520	1,078,579	155,846	150,052	150,558			0-Jun-20 31-Dec-20		
Impairment loss on investment in joint venture	(1,812)		(1,270)	-		LIABILITIES AND EQUITY									audited Audited		
Fair value gain/Impairment loss on investment property	(549)	974	(154)	-		LIABILITIES									US\$'000 US\$'000		
Share of profit in joint venture	-	25	30			Balances due to other banks	312,509	207,289	80,792	-	-	-	Borrowings from other banks		52,267 3,416		
Profit/(loss) before income tax expense	22,536		35,498	3,108	3,834 5,101	Customer deposits	658,333	663,711	757,729	•	-	-	Currency swap liabilities		32,530 57,251		
Income tax expense	(9,444)	(5,701)	(14,223)	(271)	(6) (802	Other payables	35,118	45,189	40,614	2,170	4,749	2,092	European Investment Bank (EIB)	1,105	2,433 1,612		
Profit/(loss) for the year	13,092	14,290	21,275	2,837	3,828 4,299	Income tax payable	2,850	1,298	3,157		-	-	FMO Line of Credit		20,059 18,513		
Other comprehensive income						Lease liabilities	6,181	5,894	6,237	140	175	128		452,972	07,289 80,792		
Items that will not be classified to profit or loss			2.072			Deferred Tax Liabilities	6,983	6,877	6,877	•	-	-	Payable as follows:	- 452.972			
Revaluation surplus on property  Deferred tax on revalued property	(149)		2,972 (630)	•		Provisions  Loans payable	2,663 18.462	1,519 15,070	2,931 15,810	20,170	15,070	17,810	Due within 1 year  Due between 2 and 5 years		13,249 72,588 94,040 8,205		
Fair value gain/(loss) on investments net of deferred tax	2,327		(763)			Subordinated debt	17,347	15,522	17,504	20,170	15,070	17,610	Due between 2 and 5 years		07.289 80.792		
Fair value movement on FVOCI financial assets	2,327	(110)	(37)			Convertible preference shares	10,787	10,787	10,787	10,787	10,787	10,787	_	452,572	07,209 00,792		
Items that may be reclassified subsequently to profit or loss			(37)			Total liabilities	1,071,233	973,156	942,438	33.267	30,781	30,817	Subordinated debt				
Exchange differences on translating foreign operations incorporating effect of						1	1,071,233	373,130	542,430	55,207	50,701	30,017	Suboralinated debt				
hyperinflation	3,459	(20,813)	(13,835)	•		EQUITY								Group			
Total other comprehensive income/(loss) for the year	5,637		(12,293)	-		Share capital	117,409	117,409	117,409	117,409	117,409	117,409		<b>30-Jun-21</b> 30	0-Jun-20 31-Dec-20		
Total comprehensive income/(loss) for the year	18,729	(6,641)	8,982	2,837	3,828 4,299	Restructuring reserve	(54,511)	(54,511)	(54,511)	-	-	-			audited Audited		
Profit or loss attributable to:						Property revaluation reserve	6,193	4,246	6,342	-	-	-			US\$'000 US\$'000		
Owners of the parent	9,220	8,648	13,314	2,837	3,828 4,299	Loan loss reserve	4,802	4,131	4,186	•	-	-	Notes issued by FCB Botswana		15,522 17,504		
Non-controlling interest	3,872		7,961			NDR / Investment revaluation reserve	2,683	641	1,457	•	-	-	The subordinated debt notes constitute direct, subordin	nated and unsecured obligat	ions and the terms are uncha	nged from 31 December 2020.	
Profit/(loss) for the year	13,092	14,290	21,275	2,837	3,828 4,299		(29,947)	(32,398)	(31,412)		1.862	2 222	Loons Poughlo				
Total comprehensive income/(loss) attributable to:  Owners of the parent	11.762	(4.200)	5.846	2.837	3.828 4.299	Retained earnings	53,151	76.520	40,590 84.061	5,170 122,579	1,862	2,333	Loans Payable	Group			
	6.967	(1,306)	3,138	2,837	3,828 4,299	Total equity attributable to equity holders of the company  Non Controlling Interest	99,780 52,873	76,520 44.844	52.080	122,579	119,271	119,742	_		0-Jun-20 31-Dec-20		
Non-controlling interest  Total comprehensive income/(loss) for the year	18.729	(6,641)	3,138 8,983	2.837	3,828 4,299	4	152,653	121.364	136,141	122,579	119,271	119,742			audited Audited		
Total comprehensive income/(toss/for the year	10,723	(0,041)	8,565	2,037	3,020 4,233	Total equity and liabilities	1,223,886	1,094,520	1,078,579	155,846	150,052	150,559			US\$'000 US\$'000		
Basic earnings per share (US cents)	0.3751	0.3518	0.5416				2,223,000	2,00 1,020	2,010,010	200,010			Related parties	6,500	6,500 6,500		
Summarised consolidated and separate statements of changes in equity						Summarised consolidated and separate statements of cashflows							Other lenders	11,962	8,570 9,310		
		Group			Company			Group			Company			18,462	15,070 15,810		
	30-Jun-21	1 30-Jun-20	31-Dec-20	30-Jun-21	30-Jun-20 31-Dec-20		30-Jun-21	30-Jun-20	31-Dec-20	30-Jun-21	30-Jun-20	31-Dec-20	Related party loans are unsecured and repayable in full	in 2023. Interest on loans fr	om other lenders is payable a	nnually.	
	Un-audited	d Un-audited	Audited	Un-audited	Un-audited Audited		Un-audited	Un-audited	Audited	Un-audited	Un-audited	Audited	F			Total assets	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000 US\$'000		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	Earnings per shar	e			
As at the beginning of the period	136,141	128,010	128,010	119,742	115,442 115,442	Cash generated/(used) in operating activities	36,899	35,843	116,983	1,641	2,492	4,156	US\$ cents			US\$'m	
Profit/(loss) for the period	13,092	14,291	21,276	2,837	3,828 4,299	Cash inflow/(outflow) applied to investing activities	(73,650)	(32,208)	35,554	(225)	(402)	(2,917)		0.3751		1,2	224
Total other comprehensive income/(loss)	5,637	(20,932)	(12,293)			Cash flows from financing activities	685	51,401	(60,035)	2,500	1,680	1,895					
Other movements	-	(4)	(1)			Net (Decrease)/Increase in cash and cash equivalents	(36,066)	55,036	92,502	3,916	3,770	3,134			1,095		
Other transactions with owners	(2,217)		(851)			Cash and cash equivalents at beginning of period	307,756	247,157	247,204	4,217	1,223	1,223	0.3518		,,,,,,		
As at the end of the period	152,653	121,365	136,141	122,579	119,271 119,742	Effect of changes in exchange rate and hyperinflation	(6,952)	(7,317)	(31,989)	-	-	(140)	7% Increase			12% increase	
						Cash and cash equivalents at end of period	264,738	294,876	307,717	8,133	4,993	4,217		June 2021	June 2020	June 2	2021
													June 2020	June 2021	7diic 2020	June 1	1021
Financial Review	a and ad an a	2024															
The directors present the unaudited financial results of the Group for the six month	is ended 30 June 2	2021.															
Review of the period						All our countries have performed strongly despite a challenging envi	ronment for our our	stomers and staff all	ke			1	1				
Review of the period  The economic and social impact of Covid-19 continues to be evident across all the territories in Southern Africa in which we operate. In addition, political uncertainty impacted								mond nipoline	f customore in th	na cornerate	Whilst we may not be fully certain of how the rest of the year will unfold, we are confident of our ability to continue to transform the Bank with a strong emphasis on						
both Zambia and Mozambique during 2021. We have also witnessed disruption in regional supply chains, foreign exchange supply and exchange rate volatility. However, our				husiness.	itiliues to see robus	at Browth In the reta	iii ousiiiess and į	Poon hibeliue o	customers in tr	ie coi poraté	digitisation, a journey we started over a year ago. We are committed to bringing real value to our stakeholders and stand ready to serve them as we look forward to a productive second half. We would like to take this opportunity to sincerely thank all our customers for choosing us as their banking partner. We cannot serve our						
diversified business model proved resilient and with the continued support of our cu charges as required by IAS 29 in our Zimbabwe operations.	istomers and staff	rr, we maintained	our profit afte	er tax at June 2020	ievels even after significan	Operations in Malawi remain stable and reliable despite a challeng	ing operating envir	onment characterise	ed by forex shor	tages. We have	seized market o	pportunities	customers without the tireless efforts our staff member				
						and look for ways to support our loyal customer base.			.,	5			Dividend				
2021 Half Year Performance						Our Mozambique business was impacted by underperformance	in forex operations	s and increased imp	pairments but h	as still manage	d to record a p	rofit that is	The Board of directors has resolved to pay an interim d	lividend of LISDS 1 ass con	enresenting 0.09 cents (LICD)	ner share (2020: USD NIII). The in	nterim dividend will be
						sustainable into the future.							naid on 22 October 2021 to shareholders whose names				

The Group posted a profit after tax of US\$13.1 m compared to US\$14.3 m as at 30 June 2020. Before tax profits rose to US\$22.5 m from US\$ 19.9 m in the same period last year. Operating profit increased by 84% reflecting the underlying robustness of our Banking operations. We also benefited from improved equity markets, with the market value of listed investments in Malawi and Zimbabwe increasing substantially in the first half of 2021. Credit losses have continued at the same levels as 2020 despite significant growth in loans and advances to customers. This gives us confidence about the strength of our customers as we continue to support them into the new normal. Earnings per share for the period under review increased by 7% to US\$0.3751 cents per share compared to US\$0.3518 cents per share for the six months ended June 2020.

	30-Jun-21	30-Jun-20	31-Dec-20
Profit after tax - US\$'M	Un-audited	Un-audited	Audited
Botswana	4.12	3.39	6.03
Malawi	6.88	5.31	10.85
Mauritius	-1.12	-1.01	-4.54
Mozambique	0.37	0.51	1.9
Zambia	2.14	0.51	2.38
Zimbabwe	0.7	5.58	4.66
Total Group	13.09	14.29	21.28

Although our operation in Zimbabwe posted an inflation adjusted profit in 1H2021, the country continues to face the challenge of hyperinflation. The net monetary le arising from the purchasing power the company lost on holding excess monetary assets. The prudential asset requirements which inhibit the bank's ability to diversifi into non-monetary assets limits our options to manage this outcome more effectively.

Amid the varying disruptions to operations, the Group's businesses have successfully sustained banking operations ensuring that customers can access banking service safely whilst also protecting our staff and partners.

The capital adequacy and liquidity ratios of all Group banks comfortably meet the prescribed prudential minimum ratios in their respective territories giving us capac to selectively grow our balance sheet. We will, however, continue to exercise prudence in our balance sheet management across the territories where we operate.

There are indications that we are moving into a period of more stable economic activity and look forward to a second half characterized by further growth in loans an deposits in all our territories whilst maintaining a quality loan book.

The boar of directors has resolved to pay an interim dividend of USD 3,9%, but representing USB cents (USD) per share (2021: USD NIL). The interim dividend will be paid to 22 October 2021 to shareholders whose names will appear on the Register of Members as at close of business on 15 October 2021. The dividend will be paid to Malawi resident shareholders in Malawi Kwacha calculated at the closing USD mid-market rate on 15 October 2021 as published by the Reserve Bank of Malawi. The Register of Members will be closed from 18 to 19 October 2021 both days inclusive. During this period, no share transactions will be conducted.

## By order of the board