

	Group			Company		
	30-Jun-21	30-Jun-20	31-Dec-20	30-Jun-21	30-Jun-20	31-Dec-20
	Un-audited	Un-audited	Audited	Un-audited	Un-audited	Audited
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Interest income	56,948	41,358	90,946	137	2	419
Interest expense on deposits and other accounts	(12,775)	(12,298)	(25,197)	(1,144)	(966)	(1,977)
Net interest income/(expense)	44,173	29,060	65,749	(1,007)	(964)	(1,558)
Fees and commissions	20,000	13,522	35,649	-	-	-
Income from investments (including investment properties)	854	(353)	(571)	3,904	4,480	8,333
Gain/(loss) on foreign exchange transactions	11,376	10,366	25,991	105	852	(12)
Other operating income	271	368	442	2,264	1,705	3,103
Total non-interest income	32,501	23,903	61,511	6,273	7,037	11,424
Total operating income	76,674	52,963	127,260	5,266	6,073	9,866
Staff and training costs	(20,666)	(15,620)	(33,089)	(755)	(664)	(1,642)
Premises and equipment costs	(7,323)	(6,036)	(13,119)	(627)	(768)	(1,435)
Depreciation and amortisation	(4,940)	(4,098)	(9,794)	(366)	(387)	(768)
Administration and general expenses	(13,369)	(10,242)	(23,685)	(410)	(420)	(920)
Total expenses	(46,298)	(35,996)	(79,687)	(2,158)	(2,239)	(4,765)
Impairment loss on financial assets	(3,341)	(2,242)	(6,111)	-	-	-
Operating profit/(loss)	27,035	14,725	41,462	3,108	3,834	5,101
Net Monetary Gain/(Loss)	(898)	(1,262)	(3,579)	-	-	-
Impairment loss on owner occupied property	(1,240)	3,481	(991)	-	-	-
Impairment loss on investment in joint venture	(1,812)	2,048	(1,270)	-	-	-
Fair value gain/impairment loss on investment property	(549)	974	(154)	-	-	-
Share of profit in joint venture	-	25	30	-	-	-
Profit/(loss) before income tax expense	22,536	19,991	35,498	3,108	3,834	5,101
Income tax expense	(9,444)	(5,701)	(14,223)	(271)	(6)	(802)
Profit/(loss) for the year	13,092	14,290	21,275	2,837	3,828	4,299
Other comprehensive income						
Items that will not be classified to profit or loss						
Revaluation surplus on property	-	-	2,972	-	-	-
Deferred tax on revalued property	(149)	-	(630)	-	-	-
Fair value gain/(loss) on investments net of deferred tax	2,327	(118)	(763)	-	-	-
Fair value movement on FVOCI financial assets	-	-	(37)	-	-	-
Items that may be reclassified subsequently to profit or loss						
Exchange differences on translating foreign operations incorporating effect of hyperinflation	3,459	(20,813)	(13,835)	-	-	-
Total other comprehensive income/(loss) for the year	5,637	(20,931)	(12,293)	-	-	-
Total comprehensive income/(loss) for the year	18,729	(6,641)	8,982	2,837	3,828	4,299
Profit or loss attributable to:						
Owners of the parent	9,220	8,648	13,314	2,837	3,828	4,299
Non-controlling interest	3,872	5,642	7,961	-	-	-
Profit/(loss) for the year	13,092	14,290	21,275	2,837	3,828	4,299
Total comprehensive income/(loss) attributable to:						
Owners of the parent	11,762	(1,306)	5,846	2,837	3,828	4,299
Non-controlling interest	6,967	(5,335)	3,138	-	-	-
Total comprehensive income/(loss) for the year	18,729	(6,641)	8,983	2,837	3,828	4,299
Basic earnings per share (US cents)	0.3751	0.3518	0.5416			

	Group			Company		
	30-Jun-21	30-Jun-20	31-Dec-20	30-Jun-21	30-Jun-20	31-Dec-20
	Un-audited	Un-audited	Audited	Un-audited	Un-audited	Audited
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
As at the beginning of the period	136,141	128,010	128,010	119,742	115,442	115,442
Profit/(loss) for the period	13,092	14,291	21,276	2,837	3,828	4,299
Total other comprehensive income/(loss)	5,637	(20,932)	(12,293)	-	-	-
Other movements	-	(4)	(1)	-	-	-
Other transactions with owners	(2,217)	-	(851)	-	-	-
As at the end of the period	152,653	121,365	136,141	122,579	119,271	119,742

Financial Review

The directors present the unaudited financial results of the Group for the six months ended 30 June 2021.

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 both Zambia and Mozambique during 2021. We have also witnessed disruption in regional supply chains, foreign exchange supply and exchange rate volatility. However, our diversified business model proved resilient and with the continued support of our customers and staff, we maintained our profit after tax at June 2020 levels even after significant charges as required by IAS 29 in our Zimbabwe operations.

2021 Half Year Performance

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
	Un-audited	Un-audited	Audited
	US\$'M	US\$'M	US\$'M
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

	Group			Company		
	30-Jun-21	30-Jun-20	31-Dec-20	30-Jun-21	30-Jun-20	31-Dec-20
	Un-audited	Un-audited	Audited	Un-audited	Un-audited	Audited
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS						
Cash and cash equivalents	264,738	294,876	307,756	8,133	4,993	4,217
Money market investments	253,935	173,428	179,495	-	-	-
Loans and advances to customers	513,868	366,178	409,710	-	-	-
Current tax asset	2,173	2,131	770	-	-	-
Repurchase agreements	56,717	132,530	57,201	-	-	-
Assets held for sale	2,322	3,074	2,656	-	-	-
Investments at fair value through profit or loss	4,864	5,640	4,910	-	-	-
Equity investments	3,635	1,056	699	-	-	-
Investment in subsidiary companies	-	-	-	137,916	134,905	137,666
Investment in Joint Venture	11,978	12,014	11,933	-	-	-
Other assets	35,748	31,604	29,804	7,258	7,268	5,773
Deferred tax asset	3,535	1,578	2,847	-	-	-
Investment property	4,618	4,825	4,700	-	-	-
Intangible assets	9,914	9,639	10,000	1,679	1,581	1,841
Right of use assets	7,786	7,369	7,699	123	237	112
Property and equipment	48,054	48,578	48,399	737	1,068	949
Total assets	1,223,885	1,094,520	1,078,579	155,846	150,052	150,558
LIABILITIES AND EQUITY						
LIABILITIES						
Balances due to other banks	312,509	207,289	80,792	-	-	-
Customer deposits	658,333	663,711	757,729	-	-	-
Other payables	35,118	45,189	40,614	2,170	4,749	2,092
Income tax payable	2,850	1,298	3,157	-	-	-
Lease liabilities	6,181	5,894	6,237	140	175	128
Deferred Tax Liabilities	6,983	6,877	6,877	-	-	-
Provisions	2,663	1,519	2,931	-	-	-
Loans payable	18,462	15,070	15,810	20,170	15,070	17,810
Subordinated debt	17,347	15,522	17,504	-	-	-
Convertible preference shares	10,787	10,787	10,787	10,787	10,787	10,787
Total liabilities	1,071,233	973,156	942,438	33,267	30,781	30,817
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	6,193	4,246	6,342	-	-	-
Loan loss reserve	4,802	4,131	4,186	-	-	-
NDR / Investment revaluation reserve	2,683	641	1,457	-	-	-
Translation reserve	(29,947)	(32,398)	(31,412)	-	-	-
Retained earnings	53,151	37,002	40,590	5,170	1,862	2,333
Total equity attributable to equity holders of the company	99,780	76,520	84,061	122,579	119,271	119,742
Non Controlling Interest	52,873	44,844	52,080	-	-	-
Total equity	152,653	121,364	136,141	122,579	119,271	119,742
Total equity and liabilities	1,223,886	1,094,520	1,078,579	155,846	150,052	150,559

	Group			Company		
	30-Jun-21	30-Jun-20	31-Dec-20	30-Jun-21	30-Jun-20	31-Dec-20
	Un-audited	Un-audited	Audited	Un-audited	Un-audited	Audited
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Cash generated/(used) in operating activities	36,899	35,843	116,983	1,641	2,492	4,156
Cash inflow/(outflow) applied to investing activities	(73,650)	(32,208)	35,554	(225)	(402)	(2,917)
Cash flows from financing activities	685	51,401	(60,035)	2,500	1,680	1,895
Net (Decrease)/Increase in cash and cash equivalents	(36,066)	55,036	92,502	3,916	3,770	3,134
Cash and cash equivalents at beginning of period	307,756	247,157	247,204	4,217	1,223	1,223
Effect of changes in exchange rate and hyperinflation	(6,952)	(7,317)	(31,989)	-	-	(140)
Cash and cash equivalents at end of period	264,738	294,876	307,717	8,133	4,993	4,217

Additional information

Investment in subsidiary companies

At the end of the reporting period, the Company's portfolio of investments in subsidiary companies comprised:

Nature of Business	Type of Investment	Holding %		US\$'000		
		30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20	
First Capital Bank Plc (Malawi)	Banking	Equity Shares	100	100	88,034	88,034
Afcarne Zimbabwe Holdings (Private) Limited	Banking	Equity Shares	100	81	17,670	17,420
First Capital Bank (Zambia)Limited	Banking	Equity Shares	49	49	4,634	4,634
First Capital Shared Services Ltd	Shared Service	Equity Shares	100	100	690	690
First Capital Bank Ltd (Botswana)	Banking	Equity Shares	38.6	38.6	3,047	3,047
First Capital Bank Ltd (Botswana)	Banking	Preference Shares	100	100	2,475	2,475
First Capital Bank S.A. (Mozambique)	Banking	Equity Shares	80	80	21,366	21,366
Total investment in subsidiary companies					137,916	137,666

In April 2021, the Group acquired the remaining 19% of Afcarne Zimbabwe for US\$250,000, thereby increasing the effective holding of FCB Zimbabwe to 52.68%. The preference shares currently earn a dividend at the Bank of Botswana rate plus 300 basis points, currently 7.5% per annum.

IAS 29 – Financial Reporting in Hyperinflationary Economies

The Zimbabwe economy continues to be deemed a hyperinflationary economy. The June 2021 financial statements of Afcarne Zimbabwe Holdings have been adjusted to reflect the impact of inflation in its functional currency, the Zimbabwe dollar, prior to translation to the US dollar for Group consolidation. The general price index used was the Zimbabwe CPI which increased by 21% over the 6 months to June 2021. In the same period, the Zimbabwe dollar exchange rate to US\$ moved from 81.79 to 85.42, an increase of 4%.

Balances due to other banks

	Group		
	30-Jun-21	30-Jun-20	31-Dec-20
	Un-audited	Un-audited	Audited
	US\$'000	US\$'000	US\$'000
Borrowings from other banks	345,222	52,267	3,416
Currency swap liabilities	99,010	132,530	57,251
European Investment Bank (EIB)	1,105	2,433	1,612
FMO Line of Credit	7,636	20,059	18,513
Payable as follows:			
Due within 1 year	452,972	113,249	72,588
Due between 2 and 5 years	-	94,040	8,205
	452,972	207,289	80,792

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