



# FBC Bank Limited

(Registered Commercial Bank)

strength • diversity • service

## AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2012

### Statement of Financial Position As at 31 December 2012

	Note	2012 US\$	2011 US\$
<b>ASSETS</b>			
Balances with banks and cash	1	83 438 773	49 402 128
Loans and receivables			
- Loans and advances to customers	2	159 526 011	109 640 382
Financial assets at fair value through profit or loss	3.1	857 673	556 951
Financial assets available for sale	3.2	12 988 606	-
Prepayments and other assets	4	7 131 068	11 969 668
Deferred income tax asset		854 228	-
Intangible assets		1 195 622	1 418 792
Property and equipment	5	15 179 907	14 832 554
<b>Total assets</b>		<b>281 171 888</b>	<b>187 820 475</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Liabilities</b>			
Deposits from customers	6.1	118 730 694	78 024 145
Deposits from other banks	6.2	94 916 012	52 481 259
Lines of credit	6.3	25 493 722	20 183 932
Trade and other payables	7	7 514 512	4 777 097
Current income tax liability		83 855	2 247 007
Deferred income tax liability		-	1 908 278
Total liabilities		246 738 795	159 621 718
<b>Equity</b>			
Share capital and share premium		18 500 000	18 500 000
Other reserves		1 640 314	1 640 314
Retained profits		14 292 779	8 058 443
<b>Total equity</b>		<b>34 433 093</b>	<b>28 198 757</b>
<b>Total equity and liabilities</b>		<b>281 171 888</b>	<b>187 820 475</b>

### Statement of Comprehensive Income For the year ended 31 December 2012

	Note	2012 US\$	2011 US\$
Interest income	10	33 926 104	24 211 253
Interest expense	11	(16 191 911)	(11 238 088)
<b>Net interest income</b>		<b>17 734 193</b>	<b>12 973 165</b>
Dealing and trading income		1 391 380	1 016 385
Fees and commission		16 578 794	16 555 153
Other operating income		461 405	497 760
<b>Total income</b>		<b>36 165 772</b>	<b>31 042 463</b>
Impairment loss on loans and advances	2.2	(2 031 685)	(3 006 895)
Administrative expenses	12	(27 442 536)	(21 554 054)
<b>Profit before income tax</b>		<b>6 691 551</b>	<b>6 481 514</b>
Income tax credit /(expense)		285 985	(1 713 684)
<b>Profit for the year</b>		<b>6 977 536</b>	<b>4 767 830</b>
<b>Other comprehensive income</b>			
Gains on revaluation of property and equipment		-	828 541
Tax relating to other comprehensive income		-	(213 349)
<b>Other comprehensive income</b>		<b>-</b>	<b>615 192</b>
<b>Total comprehensive income for the year</b>		<b>6 977 536</b>	<b>5 383 022</b>

### Statement of Changes In Equity For the year ended 31 December 2012

	Ordinary shares US\$	Retained profits US\$	Share premium US\$	Non distributable reserve US\$	General reserve US\$	Total US\$
Balance at 1 January 2011	18 500 000	3 977 761	-	364 878	660 244	23 502 883
Profit for the year	-	4 767 830	-	-	-	4 767 830
<b>Other comprehensive income:</b>						
Gain on revaluation of property, plant and equipment	-	-	-	615 192	-	615 192
	18 500 000	8 745 591	-	980 070	660 244	28 885 905
<b>Transaction with owners:</b>						
Dividend declared and paid	-	(687 148)	-	-	-	(687 148)
<b>Balance as at 31 December 2011</b>	<b>18 500 000</b>	<b>8 058 443</b>	<b>-</b>	<b>980 070</b>	<b>660 244</b>	<b>28 198 757</b>
Balance at 1 January 2012	18 500 000	8 058 443	-	980 070	660 244	28 198 757
Profit for the year	-	6 977 536	-	-	-	6 977 536
<b>Other comprehensive income:</b>						
	18 500 000	15 035 979	-	980 070	660 244	35 176 293
<b>Transaction with owners:</b>						
Dividend declared and paid	-	(743 200)	-	-	-	(743 200)
<b>Balance as at 31 December 2012</b>	<b>18 500 000</b>	<b>14 292 779</b>	<b>-</b>	<b>980 070</b>	<b>660 244</b>	<b>34 433 093</b>

### Statement of Cash Flows For the year ended 31 December 2012

	Note	2012 US\$	2011 US\$
<b>Cash flow from operating activities</b>			
Profit for the year		6 691 551	6 481 514
<b>Adjustments for:</b>			
Depreciation	5	1 013 614	975 070
Amortisation		553 825	468 042
Impairment loss on loans and advances	2.2	2 031 685	3 006 895
Profit on disposal of property and equipment		(30 981)	(13 604)
Fair value adjustment on financial assets at fair value through profit or loss		(228 174)	(290 167)
<b>Net cash generated before changes in operating assets and liabilities</b>		<b>10 031 520</b>	<b>10 627 750</b>
Increase in loans and advances to customers		(54 218 525)	(36 108 846)
Decrease in statutory reserves		9 036 274	105 519
(Increase)/decrease in prepayments and other assets		(2 416 928)	123 443
Increase in amounts due from group companies		(3 294 699)	(1 870 244)
Increase/(decrease) in deposits from customers		40 706 549	(32 173 382)
Increase in deposits from other banks		42 434 753	42 990 760
Increase in trade and other payables		2 737 415	1 449 400
Income tax paid		45 016 359	(14 855 600)
		(4 639 673)	(674 166)
<b>Net cash generated/(used) in operating activities</b>		<b>40 376 686</b>	<b>(15 529 766)</b>
<b>Cash flows from investing activities</b>			
Sale of financial assets		152 010	-
Purchase of financial assets		(382 526)	497 787
Purchase of intangible assets		(330 654)	(708 915)
Purchase of property and equipment		(1 413 686)	(722 827)
Proceeds from sale of property and equipment		83 700	69 553
<b>Net cash used in investing activities</b>		<b>(1 891 156)</b>	<b>(864 402)</b>
<b>Cash flows from financing activities</b>			
Proceeds from lines of credit		5 309 790	3 034 780
Dividend declared and paid		(743 200)	(687 148)
<b>Net cash generated from financing activities</b>		<b>4 566 590</b>	<b>2 347 632</b>
Net increase/(decrease) in cash and cash equivalents		43 052 120	(14 046 536)
Cash and cash equivalents at beginning of year		40 386 653	54 433 189
<b>Cash and cash equivalents at the end of year</b>		<b>83 438 773</b>	<b>40 386 653</b>

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# FBC Bank Limited

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## AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 US\$	2011 US\$		
<b>1 BALANCES WITH BANKS AND CASH</b>				
Balances with Reserve Bank of Zimbabwe ('RBZ')				
Statutory reserves	-	9 015 475		
Current account balances	50 649 712	12 632 632		
	50 649 712	21 648 107		
Notes and coins	20 027 766	12 306 923		
Other bank balances	12 761 295	15 447 098		
	32 789 061	27 754 021		
Balances with banks and cash	83 438 773	49 402 128		
For the purpose of cash flow statement cash and cash equivalents comprise the following balances:				
Balances with other banks and cash	32 789 061	27 754 021		
Current account balance at RBZ	50 649 712	12 632 632		
	83 438 773	40 386 653		
<b>2 LOANS AND ADVANCES TO CUSTOMERS</b>				
Personal lending	31 126 823	23 560 313		
Wholesale and corporate loans and advances	136 332 374	89 680 359		
Gross value of loans and advances	167 459 197	113 240 672		
less allowance for impairment	(7 933 186)	(3 600 290)		
Net loans	159 526 011	109 640 382		
<b>2.1 Loans concentration by sector</b>				
	<b>gross total</b>	<b>percentage</b>	<b>gross total</b>	<b>percentage</b>
Mining	13 932 492	8%	7 100 458	6%
Manufacturing	43 789 906	26%	28 156 130	25%
Wholesale	13 092 068	9%	13 056 909	12%
Distribution	20 554 276	12%	-	0%
Individuals	31 126 823	19%	23 560 314	21%
Agriculture	10 029 461	6%	13 516 785	12%
Communication	2 067 966	1%	1 378 945	1%
Construction	1 992 086	1%	5 097 699	4%
Local Authorities	2 153 248	1%	7 387 563	7%
Other services	28 720 871	17%	13 985 869	12%
Gross value of loans and advances	167 459 197	100%	113 240 672	100%
less allowance for impairment	(7 933 186)		(3 600 290)	
Net loans	159 526 011		109 640 382	
<b>2.2 Movement in impairment allowance</b>				
Balance at the beginning of the year	3 600 290	593 395		
Charge for the year – income statement	2 031 685	3 006 895		
Interest in suspense	2 301 211	-		
Balance at end year	7 933 186	3 600 290		
<b>2.3 Maturity analysis of advances to customers</b>				
Maturing within 1 year	124 785 651	90 433 795		
Maturing after 1 year but within 5 year	34 740 360	19 206 587		
	159 526 011	109 640 382		
<b>3.1 Financial assets at fair value through profit or loss</b>				
Listed securities at market value	857 673	556 951		
<b>3.2 Financial assets available for sale</b>				
Listed securities at market value	12 988 606	-		
Investment securities are equities that had been pledged as security on a non-performing loan.				
<b>4 PREPAYMENTS AND OTHER ASSETS</b>				
Prepayments	1 662 338	348 374		
Sundry assets	3 454 345	2 351 381		
Amounts due from group companies	2 014 385	9 269 913		
	7 131 068	11 969 668		
<b>4.1 Maturity analysis of other assets</b>				
Maturing within 1 year	7 131 068	11 969 668		
Maturing after 1 year but within 5 years	-	-		
	7 131 068	11 969 668		
<b>5 PROPERTY AND EQUIPMENT</b>				
Opening balance	14 832 554	14 312 205		
Additions	1 413 686	722 827		
Disposals	(52 719)	(55 949)		
Revaluation surplus	-	828 541		
Depreciation charge for the year	(1 013 614)	(975 070)		
Carrying amount as at 31 December 2012	15 179 907	14 832 554		
<b>6.1 DEPOSITS FROM CUSTOMERS</b>				
Amounts due to customers by type				
Demand deposits	85 185 870	56 992 992		
Promissory notes	30 007 719	17 432 352		
Other Time deposits	3 537 105	3 598 801		
	118 730 694	78 024 145		
<b>6.2 Deposits from other banks</b>				
Money market deposits	94 916 012	52 481 259		
Other	-	-		
	94 916 012	52 481 259		
<b>6.3 Lines of credit</b>				
PTA Bank	-	5 000 000		
African Export-Import Bank	25 493 722	15 183 932		
	25 493 722	20 183 932		

### 6.4 Deposits concentration (excluding lines of credit)

Sector of the economy	gross total	percentage	gross total	percentage
Agriculture	4 982 313	2%	2 427 028	2%
Construction	2 225 233	1%	1 735 667	1%
Wholesale and retail trade	31 663 276	15%	27 885 492	22%
Public sector	10 607 444	5%	15 154 770	12%
Manufacturing	10 116 713	5%	1 735 285	1%
Telecommunication	2 351 318	1%	546 209	0%
Transport	4 558 834	2%	7 134 496	5%
Individuals	32 928 031	16%	15 294 895	12%
Financial services	94 916 012	44%	52 481 259	41%
Mining	12 699 878	6%	3 051 222	2%
Other	6 597 654	3%	3 059 081	2%
	<b>213 646 706</b>	<b>100%</b>	<b>130 505 404</b>	<b>100%</b>

	2012 US\$	2011 US\$
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### 7 TRADE AND OTHER PAYABLES

Provisions	512 047	671 216
Accrued expenses	7 002 465	4 105 881
	<b>7 514 512</b>	<b>4 777 097</b>

### 8 MATURITY ANALYSIS

(Deposits and lines of credit)		
Maturing within 1 year	234 435 428	145 984 337
Maturing after 1 year but within 5 years	4 705 000	4 705 000
	<b>239 140 428</b>	<b>150 689 337</b>

### 9 CAPITAL ADEQUACY

Ordinary share capital	18 500 000	18 500 000
Share premium	-	-
Retained profits	14 292 779	8 058 443
Capital allocated for market and operational risk	(2 254 511)	(2 807 954)
Advances to insiders	(5 054 120)	(9 269 913)
	<b>25 484 148</b>	<b>14 480 576</b>

#### Tier 1 capital

Other reserves	980 070	980 070
General reserve	660 244	660 244
	<b>1 640 314</b>	<b>1 640 314</b>

#### Tier 1 and 2 capital

Tier 3 capital allocated for Market and operational risk	2 254 511	2 807 954
	<b>29 378 973</b>	<b>18 928 844</b>

#### Risk weighted assets

	176 650 935	143 642 673
Tier 1 Ratio (%)	15%	10%
Tier 2 Ratio (%)	1%	1%
Tier 3 Ratio (%)	1%	2%
Capital adequacy (%)	17%	13%

### 10 INTEREST INCOME

Loans and advances to banks and other financial institutions	919 545	872 231
Loans and advances to customers	25 880 771	16 249 643
Loans and advances to banks	87 361	157 174
Banker's acceptances and tradable bills	7 038 427	6 932 205
	<b>33 926 104</b>	<b>24 211 253</b>

### 11 INTEREST EXPENSE

Deposit from other banks	5 419 841	4 585 935
Demand deposits	95 884	44 941
Afreximbank and PTA Bank	2 827 252	1 970 254
Time deposits	7 848 934	4 636 958
	<b>16 191 911</b>	<b>11 238 088</b>

### 12 ADMINISTRATIVE EXPENSES

Operating expenses	11 502 088	10 575 802
Audit fees:		
- Current year	85 437	193 913
- Prior Year	151 525	(42 388)
Personnel expenses	13 784 101	9 078 516
Director's fees	351 947	305 097
Depreciation and amortization	1 567 438	1 443 114
	<b>27 442 536</b>	<b>21 554 054</b>

### 13 COMMITMENTS

Capital expenditure authorized but not yet contracted for	6 687 961	3 491 245
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### 14 CONTINGENT LIABILITIES

Bank's borrowing on behalf of specific customers - letter of credit	8 225 844	7 859 645
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### 15 CREDIT RISK

<b>Individually impaired</b>		
Grade C: impaired	10 290 420	4 438 997
Grade D: impaired	2 193 251	1 649 666
Grade E: impaired	2 194 725	711 195

Gross amount	14 678 396	6 799 858
Allowance for impairment	(6 132 806)	(2 748 682)
Carrying amount	8 545 590	4 051 176

#### Unimpaired

Grade A:	144 812 605	101 345 059
Grade B:	7 968 195	5 095 755
Gross amount	152 780 800	106 440 814
Allowance for impairment	(1 800 379)	(851 608)
Carrying amount	150 980 421	105 589 206

#### Total carrying amount

	<b>159 526 011</b>	<b>109 640 382</b>
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# FBC Bank Limited

(Registered Commercial Bank)

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## AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2012

### 16 FBC BANK CONTRACTUAL GAP MATURITY PROFILE AS AT 31 DECEMBER 2012

	0-30 days	31-90 days	91-180 days	181-365 days	Over 365 days	Total
	US\$	US\$	US\$	US\$	US\$	US\$
<b>ASSETS</b>						
Balances with banks and cash	23 483 635	-	-	-	-	23 483 635
Balances with banks abroad	9 305 426	-	-	-	-	9 305 426
Balances with central bank	50 649 712	-	-	-	-	50 649 712
Financial assets at fair value	857 673	-	-	-	-	857 673
Financial assets available for sale	12 988 606	-	-	-	-	12 988 606
Advances to customers	57 526 255	33 784 835	14 274 683	28 505 999	25 434 239	159 526 011
Prepayments and other assets	427 864	1 069 660	1 782 767	3 850 777	-	7 131 068
Intangible assets	-	-	-	-	1 195 622	1 195 622
Deferred income tax asset	-	-	-	-	854 228	854 228
Property and equipment	-	-	-	-	15 179 907	15 179 907
<b>TOTAL ASSETS</b>	<b>155 239 172</b>	<b>34 854 495</b>	<b>16 057 450</b>	<b>32 356 776</b>	<b>42 663 996</b>	<b>281 171 888</b>
<b>LIABILITIES</b>						
Deposits from banks	52 188 925	19 936 798	8 670 650	14 119 639	-	94 916 012
Deposits from customers	101 982 964	9 371 441	6 766 289	610 000	-	118 730 694
Lines of credit	-	-	-	19 273 360	6 220 362	25 493 722
Current tax liabilities	-	-	-	83 855	-	83 855
Deferred tax liabilities	-	-	-	-	-	-
Trade and other payables	283 655	701 694	994 066	2 982 198	2 552 899	7 514 512
Capital and reserves	-	-	-	-	34 433 093	34 433 093
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>154 455 544</b>	<b>30 009 933</b>	<b>16 431 005</b>	<b>37 069 052</b>	<b>43 206 354</b>	<b>281 171 888</b>
Mismatch/funding gap	783 627	4 844 562	(373 555)	(4 712 276)	(542 358)	-
Cumulative mismatch	783 627	5 628 189	5 254 634	542 358	-	-

### 17 FBC BANK INTEREST REPRICING GAP AS AT 31 DECEMBER 2012

	0-30 days	31-90 days	91-180 days	181-365 days	Over 365 days	Non-Interest Bearing	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>ASSETS</b>							
Balances with banks and cash	-	-	-	-	-	23 483 635	23 483 635
Balances with banks abroad	9 305 426	-	-	-	-	-	9 305 426
Balances with Central Bank	-	-	-	-	-	50 649 712	50 649 712
Financial assets at fair value	-	-	-	-	-	857 673	857 673
Financial assets available for sale	-	-	-	-	-	12 988 606	12 988 606
Advances to customers	57 526 255	33 784 835	14 274 683	28 505 999	25 434 239	-	159 526 011
Prepayments and other assets	-	-	-	-	-	7 131 068	7 131 068
Deferred income tax asset	-	-	-	-	-	854 228	854 228
Intangible assets	-	-	-	-	-	1 195 622	1 195 622
Property and equipment	-	-	-	-	-	15 179 907	15 179 907
<b>TOTAL ASSETS</b>	<b>66 831 681</b>	<b>33 784 835</b>	<b>14 274 683</b>	<b>28 505 999</b>	<b>25 434 239</b>	<b>112 340 451</b>	<b>281 171 888</b>
<b>LIABILITIES</b>							
Deposits from banks	52 188 925	19 936 798	8 670 650	14 119 639	-	-	94 916 012
Deposits from foreign banks	-	-	-	19 273 360	6 220 362	-	25 493 722
Deposits from customers	101 982 964	9 371 441	6 766 289	610 000	-	-	118 730 694
Current tax liabilities	-	-	-	83 855	-	-	83 855
Deferred tax liabilities	-	-	-	-	-	-	-
Trade and other payables	283 655	701 694	994 066	2 982 198	-	2 552 899	7 514 512
Capital and reserves	-	-	-	-	-	34 433 093	34 433 093
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>154 455 544</b>	<b>30 009 933</b>	<b>16 431 005</b>	<b>37 069 052</b>	<b>6 220 362</b>	<b>36 985 992</b>	<b>281 171 888</b>
Funding gap cumulative	(87 623 863)	3 774 902	(2 156 322)	(8 563 053)	(11 551 752)	(168 831 437)	-
Mismatch	(87 623 863)	(83 848 961)	(86 005 283)	(94 568 336)	(106 120 089)	(274 951 525)	-

### 18 FBC BANK FOREIGN EXCHANGE GAP AS AT 31 DECEMBER 2012

31-Dec-12	ZAR	EUR	BWP	GBP	TOTAL
Assets	USD Equivalent	USD Equivalent	USD Equivalent	USD Equivalent	USD Equivalent
Cash	1 138 959	64 552	50 379	31 797	1 285 687
Correspondent Nostro Balances	541 122	208 807	729 226	73 470	1 552 625
Investments	-	-	-	-	-
Loans and Overdrafts	459 552.47	732.04	1 545.16	320.86	462 151
Other	109 969	85	20	49	110 122
<b>Total Assets</b>	<b>2 249 603</b>	<b>274 176</b>	<b>781 169</b>	<b>105 636</b>	<b>3 410 584</b>
<b>Liabilities</b>					
Foreign Currency Accounts	1 399 122	198 199	154 822	49 414	1 801 557
Other	309 912	1	40.73	104	310 058
<b>Total Liabilities</b>	<b>1 709 034</b>	<b>198 201</b>	<b>154 862</b>	<b>49 518</b>	<b>2 111 615</b>
<b>Net Currency Positions</b>	<b>540 569</b>	<b>75 975</b>	<b>626 307</b>	<b>56 118</b>	<b>1 298 969</b>

### Value at Risk

Value at Risk is a statistical estimate of the maximum loss expected from the Bank's trading book with a given degree of confidence over a given holding period. The Bank's system uses the Exponentially Weighted Moving Average (EWMA) method to compile VaR. This method attaches more weighting to the most recent data on market risk factors- the weights decaying exponentially as we go further into the past. The VaR parameters used are a 95% confidence level, one day holding period and 5 day holding period.

Asset Class	Asset Class	Type of Risk	Present Value	Portfolio Weight	Value at Risk (95% Confidence level)	
					1-day Holding Period	5-day Holding Period
Currency	Currency	Exchange Rate	1,298,969	100%	7,552	16,886
<b>Total</b>			<b>1,298,969</b>	<b>100%</b>	<b>7,552</b>	<b>16,886</b>
<b>Portfolio VaR</b>					<b>7,552</b>	<b>16,886</b>

### 19 BOARD ATTENDANCE

NAME	2012 MAIN BOARD			
	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
Taka Mutunhu	√	√	√	√
John Mushayavanhu	√	√	√	√
Garikai Bera	x	√	√	√
Paul Chimedza	√	x	√	√
Trynos Kufazvinei	√	x	√	√
Martin Makonese	√	√	√	√
Susan Mutangadura	x	√	√	√
Webster Rusere	√	√	√	√
Mercy Ngoro	√	√	√	√
Theresa Mazoyo	√	√	√	x
Patrick Takawira	√	√	x	x
Agrippa Mugwagwa	√	√	√	√
David Birch	√	x	√	√

√ Present  
X Absent

By order of the Board

**Tichaona K. Mabeza**  
GROUP COMPANY SECRETARY  
21 March 2013

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(Registered Commercial Bank)  
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