Audited Financial Results For The Year Ended 31 December 2014

CHAIRMAN'S STATEMENT

Financial Performance Review

2014 was a year of mixed results which combined both strong operating performances by the Group's financial services subsidiaries with significant extraordinary one off costs related to the Group's strategic exit from Turnall Holdings Limited (Turnall).

Shareholders may recall, that during the course of 2014, the Board took the decision to exit from our 58% shareholding in Turnall, a non-core manufacturing company which had been part of the FBCH Group since September 2009. This decision was made so that the Group would focus entirely on its financial services operations, the sector in which it has strong core competence. The divestiture from Turnall, was achieved through a declaration of a dividend in specie. In order to effect this dividend, the Group had to absorb its attributable share of Turnall's operating losses from 1 January 2014 to the date of the dividend (17 October 2014). In addition the Group had to recognize the reduction in the fair market value of its investment in Turnall as at 17 October 2014.

As a result, the Group incurred total extraordinary charges of US$9 million related to this exit strategy and the eventual disposal of its investment in Turnall. However, it is important that this one off cost be viewed in the context of strong operating results with Net Income increasing by 8.8% in 2014 to US$77.4 million and resulting in profit from continuing operations of US$13.9 million. After netting out this extraordinary charge and the related tax implications, the bottom line net profit of the Group for 2014 stands at US$4.9 million. While this divestiture was costly to the Group, it was the right action to take and the Group will produce stronger results with its focused approach on its core competence. The costs arising from the Turnall divestiture are separately disclosed on the consolidated statement of comprehensive income as the loss from discontinued operations.
The Group also had to restate its 2013 financial statements to reflect the correction of some prior year accounting errors made by Turnall in their 2013 audited accounts. The impact of these Turnall errors is fully disclosed in the financial statements.

The growth in the Group's core business was mainly driven by an increase in net interest income and net insurance premium. This was however, counteracted by decreases in other revenue lines-mainly gross profit on property sales under the Building Society business, as a result of timing differences in completing housing units and increased holding costs. The growth in total income is a clear demonstration of the continued entrenchment of the FBC brand in the market. The Group continues to focus on expanding its revenue base within the financial services sector to maintain its growth momentum.

The Group's profit before income tax for continuing operations decreased by 7.8% to US$17.1 million from the US$18.6 million achieved last year. This was mainly as a result of an increase in impairment allowance on financial assets that was recorded as a prudent response to the increasing credit risk in the market. As a result, impairment allowance increased to $8.3 million from $3.9 million last year. The Group continues to bolster its risk management framework with particular emphasis on credit risk and liquidity risk, on the backdrop of the current challenging macro-economic environment. The Group is in full compliance with Basel II provisioning requirements and has set aside adequate reserves to cushion it from the adverse effects of potential loan losses.

Administrative overheads increased by 3% in light of the businesses being in an expansionary phase, benefiting from an increased focus on cost containment and improvement in efficiencies emanating from a continuous review of operating processes.

Although the administrative cost to total income ratio improved to 52% from 55% last year, the overall cost to income ratio for continuing business increased to 78% from 74% in 2013, due mainly to specific impairment allowances and insurance related expenses.

The Group continues to be in a strong liquidity position and is able to comfortably meet customer requirements. It will continue to exercise prudence in the area of liquidity management under the current challenging economic environment.

Despite the divestiture from Turnall, the Group's statement of financial position increased by 5.5% to US$477 million from US$452 million last year. The growth in the statement of financial position was mainly driven by a 22% increase in deposits augmented by the $60 million syndicated loan facility. The three year syndicated facility enabled the banking subsidiary to extend medium term facilities to our customers, thereby increasing their capacity to repay on a sustainable basis.

Total equity attributable to FBC Holdings Limited shareholders was at US$88 million, which was the same as last year, despite the payment of a dividend in specie.

The Group's businesses continue to record positive performance and the trend is expected to continue.

Operating Environment.

A GDP growth rate of 3.1% recorded last year is expected to be maintained this year as the country continues to implement the Zimasset program. The Group businesses are poised to exploit opportunities in the informal sector by deploying appropriate technological solutions.

Financial Services Sector

The Financial services sector has remained stable notwithstanding the closure of a few banks with insignificant systemic risk. An initiative by the central bank to address the market-wide non performing loans, has been instituted through a special purpose vehicle, Zimbabwe Asset Management Company (ZAMCO). This initiative entails hiving off secured non performing loans (NPLs) from financial institutions at an agreed discount. It will capacitate banks to undertake new lending, which is fundamental to economic growth. In addition, the Reserve Bank is establishing a credit reference bureau which will enhance credit risk management.

Capital Requirements

We are pleased to report that all the FBC Holdings Limited subsidiaries exceeded the minimum regulatory capital requirements as at 31 December 2014. Further, the Building Society has already exceeded the target minimum capital requirement of $25 million which is required by the year 2020. The Bank has submitted to the Reserve Bank a robust recapitalisation program which will see it complying with the $100 million minimum regulatory capital requirement by year 2020.

Share Price Performance

The ZSE (Zimbabwe Stock Exchange) remained subdued due to the obtaining macro-economic environment. The FBC Holdings counter has not been spared and has continued to trade at a discount to net asset value (NAV) per share. We expect the discount between NAV and market value to narrow as the Group benefits from the refocused business portfolio.

Corporate Social Investment

The Group remains committed to giving back to the communities it operates in, having disbursed over $100 000 towards various corporate social responsibility initiatives in the fields of education, health, community share trusts, sports and the arts during the year 2014.

Marketing and Public Relations

The Group maintained its brand stature within the market place during year, owing to various sustained marketing and public relations initiatives that were implemented. FBC Holdings was crowned the winner of the Financial Gazette's Top Companies Survey 2014, an award presented to the best performing counter on the Zimbabwe Stock Exchange. FBC Holdings Limited was also recognised as the best performing counter in the Financial Services sector and the 4th best overall listed company by the Zimbabwe Independent Quoted Companies Survey 2014.

FBC Building Society was recognised by the Project Management Institute of Zimbabwe for delivering the "Most Outstanding Project for the year 2014" for its Muonde Gardens project in Newlands.

e- Commerce

The Group continues to make significant strides towards embracing technology-driven solutions to improve business processes, lower costs and improve customer convenience. More customers are getting 24/7 service access from the various businesses, creating sustained value in the process. A number of new systems and upgrades are being implemented concurrently with the attendant security protocols, to ensure the business ecosystems are protected from the ever-escalating threats of cyber crime. In particular, the Europay-MasterCard-VISA (EMV) security standards have been implemented for the issuance of MasterCard and acquisition of related transactions.

Dividend

On behalf of the Board I am pleased to advise that a dividend in specie comprising 262 063 155 ordinary shares in Turnall Holdings Limited was distributed as a specific payment to FBC Holdings shareholders registered as such on the record date of the transaction of 17 October 2014.
The transaction was valued at US$8 million on its effective date of 25 August 2014 and was approved by shareholders at an Extra - Ordinary General Meeting held on 26 September 2014. The distribution of the Group's shareholding in Turnall by way of a dividend in specie represents one of the biggest dividend payments by a listed entity in recent history. In view of the above, your Board has passed the declaration of a final dividend.

Outlook

There has been an increase in interest shown by foreign investors to invest in the country. The refocused Group is poised to exploit such opportunities as and when they arise. Going forward the Group will continue to focus on liquidity risk, credit quality, cost containment and low cost delivery channels in an effort to making banking more inclusive and affordable.

Appreciation

As always, my appreciation goes to our valued customers whose support remains the backbone of our existence. I am truly thankful for the non-executive directors' guidance and counsel during this period. The professionalism, dedication and commitment demonstrated at all times, by the Group Chief Executive, his management team and staff, is highly commendable.

Herbert Nkala
Group Chairman
30 March 2015

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

GROUP CHIEF EXECUTIVE REPORT

I am pleased to present to you the FBC Holdings audited financial results for the twelve months ended 31 December 2014, a momentous year, which culminated in the Group taking a strategic decision to focus on core business in the financial services sector. The Group disinvested from Turnall Holdings Limited, a non core business to FBC Holdings Limited, which was held on the basis of specific Reserve Bank of Zimbabwe approvals to hold the non-core asset.

Group Performance
Despite the disposal of Turnall as a dividend in specie at a book loss of US$9 million, the Group sustained a positive performance, achieving a profit before tax of US$8 million for the year. The performance is however, significantly less than the profit of US$14 million achieved last year mainly due to the aforementioned book loss of US$9 million and the significantly increased impairment allowance made in response to the heightened inherent credit risk outlook and the challenging macro credit environment.

It is pleasing to note that for the continuing operations, now comprising our core business, the Group's total net income registered a growth of 8% to $77 million from US$71 million achieved last year. The revenue was buoyed by increased customer acquisitions underpinned by the continued collateralisation of the FBC brand.

The Group's net interest income grew by 14% to US$29 million from US$25 million recorded last year and its contribution to total net income increased to 37% from 35% last year. This was driven by the growth in loans and advances and mortgages on the back of increased deposits and credit lines.

Fee and commission income increased by 13% to US$25 million from US$22 million achieved in the prior year. The contribution to total net income registered a slight increase to 33% from 31% on the back of a more pronounced net interest income and net earned insurance premium contribution.

The contribution of gross profit on property sales decreased to 4% from 5% mainly as a result of reduced turnover on property sales as a significant number of housing units were completed towards the tail end of the year. It is however, encouraging to note that margins on property sales improved to 36% from 31% last year as a result of increased efficiencies in the construction of housing units.

Net earned insurance premium registered a commendable growth of 16% and its contribution to total net income increased to 25% from 23% last year driven by increased customer acquisitions and the successful introduction of new products.

The Group continues to place emphasis on cost containment as a strategic objective for survival under the current challenging operating environment. The Group cost income ratio moved to 78% from 74% last year mainly due to an increased impairment allowance made as a response to the heightened credit risk outlook. Administrative overheads at US$40 million were 3% above those incurred last year as a result of expansion related expenses.

The Group's statement of financial position at US$477 million increased by 5% compared to the prior year despite the disposal of Turnall, piggybacking on a commendable increase in deposits of 22%. This growth is underpinned by continued customer support which is a further testimony to the continued consolidation of the FBC brand.

Total equity attributable to shareholders of FBC Holdings limited remains static at US$88 million following the disposal of Turnall by way of a dividend in specie.

FBC Bank Limited
In a market that continues to be constrained by high inherent risks in liquidity, credit and operational management, FBC Bank recorded a profit before income tax of US$8.1 million compared to US$7 million achieved last year excluding the loss from the Turnall transaction. When the Turnall transaction is included, the profit before tax reduces to US$2 million. The disposal of Turnall has improved the quality of revenue and the asset base of the Bank.

The Bank cost to income ratio excluding the Turnall transaction improved to 77% from 81% following increased cost containment and a reassessment of the Group's shared cost burden.

The Bank's statement of financial position registered a creditable growth of 18% to US$382 million, bolstered by total deposits which increased by 24% to US$347 million from US$278 million last year.

The Bank increased its lending portfolio by 19% to US$252 million from US$213 million last year, on the back of an increased deposit base and accessed credit lines. The Bank will continue to strengthen its credit risk management systems to reduce the level of non-performing loans.

The core capital of the Bank reduced to US$33 million from US$39 million last year, following the declaration of the Bank's investment in Turnall as a dividend to its sole shareholder, FBC Holdings Limited, in order to facilitate the Group's exit from non- core business.

The Bank continued to focus on securing additional external lines of credit with a view to providing the much needed support to clients with bankable businesses. FBC Bank received a US$60 million syndicated loan facility from Standard Chartered Bank, Commerzbank and Investec, guaranteed by Afreximbank. The Bank also successfully concluded a US$10,5 million factoring facility as well as a Grain and Agricultural input facility worth US$10 million. A successful renewal and deployment of a US$15 million Agro bills facility was also completed during the course of the year. The Bank managed to pay off a US$8 million facility as well as the US$15 million Afreximbank facility. The thrust is to position FBC Bank as a market leader in securing external lines of credit for on lending to quality corporates as well as qualifying individuals.

In its continued efforts to expand its product offering, the Bank has established a lease finance department. The Bank also migrated its MasterCard from the magnetic stripe to the more secure chip and pin. Branch network expansion is on going, with plans underway to open new branches. The Bank maintained it's A-rating from the Global Credit Rating Agency.

FBC Building Society
The Building Society continues to actively participate in the properties market with upmarket housing developments having been completed and sold during the year. The Building Society won the "Project of the year" award which was issued by the Project Management Institute of Zimbabwe in recognition of the quality projects delivered during the year, a commitment that the Building Society has upheld in delivering value to our customers. In a market where the housing waiting list is reported to be in excess of 1 million houses, the Building Society is playing its part in meeting the acute demand for housing whilst targeting various segments of the market.

The Society recorded a surplus of US$7 million for the year ended 31 December 2014. Total net income for the year amounted to US$14 million compared to $13 million recorded in 2013. Operating expenses were controlled and remained flat in 2014 with the 6% increase emanating from impairment loss on land and buildings.

The Building Society's statement of financial position increased by 39% to US$109 million propelled by total deposits which increased by 48%. The loan portfolio registered a 11% growth to US$50 million from US$45 million in 2013. The loan book growth continues to be driven by mortgages lending, arising from housing development projects.

The net capital for the Building Society stood at US$29.7 million as at 31 December 2014, enabling it to be compliant with the current capital requirements for tier 2 banking institutions which will remain at the same level until 31 December 2020.

Microplan Financial Services (Private)Limited
Since its establishment in January 2011, Microplan has recorded significant growth in market share and is now ranked 3rd by balance sheet size in the market. The business unit contributed US$2 million to the overall Group profit before tax, representing a 67% growth from the 2013 profit before income tax of $1,2m.

Microplan's success is a result of employing aggressive business development tactics while at the same time applying strong risk management methods. The business unit has spread its footprint to all major cities and centres so as to register increased visibility as well as market share. Microplan as a responsible corporate institution, won a ZIMRA Taxpayer Appreciation Award, under the income tax SME category for the 2013 tax year, for paying taxes on time and in full.

FBC Securities (Private) Limited
Declining capacity utilization, low disposable incomes and reduced aggregate demand culminated in a negative performance of 19.9% of the industrial index on the Zimbabwe Stock Exchange. Having embarked on a deliberate income diversification strategy that included product and service diversification, the unit was able to reduce the effects of a declining brokerage income and recorded a marginally above break even comprehensive income level for the year 2014.

Looking ahead, the unit will consolidate its position in the foreign market with intentions of building a sustainable and well diversified income portfolio, with particular focus in the equities, fixed income securities and advisory services for the benefit of its customers and the group's subsidiaries.

FBC Reinsurance Limited ("FBC Re")
FBC Re's gross premium income for 2014 amounted to US$16 million compared to US$15 million written in 2013, which is an increase of 3%. Profit before income tax amounted to $2.7 million, which is a 7% decrease from the US$2.9 million achieved last year. Performance was adversely impacted by the adverse performance of the ZSE which reduced investment income from $1.64 million in 2013 to $0.65 million in 2014.

The company recorded a 58% increase in underwriting results to US$1.9 million from the US$1.2 million achieved in 2013. This is attributed to the strong underwriting discipline and robust risk management employed by the company.

FBC Re remains the lead reinsurer for the majority of the major direct insurers in Zimbabwe and is also the most liquid and most profitable Zimbabwean reinsurer in the market. The company has the fastest claims turnaround time in the market. In the just ended business year, FBC Re maintained its A- rating in claims paying ability from the Global Credit Rating Agency of South Africa, making it the only local A rated reinsurer.

The company has been granted permission to commence writing Life and Health business in 2015. This new line of business will ensure that the company, which has been in business for 20 years, offers the full spectrum of Reinsurance services to both the short term and long term markets. FBC RE has also put in place retrocession arrangements with top rated specialist markets covering businesses against risks associated with Political Riots and Terrorism, as well as Cyber Risks.

Eagle Insurance Company Limited
Eagle Insurance continues to grow since its acquisition by the Group in 2011. Gross Written Premium increased by 15% to US$17 million from US$15 million 2013. The insurance company has continued to post profits consistently since 2012. It grew its profits to US$1.76 million in 2014 from US$1.67 million in 2013.

We are pleased to report that the outlook remains largely positive, with the business unit poised to benefit from on-going product development in the largely untapped micro insurance space. In particular there has been increased uptake of the new Hospital Cash Plan product. Eagle continues to exercise robust risk management, engage in prudent underwriting and also continues to maintain a very liquid balance sheet.

In 2014, Eagle Insurance's claims paying ability was upgraded to BBB by the Global Credit Rating Agency.

Service Delivery
The Group remains committed to delivering a quality service to all clients and stakeholders through continuous product innovation and review. There has been a concerted effort to increase physical representation across the country for business units such as FBC Bank, FBC Building Society and Microplan.

Risk Management
The Group has a strong risk management culture which is continuously reinforced across all business units. Policies and procedure manuals are regularly reviewed to ensure that they are consistent with conditions prevailing in the operating environment and are in conformity with best practices and regulatory requirements. The FBC Group's risk appetite statement also provides the connection between the overall business strategy and the risk governance of the organisation.

The Group, through its Enterprise-Wide Risk Management Framework, conducts stress tests to assess the vulnerability of the Group against severe market conditions. Proactive measures are undertaken to address any undesirable outcomes from the stress tests. In addition, the Group has adopted best practice Information Technology Operations Control Frameworks, given the e-Commerce strategic thrust being pursued. The Group's adoption of the Basel II Standards has been of great assistance in achieving the objective of maintaining robust risk management processes. Management and Board committees which are an integral part of the risk governance structure across the Group, provide continuous oversight on overall risks.

Human Resources
The Group enjoys harmonious employee relations across all its business units. For the fourth consecutive year, the Group was once again, able to retain its key and critical skills that are pivotal in delivering the service it provides to its valued customers and stakeholders. Employee commitment to the Group has further improved as reflected by the level of employee engagement which in 2014 surpassed the levels which were recorded in the last 3 years.

The financial performance of the company bears testimony to the level of productivity that committed and highly engaged employees are capable of achieving. The Group will continue to review its policies with a view to ensuring that areas which increase the level of employee commitment and consequently productivity are given attention. These include but are not limited to employee relations, talent management, performance management, incentives and rewards, learning and development, employee participation, work life balance, employee wellness and other related policies which influence high levels of engagement and belonging.

Information Technology and e-Commerce
The FBC brand has made tremendous inroads in leveraging technology to enhance efficiency, lower costs and deliver customer convenience. Emerging channels such as mobile and internet banking continue to benefit from the high penetration rate resulting in a surge in electronic transactional volumes and associated revenues. The Group is focused on broadening service access for the banked whilst enhancing reach for the un-banked and under-banked segments which hitherto could not be served optimally via brick and mortar structures.

The Group has successfully migrated the MasterCard platform to the EMV chip and PIN standard as well as adopting ISO27K as part of various initiatives to secure the operating environment from ever-escalating threats. Technology remains fundamental to the FBC financial value chain, which will also utilise the agency network to enable reach and financial inclusion across multiple ecosystems. The Group is well poised to deliver integrated payment systems to its clients and the economy at large.

Product Development
The Group believes that with a sustained thrust towards understanding the desires of the market and responding to that need in the form of innovative products and services, we are well positioned to succeed in a highly contested market place.

Appreciation
FBC Holdings remains highly appreciative of our loyal customers and stakeholders, some of who have been with us since our humble beginnings in 1997. I am truly grateful for the unwavering support and commitment that continues to drive us in our quest for excellence. My sincere gratitude is extended to the FBC Holdings Limited Board of Directors, Management and Staff members for their steadfast guidance and support.

John Mushayavanhu
Group Chief Executive
30 March 2015

FBC Holdings Limited

strength • diversity • service

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2014

Continuing operations	Note	2014 US$	Restated 2013 US$
Interest income	19	57 285 218	43 742 060
Interest expense	19.1	(28 545 366)	(18 621 430)
Net interest income		**28 739 852**	**25 120 630**
Fee and commission income	20	25 328 870	22 310 748
Fee and commission expense	20.1	(67 270)	(21 558)
Net fee and commission income		**25 261 600**	**22 289 190**
Revenue from property sales	21	8 282 137	11 825 931
Cost of sales	21.1	(5 282 538)	(8 136 461)
Gross profit from property sales		**2 999 599**	**3 689 470**
Insurance premium revenue	22	31 067 431	27 825 380
Premium ceded to reinsurers and retrocessionaires		(11 777 515)	(11 145 315)
Net earned insurance premium		**19 289 916**	**16 680 065**
Net trading income		999 900	1 007 454
Net gains from financial assets at fair value through profit or loss	23	(335 862)	599 201
Other operating income	24	405 016	1 689 556
		1 069 054	3 296 211
Total net income		**77 360 021**	**71 075 566**
Impairment allowance on financial assets	5.4	(8 343 080)	(3 874 235)
Net insurance commission expense	25	(4 004 082)	(3 310 674)
Insurance claims and loss adjustment expenses	26	(7 580 228)	(6 270 029)
Administrative expenses	27	(40 337 235)	(39 070 462)
Profit before income tax		**17 095 396**	**18 550 166**
Income tax expense	28	(3 162 233)	(2 648 920)
Profit for the year from continuing operations		**13 933 163**	**15 901 246**
Discontinued operations			
Loss for the year from discontinued operations	29	(9 038 872)	(4 298 929)
Profit for the year		4 894 291	11 602 317
Other comprehensive income			
Gains on property revaluation		1 222 154	-
Tax relating to other comprehensive income		(238 040)	-
Available for sale reserve		(31 125)	
Tax		311	
Other comprehensive income, net income tax		**953 300**	**-**
Total comprehensive income for the year		**5 847 591**	**11 602 317**
Profit attributable to:			
Equity holders of the parent		4 838 405	12 226 603
Non - controlling interest		55 886	(624 286)
Profit for the year		4 894 291	11 602 317
Profit attributable to equity shareholders arises from:			
Continuing operations:		13 877 277	14 733 739
Discontinued operations:		(9 038 872)	(2 507 136)
		4 838 405	12 226 603
Total comprehensive income attributable to:			
Equity holders of the parent		5 779 344	12 226 603
Non - controlling interest		68 247	(624 286)
Total comprehensive income for the year		5 847 591	11 602 317
Total comprehensive income attributable to equity shareholders arises from:			
Continuing operations:		14 886 463	15 901 246
Discontinued operations:		(9 038 872)	(4 298 929)
		5 847 591	11 602 317
Earnings per share (US cents)			
Basic earnings per share	31.1		
From continuing operations		2.09	2.45
From discontinued operations		(1.36)	(0.42)
From profit for the year		**0.73**	**2.03**
Diluted earnings per share	31.2		
From continuing operations		2.09	2.45
From discontinued operations		(1.36)	(0.42)
From profit for the year		**0.73**	**2.03**

Consolidated Statement of Financial Position
As at 31 December 2014

ASSETS	Note	31 Dec 2014 US$	31 Dec 2013 Restated US$	1 Jan 2013 Restated US$
Balances with other banks and cash	4	110 965 506	69 386 905	82 415 090
Loans and advances to customers	5.1	314 421 853	265 760 858	190 592 547
Trade and other receivables including insurance receivables	5.2	6 382 407	26 137 993	25 968 625
Debentures	6	2 768 518	2 664 279	-
Financial assets at fair value through profit or loss	7	1 349 039	1 495 227	2 932 818
Available for sale financial assets		407 764	-	-
Inventory	8	4 464 350	14 987 618	16 996 626
Prepayments and other assets	9	6 095 286	7 541 727	6 921 582
Income tax asset		197 042	844 192	-
Deferred income tax assets		4 274 801	2 428 213	1 664 338
Investment property	10	1 693 000	25 000	25 000
Intangible asset	11	1 212 593	1 276 109	1 457 875
Property, plant and equipment	12	23 115 845	59 798 711	57 310 267
Total assets		**477 348 004**	**452 346 832**	**386 284 768**
EQUITY AND LIABILITIES				
Liabilities				
Deposits and borrowings from other banks and customers	13	364 867 862	299 744 370	254 058 266
Insurance liabilities	14	7 278 048	11 635 967	10 976 731
Trade and other payables	15	15 343 915	36 881 309	31 790 060
Current income tax liability		1 095 584	1 789 455	1 712 581
Deferred income tax liability		545 699	4 613 262	5 642 084
Total liabilities		**389 131 108**	**354 664 363**	**304 179 722**
Equity				
Capital and reserves attributable to equity holders of the parent entity				
Share capital and share premium	16.3	14 089 892	14 089 892	7 681 908
Other reserves		39 486 008	41 492 189	34 616 972
Retained profits		34 432 803	32 413 981	21 188 583
		88 008 703	87 996 062	63 487 463
Non controlling interest in equity		208 193	9 686 407	18 617 583
Total equity		**88 216 896**	**97 682 469**	**82 105 046**
Total equity and liabilities		**477 348 004**	**452 346 832**	**386 284 768**

Statement of Cash Flows
For the year ended 31 December 2014

	Note	2014 US$	Restated 2013 US$
Cash flow from operating activities			
Profit before income tax		17 095 396	18 550 166
Adjustments for non cash items:			
Discontinued operations		-	(5 417 271)
Depreciation	12	1 633 171	4 096 996
Amortisation charge	11	451 168	729 786
Impairment loss on loans and advances	5.4	8 343 080	3 874 235
Write-off of inventory		-	-
Impairment loss on property and equipment	12	346 845	-
Fair value adjustment on financial assets at fair value through profit or loss	23	335 862	(599 201)
Loss on disposal of subsidiary		-	-
Profit on disposal of property and equipment	24	(15 268)	(21 883)
Net cash generated before changes in operating assets and liabilities		**28 190 254**	**21 212 828**
Increase in loans and advances		(57 004 075)	(79 042 546)
Increase/(decrease) in trade and other receivables		4 542 557	(169 368)
Increase in debentures		(104 239)	(2 664 279)
(Increase)/decrease in financial assets at fair value through profit or loss		(213 701)	2 036 792
Decrease in available for sale financial assets		(407 764)	-
(Increase)/decrease in inventory		(306 276)	2 009 008
Decrease/(increase) in prepayments and other assets		390 361	(620 145)
Increase in investment property		(648 000)	-
Increase in deposits from customers		64 113 180	24 902 891
Decrease in deposits from other banks		(10 598 244)	(8 458 292)
Decrease/(increase)Increase in insurance liabilities		(4 357 919)	695 500
Increase in trade and other payables		3 649 800	5 091 248
		27 245 934	(35 006 363)
Income tax paid		(2 907 837)	(4 090 593)
Net cash generated/(used in) from operating activities		**24 338 097**	**(39 096 956)**
Cash flows from investing activities			
Purchase of intangible assets	11	(302 816)	(548 020)
Purchase of property, plant and equipment	12	(1 312 671)	(6 668 505)
Proceeds from sale of property, plant and equipment		15 989	104 948
Net cash used in investing activities		**(1 599 498)**	**(7 111 577)**
Cash flows from financing activities			
Proceeds from borrowings		21 150 910	53 513 012
Repayment of borrowings		-	(24 271 507)
Dividend paid to the Company's shareholders		(1 001 205)	(1 001 205)
Dividend paid to non-controlling interests		(16 510)	(5 111)
Proceeds from sale of treasury shares		-	5 081 437
Purchase of treasury shares		(834 551)	(100 015)
Net cash generated from financing activities		**19 298 644**	**33 216 611**
Net (decrease)/increase in cash and cash equivalents		42 037 243	(12 991 922)
Cash and cash equivalents at beginning of the year		68 928 263	81 920 185
Cash and cash equivalents at the end of year	4.2	**110 965 506**	**68 928 263**

Statement of Changes in Equity
For the year ended 31 December 2014

	Share capital US$	Share premium US$	Retained profits US$	Share option reserve US$	Treasury shares US$	Non distributable reserve US$	Revaluation reserve US$	Available for sale reserve US$	Regulatory reserve US$	Changes in ownership US$	Total US$	Non controlling interest US$	Total equity US$
Balance as at 1 January 2013 (as previously reported)	**5 918**	**7 675 990**	**24 738 249**	**110 716**	**(2 757 535)**	**33 659 224**	**3 191 743**	**-**	**627 590**	**(214 766)**	**67 037 129**	**21 115 504**	**88 152 633**
Adjustments relating to prior year (note 18)	-	-	(3 549 666)	-	-	-	-	-	-	-	(3 549 666)	(2 497 921)	(6 047 587)
Balance as at 1 January 2013, restated	**5 918**	**7 675 990**	**21 188 583**	**110 716**	**(2 757 535)**	**33 659 224**	**3 191 743**	**-**	**627 590**	**(214 766)**	**63 487 463**	**18 617 583**	**82 105 046**
Profit for the year	-	-	12 226 603	-	-	-	-	-	-	-	12 226 603	(624 286)	11 602 317
Other comprehensive income;													
Regulatory impairment allowance	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	12 226 603	-	-	-	-	-	-	-	12 226 603	(624 286)	11 602 317
Transaction with owners:													
Dividend declared and paid	-	-	(1 001 205)	-	-	-	-	-	-	-	(1 001 205)	(5 111)	(1 006 316)
Increase in ownership interest	801	6 407 183	-	-	-	-	-	-	-	1 893 795	8 301 779	(8 301 779)	-
Treasury share purchase	-	-	-	-	(100 015)	-	-	-	-	-	(100 015)	-	(100 015)
Treasury share disposal	-	-	-	-	2 518 400	2 563 037	-	-	-	-	5 081 437	-	5 081 437
Balance as at 31 December 2013, restated	**6 719**	**14 083 173**	**32 413 981**	**110 716**	**(339 150)**	**36 222 261**	**3 191 743**	**-**	**627 590**	**1 679 029**	**87 996 062**	**9 686 407**	**97 682 469**
Balance as at 1 January 2014, restated	**6 719**	**14 083 173**	**32 413 981**	**110 716**	**(339 150)**	**36 222 261**	**3 191 743**	**-**	**627 590**	**1 679 029**	**87 996 062**	**9 686 407**	**97 682 469**
Profit for the year	-	-	4 838 405	-	-	-	-	-	-	-	4 838 405	55 886	4 894 291
Other comprehensive income													
Gain on revaluation of property, plant and equipment, net of tax	-	-	-	-	-	-	971 753	-	-	-	971 753	12 361	984 114
Available for sale reserve	-	-	-	-	-	-	-	(30 814)	-	-	(30 814)	-	(30 814)
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**971 753**	**(30 814)**	**-**	**-**	**940 939**	**12 361**	**953 300**
Total comprehensive income	**-**	**-**	**4 838 405**	**-**	**-**	**-**	**971 753**	**(30 814)**	**-**	**-**	**5 779 344**	**68 247**	**5 847 591**
Transaction with owners:													
Dividend declared and paid	-	-	(1 001 205)	-	-	-	-	-	-	-	(1 001 205)	(16 510)	(1 017 715)
Dividend in specie	-	-	(3 930 947)	-	-	-	-	-	-	-	(3 930 947)	-	(3 930 947)
Disposal of interest in subsidiary	-	-	2 001 853	-	-	-	(1 993 495)	-	-	(8 358)	-	(9 529 951)	(9 529 951)
Realisation of reserve			110 716	(110 716)									
Treasury share purchase	-	-	-	-	(834 551)	-	-	-	-	-	(834 551)	-	(834 551)
Balance as at 31 December 2014	**6 719**	**14 083 173**	**34 432 803**	**-**	**(1 173 701)**	**36 222 261**	**2 170 001**	**(30 814)**	**627 590**	**1 670 671**	**88 008 703**	**208 193**	**88 216 896**

Notes to the Consolidated Financial Results
For the year ended 31 December 2014

1 GENERAL INFORMATION

FBC Holdings Limited ("the Company") and its subsidiaries (together "the Group") provide a wide range of commercial banking, mortgage financing, micro lending, reinsurance, short-term insurance, and stockbroking services. During the year, the Group disposed of Turnall Holdings Limited, its manufacturing subsidiary.

The Company is a limited liability company, which is listed on the Zimbabwe Stock Exchange. The Company and its subsidiaries are incorporated and domiciled in Zimbabwe.

These consolidated financial statements were approved for issue by the Board of Directors on 24 March 2015.

2 SIGNIFICANT ACCOUNTING POLICIES

A full set of the Group's accounting policies is available in the Group's annual report, which is ready for inspection at the Company's registered office. The following paragraphs describe the main accounting policies applied by the Group. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and the International Financial Reporting Interpretations Committee, ("IFRS IC") interpretations and in the manner required by the Zimbabwe Companies Act, (Chapter 24:03) and the relevant Statutory Instruments ("SI") SI 62/96 and SI 33/99. The consolidated financial statements have been prepared from statutory records that are maintained under the historical cost convention as modified by the revaluation of financial assets at fair value through profit or loss, available for sale financial assets, investment property and property, plant and equipment.

2.1.1 Going concern

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current financing. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

2.2 Basis of consolidation

(a) Subsidiaries

The consolidated financial statements combine the financial statements of FBC Holdings Limited ("the Company") and all its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. "The Company recognises investments in subsidiaries at cost. Subsidiaries are fully consolidated from the date on" which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or loses arising from such remeasurement are recognised through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Unrealised profits or losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity within "changes in ownership reserve". Gains or losses on disposals to non-controlling interests are also recorded in equity within "changes in ownership reserve".

(c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.3 Segment reporting

An operating segment is a distinguishable component of the Group that is engaged in business activities from which it earns revenues and incur expenses (including revenues and expenses relating to transactions with other components of the entity); whose operating results are reviewed regularly by the entity's chief operating decision maker ("CODM") to make decisions about resources to be allocated to the segment and to assess its performance; and for which discrete financial information is available.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group Executive Committee that makes strategic decisions.

The Group's operating segments have been aggregated based on the nature of the products and services on offer and the nature of the regulatory environment. The CODM is responsible for allocating resources and assessing performance of the operating segments.

In accordance with IFRS 8, Operating Segments, the Group has the following business segments: commercial banking, microlending, mortgage financing, reinsurance, short-term insurance and stockbroking.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group's financial statements and its financial results are influenced by accounting policies, assumptions, estimates and management judgements, which necessarily have to be made in the course of the preparation of the financial statements.

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard. Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events. Accounting policies and management's judgements for certain items are especially critical for the Group's results and financial situation due to their materiality.

The areas involving critical accounting estimates and judgements include; impairment allowances, income taxes, claims and inventory valuation.

4 BALANCES WITH BANKS AND CASH

	31 Dec 2014 US$	31 Dec 2013 US$	1 Jan 2013 US$
4.1 Balances with Reserve Bank of Zimbabwe ("RBZ")			
Current account balances	63 395 624	32 781 621	50 701 657
Balances with banks and cash			
Notes and coins	26 585 721	23 319 109	23 907 633
Other bank balances	20 984 161	13 286 175	7 805 800
	47 569 882	36 605 284	31 713 433
Balances with banks and cash (excluding bank overdrafts)	**110 965 506**	**69 386 905**	**82 415 090**
Current	110 965 506	69 386 905	82 415 090
Non-current	-	-	-
Total	**110 965 506**	**69 386 905**	**82 415 090**

4.2 Cash and cash equivalents

Cash and bank balances comprise balances with less than three months maturity from date of acquisition, including cash on hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

Cash and cash equivalents include the following for the purposes of the statement of cash flows;

	31 Dec 2014 US$	31 Dec 2013 US$
Current account balance at Reserve Bank of Zimbabwe ("RBZ") (note 4.1)	63 395 624	32 781 621
Balances with banks and cash (note 4.1)	47 569 882	36 605 284
Bank overdrafts	-	(458 642)
	110 965 506	**68 928 263**

5 LOANS AND RECEIVABLES

5.1 Loans and advances to customers

	31 Dec 2014 US$	31 Dec 2013 US$	1 Jan 2013 US$
Loans and advance maturities			
Maturing within 1 year	105 242 184	136 266 134	144 452 501
Maturing after 1 year	231 877 324	143 715 897	55 928 410
Gross carrying amount	**337 119 508**	**279 982 031**	**200 380 911**
Impairment allowance	(22 697 655)	(14 221 173)	(9 788 364)
	314 421 853	**265 760 858**	**190 592 547**

5.2 Trade and other receivables

	31 Dec 2014 US$	31 Dec 2013 US$	1 Jan 2013 US$
Wholesale trade receivables	-	18 925 611	16 198 830
Insurance receivables;			
- Due by insurance clients and insurance brokers	5 909 664	6 429 247	4 807 101
- Due by reinsurers	758 769	714 504	492 749
- Due by retrocessionaires	110 716	4 216 799	4 497 710
Gross carrying amount	**6 779 149**	**30 286 161**	**25 996 390**
Impairment allowance	(396 742)	(4 148 168)	(27 765)
	6 382 407	26 137 993	25 968 625
Current	6 382 407	24 962 800	25 968 625
Non-current	-	1 175 193	-
Total	**6 382 407**	**26 137 993**	**25 968 625**

5.3 Irrevocable commitments

There are no irrevocable commitments to extend credit, which can expose the Group to penalties or disproportionate expense.

5.4 Allowance for impairment

	Loans and advances	Trade and other receivables	Total
Balance as at 1 January 2013	9 788 364	27 765	9 816 129
Impairment allowance through statement of comprehensive income	3 756 044	118 191	3 874 235
Impairment allowance for discontinued operations	-	3 302 153	3 302 153
Reversal of impairment	8 227	-	8 227
Amounts written off during the year as uncollectible	(849 510)	-	(849 510)
Interest in suspense	1 518 048	700 059	2 218 107
Balance as at 31 December 2013	**14 221 173**	**4 148 168**	**18 369 341**

5.4 Allowance for impairment

	Loans and advances	Trade and other receivables	Total
Balance as at 1 January 2014	14 221 173	4 148 168	18 369 341
Impairment allowance through statement of comprehensive income	8 094 530	248 550	8 343 080
Reversal of impairment (disposal of subsidiary)	-	(3 999 976)	(3 999 976)
Amounts written off during the year as uncollectible	(3 098 229)	-	(3 098 229)
Interest in suspense	3 480 181	-	3 480 181
Balance as at 31 December 2014	**22 697 655**	**396 742**	**23 094 397**

6 DEBENTURES

	31 Dec 2014 US$	31 Dec 2013 US$	1 Jan 2013 US
Maturing after 1 year but within 5 years	2 768 518	2 664 279	-

Debtures have a fixed interest rate of 7% and 10% and mature on 9 March 2018

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 Dec 2014 US$	31 Dec 2013 US$	1 Jan 2013 US$
Listed securities at market value	**1 349 039**	**1 495 227**	**2 932 818**
Current	1 349 039	1 495 227	2 932 818
Non-current	-	-	-
Total	**1 349 039**	**1 495 227**	**2 932 818**

Financial assets at fair value through profit or loss are presented within 'operating activities' as part of changes in working capital in the statement of cash flows.

Changes in fair values of financial assets at fair value through profit or loss are recorded in 'other operating income' in the statement of comprehensive income. The fair value of all equity securities is based on their current bid prices on an active market, the Zimbabwe Stock Exchange.

8 INVENTORY

	31 Dec 2014 US$	31 Dec 2013 US$	1 Jan 2013 US$
Consumables	-	2 234 140	1 508 735
Raw materials	90 285	3 300 632	4 334 764
Work in progress	2 569 611	2 676 770	3 854 289
Finished goods	1 804 454	6 776 076	7 298 838
	4 464 350	**14 987 618**	**16 996 626**
Current	4 464 350	14 987 618	16 996 626
Non-current	-	-	-
Total	**4 464 350**	**14 987 618**	**16 996 626**

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

9 PREPAYMENTS AND OTHER ASSETS

	31 Dec 2014 US$	31 Dec 2013 US$	1 Jan 2013 US$
Prepayments	1 973 657	3 464 921	2 385 095
Deferred acquisition costs	964 674	1 041 220	848 404
Recoveries	-	-	276 898
Management fees receivable	-	-	-
Commission receivable	1 711 042	1 711 042	1 474 367
Refundable deposits for Mastercard and Visa transactions	631 793	285 674	198 697
Stationery stock and other consumables	45 359	26 858	76 228
Time - share asset	67 500	78 750	90 000
Other	701 261	933 262	1 571 893
	6 095 286	**7 541 727**	**6 921 582**
Current	4 316 744	5 751 935	6 831 582
Non-current	1 778 542	1 789 792	90 000
Total	**6 095 286**	**7 541 727**	**6 921 582**

10 INVESTMENT PROPERTY

	31 Dec 2014 US$	31 Dec 2013 US$	1 Jan 2013 US$
Balance as at 1 January	25 000	25 000	25 000
Additions	648 000	-	
Transfer from property, plant and equipment	1 020 000	-	-
Balance as at 31 December	**1 693 000**	**25 000**	**25 000**
Non-current	1 693 000	25 000	25 000
Total	**1 693 000**	**25 000**	**25 000**

11 INTANGIBLE ASSETS

	Software US$
Year ended 31 December 2014	
Opening net book amount	1 276 109
Additions	302 816
Transfer from property, plant and equipment	84 836
Amortisation charge	(451 168)
Closing net book amount	**1 212 593**
As at 31 December 2014	
Cost	4 233 573
Accumulated amortisation	(3 020 980)
Net book amount	**1 212 593**
Year ended 31 December 2013	
Opening net book amount	1 457 875
Additions	548 020
Amortisation charge	(729 786)
Closing net book amount	**1 276 109**
As at 31 December 2013	
Cost	3 797 593
Accumulated amortisation	(2 521 484)
Net book amount	**1 276 109**

12 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings US$	Plant and machinery US$	Computer equipment US$	Furniture and office equipment US$	Motor vehicles US$	Total US$
Year ended 31 December 2013						
Opening net book amount	28 083 296	23 394 626	1 213 594	3 362 664	1 256 087	57 310 267
Additions	836 144	3 675 885	263 923	1 506 975	385 578	6 668 505
Disposals	(8 000)	-	(1 310)	(9 446)	(64 309)	(83 065)
Depreciation	(582 708)	(2 111 351)	(521 390)	(444 670)	(436 877)	(4 096 996)
Closing net book amount	**28 328 732**	**24 959 160**	**954 817**	**4 415 523**	**1 140 479**	**59 798 711**
As at 31 December 2013						
Cost or valuation	31 048 229	31 728 147	2 893 212	6 169 007	3 517 244	75 355 839
Accumulated depreciation	(2 664 949)	(6 768 987)	(1 938 395)	(1 753 484)	(2 125 214)	(15 251 029)
Accumulated impairment	(54 548)	-	-	-	(251 551)	(306 099)
Net book amount	**28 328 732**	**24 959 160**	**954 817**	**4 415 523**	**1 140 479**	**59 798 711**
Year ended 31 December 2014						
Opening net book amount	28 328 732	24 959 160	954 817	4 415 523	1 140 479	59 798 711
Additions	21 000	3 199	160 551	655 972	471 949	1 312 671
Revaluation of property	1 124 419	-	-	-	-	1 124 419
Transfer to intangible property	-	-	(84 836)	-	-	(84 836)
Impairment loss	(338 963)	-	-	(7 882)	-	(346 845)
Transfer to investment						
Adjustment to cost	(500)	-	65 108	(1 622)	(146 984)	(83 998)
property	(1 020 000)	-	-	-	-	(1 020 000)
Disposals	-	-	-	(721)	-	(721)
Disposal of a subsidiary	(10 386 462)	(24 932 017)	(149 019)	(135 700)	(347 187)	(35 950 385)
Depreciation	(349 614)	(17 770)	(447 437)	(605 492)	(212 858)	(1 633 171)
Closing net book amount	**17 378 612**	**12 572**	**499 184**	**4 320 078**	**905 399**	**23 115 845**
As at 31 December 2014						
Cost or valuation	17 378 612	196 995	2 634 302	6 612 226	2 629 691	29 451 826
Accumulated depreciation	-	(184 423)	(2 135 118)	(2 284 266)	(1 472 741)	(6 076 548)
Accumulated impairment	-	-	-	(7 882)	(251 551)	(259 433)
Net book amount	**17 378 612**	**12 572**	**499 184**	**4 320 078**	**905 399**	**23 115 845**

An independent valuation of the Group's land and buildings was performed by valuers to determine the fair value of the land and buildings as at 31 December 2014.

13 DEPOSITS AND BORROWINGS FROM OTHER BANKS AND CUSTOMERS

13.1 Deposits from customers

	31-Dec-14 US$	31-Dec-13 US$	01-Jan-13 US$
Demand deposits	110 892 109	90 517 914	91 944 231
Promissory notes	58 897 901	48 518 105	30 007 720
Other time deposits	47 327 942	13 968 753	6 149 930
	217 117 952	153 004 772	128 101 881
Current	212 699 581	149 441 562	128 101 881
Non-current	4 418 371	3 563 210	-
Total	**217 117 952**	**153 004 772**	**128 101 881**

13.2 Deposits from other banks

	31-Dec-14 US$	31-Dec-13 US$	01-Jan-13 US$
Money market deposits	65 333 257	75 931 501	84 389 793
Current	**65 333 257**	**75 931 501**	**84 389 793**

13.3 Borrowings

	31-Dec-14 US$	31-Dec-13 US$	01-Jan-13 US$
Bank borrowings	-	4 448 043	7 789 365
Foreign lines of credit	81 518 285	66 360 054	33 777 227
Other borrowings	898 368	-	-
	82 416 653	70 808 097	41 566 592
Current	70 005 403	65 883 734	37 449 753
Non-current	12 411 250	4 924 363	4 116 839
Total	**82 416 653**	**70 808 097**	**41 566 592**
Total deposits and borrowings	**364 867 862**	**299 744 370**	**254 058 266**

13.4 Deposit concentration

	2014 US$	%	2013 US$	%
Agriculture	9 142 298	3%	5 601 111	2%
Construction	3 643 352	1%	4 515 344	2%
Wholesale and retail trade	72 563 290	20%	31 409 246	10%
Public sector	21 095 274	6%	19 684 382	7%
Manufacturing	26 508 214	7%	10 941 874	4%
Telecommunication	8 292 349	2%	2 801 024	1%
Transport	3 606 035	1%	4 193 781	1%
Individuals	41 761 899	11%	36 899 939	12%
Financial services	147 749 910	40%	146 739 598	49%
Mining	21 760 305	6%	13 461 905	4%
Other	8 744 936	2%	23 496 166	8%
	364 867 862	**100%**	**299 744 370**	**100%**

14 INSURANCE LIABILITIES

	31-Dec-14 US$	31-Dec-13 US$	1-Jan-13 US$
Gross outstanding claims	3 054 196	7 192 096	7 336 142
Liability for unearned premium	4 223 852	4 443 871	3 640 589
	7 278 048	11 635 967	10 976 731
Current	**7 278 048**	**11 635 967**	**10 976 731**

15 TRADE AND OTHER PAYABLES

	31-Dec-14 US$	31-Dec-13 US$	1-Jan-13 US$
Trade and other payables	9 497 907	29 070 888	23 154 775
Deferred income	3 373 928	3 136 683	1 122 067
Provisions and other liabilities	2 472 080	4 673 738	7 513 218
	15 343 915	36 881 309	31 790 060
Current	14 490 450	36 153 944	31 790 060
Non-current	853 465	727 365	-
Total	**15 343 915**	**36 881 309**	**31 790 060**

16 SHARE CAPITAL AND SHARE PREMIUM

	31-Dec-14	31-Dec-13	1-Jan-13
16.1 Authorised			
Number of ordinary shares, with a nominal value of US$0,00001	800 000 000	800 000 000	800 000 000
16.2 Issued and fully paid			
Number of ordinary shares, with a nominal value of US$0,00001	671 949 927	671 949 927	591 850 127

16.3 Share capital movement

	Number of Shares	Share Capital US$	Share Premium US$	Total US$
As at 1 January 2013	**591 850 127**	**5 918**	**7 675 990**	**7 681 908**
Share issue	80 099 800	801	6 407 183	6 407 984
As at 31 December 2013	**671 949 927**	**6 719**	**14 083 173**	**14 089 892**
As at 31 December 2014	**671 949 927**	**6 719**	**14 083 173**	**14 089 892**

17 DISPOSAL OF PORTION OF INTEREST IN SUBSIDIARY

During the year a portion of the interest in subsidiary Turnall Holdings Limited was disposed of, as a distribution to the shareholders of FBC Holdings Limited through a dividend in specie resulting in it becoming a 5% held financial asset available for sale. The consolidated carrying amount of assets and liabilities disposed of were as follows:

	US$
Property, plant and equipment	33 504 876
Inventory	10 104 786
Trade and other receivables including insurance receivables	4 379 502
Borrowings	(7 149 415)
Trade and other payables	(20 910 279)
Current income tax liability	(1 488 266)
Deferred income tax liability	(2 981 536)
Net assets disposed of	**15 459 668**
Non-controlling interests	(6 436 307)
Fair value of retained investment	(382 097)
Deemed consideration : dividend in specie	(3 930 947)
Total loss on disposal	**4 710 317**
Net cash inflow	**-**

The net loss consolidated in the Group's financial instruments for the period in which Turnall was a subsidiary is disclosed under discontinued operations (note 29).

18 CORRECTION OF PRIOR PERIOD ERRORS

During the financial year, Turnall Holdings Limited "Turnall", a former subsidiary of the Group identified errors in the opening balances of carrying amounts of their inventory, their trade and other receivables and their trade and other payables. These amounts were used in consolidation for group reporting.

The prior period errors arose as a result of the following:

- Systems deficiencies in the processing and posting of production orders within the manufacturing module. This error became apparent after a systems upgrade was done. The effect of this was a duplication of inventory values;
- Unaccrued expenditure that was erroneously omitted from the cost of purchase of raw materials;
- Duplication in the processing of a purchase of raw materials;
- Deficiencies in the setting up of the manufacturing accounting module for Nutech product at inception. This resulted in the overcapitalisation of costs to inventories; and
- Deficiencies in the internal control processes around investigation of sales returns and processing of related credit notes.

Correction relating to FBC Building Society

The financial results have been restated for prior period adjustment arising from potential value added tax liability on the property sales for the Building Society.

These errors were corrected by way of restatement of the 2013 comparatives included in these financial results. The effect of this restatement of the 2012 Group financial results is shown below;

Consolidated financial statements	Trade and other receivables including insurance receivables US$	Inventory US$
ASSETS		
Balance as at 31 December 2013, as previously reported	27 393 114	22 163 975
Correction of inventory overstatements from Turnall Holdings Limited	-	(7 176 357)
Correction of trade and other receivables from Turnall Holdings Limited	(1 255 121)	-
Balance as at 31 December 2013, restated	**26 137 993**	**14 987 618**

	Trade and other payables US$	Deferred income tax liability US$	Retained profits US$	Non controlling interest in equity US$
EQUITY AND LIABILITIES				
Balance as at 31 December 2013, as previously reported	34 550 076	6 842 926	37 575 558	12 366 171
Correction of trade and other payables from Turnall Holdings Limited	227 410	-	-	-
Increase in provisions from FBC Building Society	2 103 823			
Impact on deferred income tax liability arising from correction of errors	-	(2 229 664)	-	-
Impact on retained earnings arising from correction of errors	-	-	(5 161 577)	-
Impact on non controlling interest in equity	-	-	-	(2 679 764)
Balance as at 31 December 2013, restated	**36 881 309**	**4 613 262**	**32 413 981**	**9 686 407**

	US$
Adjustment against retained earnings at 1 January 2013	(3 549 666)
Decrease in earnings per shares	(0.59)

19 INTEREST INCOME

	US$	US$
Cash and cash equivalents	1 602 707	2 939 633
Loans and advances to other banks	2 177 173	1 497 933
Loans and advances to customers	50 242 107	35 004 133
Banker's acceptances and tradable bills	1 519 224	4 070 546
Other interest income	1 744 007	229 815
	57 285 218	**43 742 060**

19.1 INTEREST EXPENSE

Deposit from other banks	12 559 651	7 230 405
Demand deposits	609 577	422 180
Afreximbank and PTA Bank	7 430 371	54 176
Time deposits	7 945 767	10 914 669
	28 545 366	**18 621 430**

20 FEE AND COMMISSION INCOME

Retail service fees	20 307 612	16 587 820
Credit related fees	4 760 671	4 598 723
Investment banking fees	16 064	489 556
Brokerage commission	283 279	363 636
Financial guarantee contract commission	6 244	271 013
	25 328 870	**22 310 748**

20.1 FEE AND COMMISSION EXPENSE

Brokerage	67 270	21 558

21 REVENUE

Property sales	8 282 137	11 825 931
	8 282 137	**11 825 931**

21.1 COST OF SALES

Raw materials	5 282 538	8 136 461
	5 282 538	**8 136 461**

22 INSURANCE PREMIUM REVENUE

Gross premium written	30 847 414	28 628 662
Change in unearned premium reserve ("UPR")	220 017	(803 282)
	31 067 431	**27 825 380**

23 NET GAINS FROM FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE

Financial assets at fair value through profit or loss (note 7), fair value gains	**(335 862)**	**599 201**

24 OTHER OPERATING INCOME

Rental income	318 655	289 727
Profit disposal of property, plant and equipment	15 268	21 883
Sundry income	71 093	1 377 946
Rental income is earned from owner occupied properties. Included in rental income is US$2 400 earned from investment property.	**405 016**	**1 689 556**

25 NET INSURANCE COMMISSION EXPENSE

Commissions paid	5 312 373	4 210 301
Commission received	(1 404 122)	(732 577)
Change in technical provisions	95 831	(167 050)
	4 004 082	**3 310 674**

26 INSURANCE CLAIMS AND LOSS ADJUSTMENT EXPENSES

	Gross US$	Reinsurance US$	Net US$
Year ended 31 December 2014			
Claims and loss adjustment expenses	7 591 850	-	7 591 850
Change in technical provisions	(11 622)	-	(11 622)
Total claims	**7 580 228**	**-**	**7 580 228**
Year ended 31 December 2013			
Claims and loss adjustment expenses	6 260 828	-	6 260 828
Change in technical provisions	9 201	-	9 201
Total claims	**6 270 029**	**-**	**6 270 029**

27 ADMINISTRATIVE EXPENSES

	31-Dec-14 US$	31-Dec-13 US$
Administrative expenses	15 611 271	14 568 743
Staff costs	17 882 262	17 272 406
Directors' remuneration	3 481 265	3 667 148
Audit fees:		
- Current year fees	269 530	446 663
- Prior year fees	146 221	101 004
- Other services	-	-
Depreciation	1 633 171	1 539 247
Impairment		
Amortisation	451 168	729 786
Operating lease payment	862 347	745 465
	40 337 235	**39 070 462**

28 INCOME TAX EXPENSE:

28.1 Charge for the year

Current income tax on income for the reporting year	3 634 707	2 518 114
Adjustments in respect of prior years	1 154 389	803 656
Deferred income tax	(1 626 863)	(672 850)
Income tax expense	**3 162 233**	**2 648 920**

29 DISCONTINUED OPERATIONS

Turnall Holdings Limited was disposed off on the 20th of October 2014. Analysis of the result of discontinued operations, and the result recognised on the remeasurement of assets is as follows;

	31-Dec-14 US$	Restated 31-Dec-13 US$
Revenue	26 478 307	42 704 035
Expenses	(34 774 937)	(48 121 306)
Loss before tax of discontinued operations	(8 296 630)	(5 417 271)
Tax	874 432	1 118 342
Loss after tax of discontinued operations	(7 422 198)	(4 298 929)
Loss attributable to equity holders of the parent	(4 328 580)	(2 507 136)
Pre-tax loss recognised on the re-measurement of assets of the discontinued operation	(4 710 292)	-
Tax	-	-
Loss for the year from discontinued operations	**(9 038 872)**	**(2 507 136)**

30 EARNINGS PER SHARE

31.1 Basic earnings per share

	31-Dec-14 US$	31-Dec-13 US$
Profit from continuing operations attributable to equity holders of the parent	13 877 277	14 733 739
Loss from discontinued operations attributable to equity holders of the parent	(9 038 872)	(2 507 136)
Total	**4 838 405**	**12 226 603**

	Shares issued	Treasury shares	Shares outstanding	Weighted
Year ended 31 December 2014				
Weighted average number of ordinary shares	**671 949 927**	**(5 681 675)**	**666 268 252**	**666 268 252**
Treasury shares purchased	-	(834 551)	(834 551)	(486 821)
Weighted average number of ordinary shares as at 31 December	**671 949 927**	**(6 516 226)**	**665 433 701**	**665 781 431**
Basic earnings per share for continuing operations (US cents)				2.09
Basic earnings per share from discontinued operations (US cents)				(1.36)
				0.73
Year ended 31 December 2013				
Weighted average number of ordinary shares				
Issued ordinary shares as at 1 January 2013	591 850 127	(56 291 799)	535 558 328	535 558 328
Treasury shares purchased-	-	(967 661)	(967 661)	(725 746)
Treasury shares sold	-	51 577 785	51 577 785	25 788 893
New share issue	80 099 800	-	80 099 800	40 049 900
Weighted average number of ordinary shares as at 31 December	**671 949 927**	**(5 681 675)**	**666 268 252**	**600 671 375**
Basic earnings per share for continuing operations (US cents)				2.45
Basic earnings per share from discontinued operations (US cents)				(0.42)
				2.03

31.2 Diluted earnings per share

Diluted earnings per share is calculated after adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company does not have dilutive ordinary shares.

	31-Dec-14 US$	31-Dec-13 US$
Earnings		
Profit from continuing operations attributable to equity holders of the parent	13 877 277	14 733 739
Loss from discontinued operations attributable to equity holders of the parent	(9 038 872)	(2 507 136)
Total	**4 838 405**	**12 226 603**
Weighted average number of ordinary shares at 31 December	**665 781 431**	**600 671 375**
Basic earnings per share for continuing operations (US cents)	2.09	2.45
Basic earnings per share from discontinued operations (US cents)	(1.36)	(0.42)
	0.73	**2.03**

31.3 Headline earnings per share

Profit attributable to equity holders	**4 838 405**	**12 226 603**
Adjusted for excluded remeasurements		
Profit on the disposal of property, plant and equipment (note 21)	(15 268)	(21 883)
Loss on the loss of control of Turnall Holdings Limited	4 710 317	-
Impairment of property, plant and equipment	346 845	-
Headline earnings	**9 880 299**	**12 204 720**
Weighted average number of ordinary shares at 31 December	**665 781 431**	**600 671 375**
Headline earnings per share (US cents)	**1.48**	**2.03**

FBC Holdings Limited

strength • diversity • service

32 SEGMENT REPORTING

Segment information is presented in respect of business segments.
Segment revenue, expenses, results and assets are items that are directly attributable to the business segment or which can be allocated on a reasonable basis to a business segment.

The Group comprises seven business segments i.e. commercial banking, microlending, mortgage financing, short term reinsurance, short term insurance and stockbroking. The manufacturing subsidiary was disposed off during the year. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group Executive Committee.

31 December 2014	Commercial banking US$	Microlending US$	Mortgage financing US$	Short term reinsurance US$	Short term Insurance US$	Stockbroking US$	Consolidated US$
Total segment net income							
Interest income	39 783 729	7 454 419	11 847 226	1 107 819	305 925	133 262	60 632 380
Interest expense	(25 415 667)	(2 477 737)	(6 049 608)	-	-	-	(33 943 012)
Net interest income / loss	14 368 062	4 976 683	5 797 618	1 107 819	305 925	133 262	26 689 368
Turnover	-	-	8 282 137	-	-	-	8 282 137
Cost of sales	-	-	(5 282 538)	-	-	-	(5 282 538)
Gross profit	-	-	2 999 599	-	-	-	2 999 599
Net earned insurance premium	-	-	-	11 693 984	8 695 882	-	20 389 866
Net fee and commission income	19 788 925	400 312	5 100 395	-	-	240 440	25 530 072
Net trading income and other income	(3 453 846)	74 719	177 759	(459 771)	21 516	8 249	(3 631 374)
Total net income for reported segments	30 703 141	5 451 713	14 075 371	12 342 032	9 023 323	381 951	71 977 532
Intersegment revenue	(269 641)	-	(3 623 843)	(1 929 797)	(997 085)	(125 849)	(6 946 215)
Intersegment interest expense and commission	4 109 127	1 257 463	528 409	70 062	1 053 111	-	7 018 172
Net income from external customers	**34 542 627**	**6 709 176**	**10 979 937**	**10 482 297**	**9 079 349**	**256 102**	**72 049 489**
Segment profit before income tax	**2 196 040**	**2 060 767**	**6 767 000**	**2 668 021**	**1 763 453**	**(40 364)**	**15 414 917**
Impairment allowances on financial assets	6 350 988	895 482	848 059	-	248 551	-	8 343 080
Depreciation	1 248 126	13 308	188 741	25 503	135 097	22 396	1 633 171
Amortisation	282 628	-	58 236	26 634	83 670	-	451 168
Segment assets	**382 650 392**	**12 212 595**	**109 402 856**	**16 561 022**	**11 475 913**	**2 072 074**	**534 374 852**
Total assets includes :							
Additions to non-current assets	994 498	23 675	148 906	11 671	130 722	3 199	1 312 671
Investment in associates	-	-	-	491 139	-	-	-
Segment liabilities	**349 385 470**	**8 859 586**	**79 650 047**	**6 288 624**	**6 811 822**	**1 834 765**	**452 830 314**
Type of revenue generating activity	Commercial and retail banking	Microlending	Mortgage financing	Underwriting general classes of short term re-insurance	Underwriting general classes of short term insurance	Equity market dealing	

31 December 2013	Commercial banking US$	Microlending US$	Mortgage financing US$	Short term reinsurance US$	Insurance US$	Stockbroking US$	Manufacturing US$	Consolidated US$
Total segment net income								
Interest income	36 231 880	4 015 984	9 269 954	-	144 049	85 767	19 619	49 767 253
Interest expense	(19 274 829)	(1 916 176)	(4 379 362)	-	-	-	(3 222 760)	(28 793 127)
Net interest income	16 957 051	2 099 808	4 890 592	-	144 049	85 767	(3 203 141)	20 974 126
Turnover	-	-	12 982 889	-	-	-	42 878 242	55 861 131
Cost of sales	-	-	(8 544 309)	-	-	-	(32 382 546)	(40 926 855)
Gross profit	-	-	4 438 580	-	-	-	10 495 696	14 934 276
Net earned insurance premium	-	-	-	10 888 085	6 572 376	-	-	17 460 461
Net fee and commission income	17 946 118	430 535	4 218 411	-	-	349 642	-	22 944 706
Net trading income and other income	2 548 401	457 889	131 556	1 640 352	103 651	(2 169)	383 133	5 262 813
Total net income for reported segments	37 451 570	2 988 232	13 679 139	12 528 437	6 820 076	433 240	7 675 688	81 576 382
Intersegment revenue	(3 976 588)	-	(2 591 207)	(943 364)	(137 776)	(2 338)	-	(7 651 273)
Intersegment interest expense and commission	3 248 631	1 633 559	1 090 020	-	590 415	-	1 088 648	7 651 273
Net income from external customers	36 723 613	4 621 791	12 177 952	11 585 073	7 272 715	430 902	8 764 336	81 576 382
Segment profit before income tax	7 070 065	1 209 646	7 074 662	2 863 949	1 671 536	32 490	(3 078 753)	16 843 595
Impairment allowances on financial assets	2 909 034	360 271	486 738	-	118 192	-	3 302 153	7 176 388
Depreciation	1 066 532	5 615	187 405	78 045	103 634	24 240	2 631 525	4 096 996
Amortisation	615 770	-	58 236	-	55 780	-	-	729 786
Segment assets	322 785 345	12 865 510	78 926 565	22 564 186	9 028 769	1 725 116	68 982 627	516 878 118
Total assets includes :								
Additions to non-current assets	1 960 032	81 035	526 563	36 583	230 669	-	3 833 623	6 668 505
Investment in associates	-	-	-	491 139	-	-	-	-
Segment liabilities	283 929 258	10 897 298	53 116 514	13 820 667	5 472 074	1 452 709	42 009 807	410 698 327
Type of revenue generating activity	Commercial and retail banking	Microlending	Mortgage financing	Underwriting general classes of short term re-insurance	Underwriting general classes of short term insurance	Equity market Dealing	Production and sales of building materials	

Operating segments reconciliations	2014 US$	2013 US$
Net income		
Total net income for reportable segments	72 049 489	81 576 382
Total net income for non reportable segments	-	1 701 284
Elimination of intersegment revenue received from the holding company	-	(1 827 638)
Less fair value gain on treasury shares	-	(401 988)
Intersegment eliminations	5 310 532	(1 547 676)
Restatements	-	(8 424 799)
Group total net income	**77 360 021**	**71 075 565**
Group profit before tax		
Total profit before income tax for reportable segments	15 414 916	16 843 595
Intersegment eliminations		(623 070)
Reversal of fair value loss	5 903 911	-
Restatements	(4 223 431)	2 329 640
Profit before income tax	**17 095 396**	**18 550 165**
Group assets		
Total assets for reportable segments	534 646 492	516 878 118
Other group assets		78 750
Disposal of subsidiary	(60 551 147)	-
Intersegment eliminations	3 524 098	(56 178 558)
Restatements		(8 431 478)
Group total assets	**477 348 003**	**452 346 832**
Group liabilities		
Total liabilities for reportable segments	452 830 314	410 698 327
Disposal of subsidiary	(40 007 551)	
Elimination of intersegment payables	(23 691 656)	(56 135 533)
		179 520
Group total liabilities	**389 131 107**	**354 742 314**

In the normal course of business, group companies trade with one another and the material intergroup transactions include:
1) Underwriting of insurance risk by the insurance subsidiary;
2) Reinsurance of the insurance subsidiary's insurance risk by the reinsurance subsidiary;
3) Borrowings from the banking subsidiary by group companies and placement of funds and operating of current accounts; and
4) Placement of funds with the Building Society by group companies.

These transactions result in income and expenses and assets and liabilities that are eliminated on consolidation.

33 FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from financial instruments:
(a) Credit risk
(b) Market risk
(b.i) Interest rate risk,
(b.ii) Currency risk, and
(b.iii) Price risk
(c) Liquidity risk
(d) Settlement risk
(e) Operational risk
(f) Capital risk

The Group seeks to control these risks by diversifying its exposures and activities among products, clients, and by limiting its positions in various instruments and investments.

33.1 Credit risk

Credit risk is the risk of loss due to the inability or unwillingness of a counterparty to meet their obligations as and when they fall due. Credit risk arises from lending, trading, insurance products and investment activities and products. Credit risk and exposure to loss are inherent parts of the Group's business.

The Group manages, limits and controls concentrations of credit risk in respect of individual counterparties and groups. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one counterparty or group or counterparties and to geographical and industry segments. Such risks are monitored on a revolving basis and are subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by product and industry sector are approved by the Board of Directors of the subsidiary companies.

The Board Credit Committees of the Bank, Microplan and the Building Society periodically review and approve the Group's policies and procedures to define, measure and monitor the credit and settlement risks arising from the Group's activities. Limits are established to control these risks. Any facility exceeding established limits of the subsidiary Management Credit Committee must be approved by the subsidiary Board Credit Committee.

The Group Credit Management Division evaluates the credit exposures and assures ongoing credit quality by reviewing individual credit and concentration and monitoring of corrective action.

The Group Credit Division periodically prepares detailed reports on the quality of the customers for review by the Board Loans Review Committees of the subsidiary companies and assess the adequacy of the impairment allowance. Any loan or portion thereof which is classified as a 'loss' is written off. To maintain an adequate allowance for credit losses, the Group generally provides for a loan or a portion thereof, when a loss is probable.

Credit policies, procedures and limits
The Group has sound and well-defined policies, procedures and limits which are reviewed annually and approved by the Board of Directors of the subsidiary companies and strictly implemented by management. Credit risk limits include delegated approval and write-off limits to advances managers, management, board credit committees and the Board. In addition there are counterparty limits, individual account limits, group limits and concentration limits.

Credit risk mitigation and hedging
As part of the Group's credit risk mitigation and hedging strategy, various types of collateral is taken by the banking subsidiaries. These include mortgage bonds over residential, commercial and industrial properties, cession of book debts and the underlying moveable assets financed. In addition, a guarantee is often required particularly in support of a credit facility granted to counterparty. Generally, guarantor counterparties include parent companies and shareholders. Creditworthiness for the guarantor is established in line with the credit policy.

Credit risk stress testing
The Group recognises the possible events or future changes that could have a negative impact on the credit portfolios which could affect the Group's ability to generate more business. To mitigate this risk, the Group has put in place a stress testing framework that guides the Group in conducting credit stress tests.

Impairments
An allowance for loan impairment is established if there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms of loans. The amount of the allowance is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of loans.

Credit terms:

Default
This is failure by a borrower to comply with the terms and conditions of a loan facility as set out in the facility offer letter or loan contract. Default occurs when a debtor is either unwilling or unable to repay a loan.

Past due loans
These are loans whereby the debtor is in default by exceeding the loan tenure or expiry date as expressly set out in the loan contract i.e. the debtor fails to repay the loan by a specific given date.

Impaired loans
The Group's policy regarding impaired/ doubtful loans is all loans where the degree of default becomes extensive such that the Group no longer has reasonable assurance of collection of the full outstanding amount of principal and interest. All such loans are classified in the 8, 9 and 10 under the Basel II ten tier grading system.

Provisioning policy and write offs
Determination of general and specific provisions

The Group complies with the following Reserve Bank of Zimbabwe provisioning requirements:

Rating	Descriptive classification	Risk level	Level of allowance	Old five grade/ tier system	2012 Grading and level of allowance	Type of allowance
1	Prime grade	Insignificant	1%			
2	Strong	Modest	1%	Pass	A (1%)	
3	Satisfactory	Average	2%			
4	Moderate	Acceptable	3%			General
5	Fair	Acceptable with care	4%			
6	Speculative	Management attention	5%	Special Mention	B (3%)	
7	Highly Speculative	Special mention	10%			
8	Substandard	Vulnerable	20%	Substandard	C (20%)	
9	Doubtful	High default	50%	Doubtful	D (50%)	Specific
10	Loss	Bankrupt	100%	Loss	E (100%)	

General allowance for impairment

Prime to highly speculative grades "1 to 7"
General allowance for impairment for facilities in this category are maintained at the percentage (detailed in table above) of total customer account outstanding balances and off balance sheet (i.e. contingent) risks.

Specific allowance for impairment
Sub-standard to loss grades "8 to 10" - Timely repayment and/or settlement may be at risk
Specific allowance for impairment for facilities in this category are currently maintained at the percentages (detailed above) of total customer outstanding balances and off balance sheet (i.e. contingent) risks less the value of tangible security held.

The basis for writing off assets
When an advance which has been identified as impaired and subjected to a specific allowance for impairment, continues to deteriorate, a point will come when it may be concluded that there is no realistic prospect of recovery. Board involvement will be sought from Group Credit Management Division for the exposure to be immediately written off from the Group's books while long term recovery strategies are being pursued.

Credit risk and Basel II
The Group applied Credit Risk Basel II standards in line with the regulatory authorities' approach. Internal processes were revamped in an effort to comply with the requirements. Policies and procedure manuals have been realigned to comply with the minimum requirements of Basel II.

33.1.1 Exposure to credit risk

	31-Dec-14 US$	31-Dec-13 US$
Loans and advances		
Past due and impaired		
Grade 8: Impaired	29 608 779	11 514 185
Grade 9: Impaired	5 062 713	4 875 240
Grade 10: Impaired	17 615 392	7 629 635
Gross amount, past due and impaired	**52 286 884**	**24 019 060**
Allowance for impairment	(18 169 753)	(10 551 613)
Carrying amount, past due and impaired	**34 117 131**	**13 467 447**
Past due but not impaired		
Grade 4 - 7:	70 470 003	34 157 470
Neither past due nor impaired		
Grade 1 - 3:	214 362 618	221 805 501
Gross amount, not impaired	**284 832 621**	**255 962 971**
Allowance for impairment	(4 527 901)	(3 669 560)
Carrying amount, not impaired	**280 304 720**	**252 293 411**
Total carrying amount	**314 421 851**	**265 760 858**

Loans and advances neither past due nor impaired
Loans and advances neither past due nor impaired and which are not part of renegotiated loans are considered to be within the grade 1 to 3 category. Past due loans and advances are those whose repayments (capital and interests) are outstanding for more than 30 days.

Loans and advances past due but not impaired
Late processing and other administrative delays on the side of the borrower can lead to a financial asset being past due but not impaired. Loans and advances less than 90 days past due are not considered impaired, unless other information is available to indicate the contrary.

33.1.2 Sectorial analysis of utilizations of loans and advances to customers

	2014 US$	2014 %	2013 US$	2013 %
Mining	15 964 985	5%	14 742 602	5%
Manufacturing	51 911 573	16%	53 956 109	19%
Mortgage	34 535 671	10%	28 639 380	10%
Wholesale	28 247 265	8%	14 902 784	5%
Distribution	33 520 369	10%	28 628 031	10%
Individuals	94 469 560	28%	85 887 296	31%
Agriculture	18 049 431	5%	15 022 935	6%
Communication	7 735 467	2%	5 788 924	2%
Construction	2 578 489	1%	3 364 914	1%
Local authorities	23 206 409	7%	21 210 917	8%
Other services	26 900 286	8%	7 838 139	3%
	337 119 505	**100%**	**279 982 031**	**100%**

Reconciliation of allowance for impairment for loans and advances

Allowances for impairment	31 December 2014 Specific allowance US$	Collective allowance US$	Total US$	31 December 2013 Specific allowance US$	Collective allowance US$	Total US$
Balance at 1 January	10 551 613	3 669 560	14 221 173	7 633 643	2 154 721	9 788 364
Increase in impairment allowance	7 285 108	858 342	8 143 450	2 249 432	1 506 612	3 756 044
Impairment reversal	-	-	-	-	8 227	8 227
Write off	(3 078 058)	-	(3 078 058)	(849 510)	-	(849 510)
Interest in suspense	3 411 090	-	3 411 090	1 518 048	-	1 518 048
	18 169 753	**4 527 902**	**22 697 655**	**10 551 613**	**3 669 560**	**14 221 173**

33.1.2 Trade and other receivables including insurance receivables

	31-Dec-14 US$	31-Dec-13 US$
Past due and impaired	396 742	11 326 021
Allowance for impairment	(396 742)	(4 148 168)
Carrying amount	-	7 177 853
Past due but not impaired	-	3 847 946
Neither past due nor impaired	6 382 407	15 112 194
Gross amount, not impaired	6 382 407	18 960 140
Allowance for impairment	-	-
Carrying amount, not impaired	6 382 407	18 960 140
Total carrying amount	**6 382 407**	**26 137 993**

33.2 Liquidity risk

Liquidity risk is the risk of not being able to generate sufficient cash to meet financial commitments to extend credit, meet deposit maturities, settle claims and other unexpected demands for cash. Liquidity risk arises when assets and liabilities have differing maturities.

Management of liquidity risk
The Group does not treat liquidity risk in isolation as it is often triggered by consequences of other financial risks such as credit risk and market risk. The Group's liquidity risk management framework is therefore designed to ensure that its subsidiaries have adequate liquidity to withstand any stressed conditions. To achieve this objective, the Board of Directors of the Company through the Board Asset Liability Committees of the Bank, Microplan and the Building Society and Board Risk and Compliance Committees is ultimately responsible for liquidity risk management. The responsibility for managing the daily funding requirements is delegated to the Heads of Treasury Divisions for banking entities and Finance Managers for non-banking entities with independent day to day monitoring being provided by Group Risk Management.

Liquidity and funding management
The Group's management of liquidity and funding is decentralised and each entity is required to fully adopt the liquidity policy approved by the Board with independent monitoring being provided by the Group Risk Management function. The Group uses concentration risk limits to ensure that funding diversification is maintained across the products, counterparties and sectors. Major sources of funding are in the form of deposits across a spectrum of retail and wholesale clients for banking subsidiaries.

Cash flow and maturity profile analysis
The Group uses the cash flow and maturity mismatch analysis on both contractual and behavioural basis to assess their ability to meet immediate liquidity requirements and plan for their medium to long term liquidity profile.

Liquidity contingency plans
In line with the Group's liquidity policy, liquidity contingency plans are in place for the subsidiaries in order to ensure a positive outcome in the event of a liquidity crisis. The plans clearly outline early warning indicators which are supported by clear and decisive crisis response strategies. The crisis response strategies are created around the relevant crisis management structures and address both specific and market crises.

Liquidity stress testing
It is the Group's policy that each entity conducts stress tests on a regular basis to ensure that they have adequate liquidity to withstand stressed conditions. In this regard, anticipated on- and off-balance sheet cash flows are subjected to a variety of specific and systemic stress scenarios during the period in an effort to evaluate the impact of unlikely events on liquidity positions.

The table below analyses the Group's financial assets and liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturity analysis On balance sheet items as at 31 December 2014	Up to 3 months US$	3 months to 1 year US$	Over 1 year US$	Total US$
Liabilities				
Deposits from customers	196 263 136	16 436 445	4 418 371	217 117 952
Deposits from other banks	65 333 257	-	-	65 333 257
Borrowings	1 551 515	13 140 188	67 724 950	82 416 653
Insurance liabilities	-	2 447 245	4 830 803	7 278 048
Current income tax liabilities	-	1 095 584	-	1 095 584
Trade and other liabilities	7 075 618	7 534 555	733 742	15 343 915
Total liabilities - (contractual maturity)	270 223 526	40 654 017	77 707 866	388 585 409
Assets held for managing liquidity risk (contractual maturity dates)				
Balances with banks and cash	110 965 506	-	-	110 965 506
Loans and advances to customers	39 973 493	95 324 452	179 123 908	314 421 853
Debentures	-	-	2 768 518	2 768 518
Trade and other receivables including insurance receivables	-	6 382 407	-	6 382 407
Financial assets at fair value through profit or loss	1 349 039	-	-	1 349 039
Available for sale financial assets	407 764	-	-	407 764
Prepayments and other assets	420 046	4 116 861	1 558 379	6 095 286
Inventory	2 774 167	1 154 903	535 280	4 464 350
	155 809 015	106 978 623	183 986 085	446 854 723
Liquidity gap	(114 333 511)	66 324 606	106 278 219	58 269 314
Cumulative liquidity gap - on balance sheet	(114 333 511)	(48 008 905)	58 269 314	-
Off balance sheet items				
Liabilities				
Guarantees and letters of credit	-	6 898 941	-	6 898 941
Commitments to lend	9 773 788	-	-	9 773 788
Total liabilities	9 773 788	6 898 941	-	16 672 729
Liquidity gap	(9 773 788)	(6 898 941)	-	41 596 585
Cumulative liquidity gap - on and off balance sheet	(124 107 299)	(57 782 693)	48 495 526	-
On balance sheet items as at 31 December 2013				
Liabilities				
Deposits from customers	138 714 686	10 678 086	3 612 000	153 004 772
Deposits from other banks	72 055 536	3 875 965	-	75 931 501
Borrowings	39 998 971	23 668 500	7 140 626	70 808 097
Insurance liabilities	-	1 944 582	9 691 385	11 635 967
Current income tax liabilities	-	1 789 455	-	1 789 455
Trade and other liabilities	10 106 815	10 587 225	16 265 220	36 959 260
Total liabilities - (contractual maturity)	260 876 008	52 543 813	36 709 231	350 129 052
Assets held for managing liquidity risk (contractual maturity dates)				
Balances with banks and cash	53 816 658	15 570 247	-	69 386 905
Loans and advances to customers	85 976 887	75 515 452	104 268 521	265 760 860
Trade and other receivables including insurance receivables	-	-	7 796 863	7 796 863
Financial assets at fair value through profit or loss	1 495 227	-	-	1 495 227
Prepayments and other assets	-	2 251 966	-	2 251 966
Inventory	2 264 110	1 154 903	739 062	4 158 075
	143 552 882	94 492 568	112 804 446	350 849 896
Liquidity gap	(117 323 126)	41 948 755	76 095 215	720 844
Cumulative liquidity gap - on balance sheet	(117 323 126)	(75 374 371)	720 844	-
Off balance sheet items				
Liabilities				
Guarantees and letters of credit	6 498 133	-	-	6 498 133
Commitments to lend	4 965 854	-	-	4 965 854
Total liabilities	11 463 987	-	-	11 463 987
Liquidity gap	(11 463 987)	-	-	(10 743 143)
Cumulative liquidity gap - on and off balance sheet	(128 787 113)	(86 838 358)	(10 743 143)	-

The Group determines ideal weights for maturity buckets which are used to benchmark the actual maturity profile. Maturity mismatches across the time buckets are managed through the tenor of new advances and the profile of time deposits.

33.3 Market risk
Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

The market risk for the trading portfolio is managed and monitored based on a collection of risk management methodologies to assess market risk including Value–at– Risk ("VaR") methodology that reflects the interdependency between risk variables, stress testing, loss triggers and traditional risk management measures. Non–trading positions are managed and monitored using other sensitivity analysis. The market risk for the non-trading portfolio is managed as detailed in notes 29.3.1 to 29.3.3.

33.3.1 Interest rate risk
Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The interest rate risk profile is assessed regularly based on the fundamental trends in interest rates, economic developments and technical analysis. The Group's policy is to monitor positions on a daily basis to ensure positions are maintained within the established limits.

Interest rate risk exposure stems from assets and liabilities maturing or being repriced at different times. For example:

i) Liabilities may mature before assets, necessitating the rollover of such liabilities until sufficient quantity of assets mature to repay the liabilities. The risk lies in that interest rates may rise and that expensive funds may have to be used to fund assets that are yielding lower returns.

ii) Assets may mature before liabilities do, in which case they have to be reinvested until they are needed to repay the liabilities. If interest rates fall the re-investment may be made at rates below those being paid on the liabilities waiting to be retired.

This risk is managed by ALCO through the analysis of interest rate sensitive assets and liabilities, using such models as Value at Risk ("VAR"), Scenario Analysis and control and management of the gap analysis.

Scenario analysis of net interest income
The Group's trading book is affected by interest rate movements on net interest income. The desired interest rate risk profile is achieved through effective management of the statement of financial position composition. When analyzing the impact of a shift in the yield curve on the Group's interest income, the Group recognizes that the sensitivity of changes in the interest rate environment varies by asset and liability class. Scenarios are defined by the magnitude of the yield curve shift assumed. Analysis of the various scenarios is then conducted to give an appreciation of the distribution of future net interest income and economic value of equity as well as their respective expected values.

33.3.2 Currency risk
The Group operates locally and the majority of its customers transact in US$, the functional currency of the Group and its subsidiaries. The Group is exposed to various currency exposures primarily with respect to the South African rand, Botswana pula, British pound and the Euro, mainly due to the cash holding and switch transactions in the banking subsidiary.

Foreign exchange risks arise from future commercial transactions and recognised assets and liabilities. This is the risk from movement in the relative rates of exchange between currencies. The risk is controlled through control of open position as per ALCO directives, Reserve Bank of Zimbabwe requirements and analysis of the market. The Group manages this risk through monitoring long and short positions and assessing the likely impact of forecast movements in exchange rates on the Group's profitability.

33.3.3 Price risk
The Group is exposed to equity price risk because of investments held by the Group and classified on the consolidated statement of financial position as at fair value through profit or loss. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

33.4 Settlement risk
The Group's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of a counterparty to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For certain types of transactions the Group mitigates this risk by conducting settlements through a settlement/clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval / limit monitoring process. Acceptance of settlement risk on free settlement trades requires transaction specific or counterparty specific approvals from Group Risk.

33.5 Operating risk
Operational risk is the risk of loss arising from the potential that inadequate information system, technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses. Operational risk exists in all products and business activities.

Group's approach to managing operational risk
The Group's approach is that business activities are undertaken in accordance with fundamental control principles of operational risk identification, clear documentation of control procedures, segregation of duties, authorization, close monitoring of risk limits, monitoring of assets use, reconciliation of transactions and compliance.

Operational risk framework and governance
The Board has ultimate responsibility for ensuring effective management of operational risk. This function is implemented through the Board Risk and Compliance Committee at Group level which meets on a quarterly basis to review all major risks including operational risks. This Committee serves as the oversight body in the application of the Group's operational risk management framework, including business continuity management. Subsidiaries have board committees responsible for ensuring robust operational risk management frameworks. Other Group management committees which report to Group Executive Committee include the Group New Product Committee, Group IT Steering Committee and Group Business Continuity Committee.

The management and measurement of operational risk
The Group identifies and assesses operational risk inherent in all material products, activities, processes and systems. It ensures that before new products, activities, processes and systems are introduced or undertaken, the operational risk inherent in them is subjected to adequate assessment by the appropriate risk committees which include the Group Risk and Compliance Committee and Group New Product Committee.

The Group conducts Operational Risk Assessments in line with the Group's risk strategy. These assessments cover causes and events that have, or might result in losses, as well as monitor overall effectiveness of controls and whether prescribed controls are being followed or need correction. Key Risk Indicators ("KRIs") which are statistical data relating to a business or operations unit are monitored on an ongoing basis. The Group also maintains a record of loss events that occur in the Group in line with Basel II requirements. These are used to measure the Group's exposure to the respective losses. Risk limits are used to measure and monitor the Group's operational risk exposures. These include branch cash holding limits, teller transaction limits, transfer limits and write off limits which are approved by management and the Board. In addition, the Group also uses risk mitigation mechanisms such as insurance programmes to transfer risks. The Group maintains adequate insurance to cover key operational and other risks.

Business continuity management
To ensure that essential functions of the Group are able to continue in the event of adverse circumstances, the Group Business Continuity Plan is reviewed annually and approved by the Board. The Group Business Continuity Committee is responsible for ensuring that all subsidiary companies conduct tests each year in line with the Group policy. The Group successfully conducted its business continuity tests and all processes were well documented. All structures, processes and systems of the banking subsidiaries have been aligned to Basel II requirements. The Group also adopted in full all the Risk Management Guidelines which were issued by the Reserve Bank of Zimbabwe as part of the Basel II implementation for the banking subsidiaries.

33.6 Capital risk

33.6.1 Regulatory Capital and Financial Risk Management
Capital risk refers to the risk of the Group's subsidiaries own capital resources being adversely affected by unfavourable external developments.

The Group's objective when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:
- To comply with the capital requirements set by the regulators of the Group's subsidiaries;
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its businesses.

Capital adequacy and the use of regulatory capital are monitored daily by the Group's management, employing techniques based on the guidelines developed by the Basel Committee as implemented by the Reserve Bank of Zimbabwe (the "RBZ"), for supervisory purposes for the banking subsidiaries. The required information is filed with the RBZ on a quarterly basis.

It is the intention of the Group to maintain a ratio of total regulatory capital to its risk-weighted assets (the "Capital Adequacy Ratio") above the minimum level set by the Reserve Bank of Zimbabwe which takes into account the risk profile of the Group.

The regulatory capital requirements are strictly observed when managing economic capital. The banking subsidiaries' regulatory capital is analysed into three tiers;

- Tier 1 capital, which includes ordinary share capital and premium, retained profits, non distributable reserves and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.

- Tier 2 capital, which includes qualifying subordinated liabilities, revaluation reserve, collective impairment allowances and the element of the fair value reserve relating to unrealised gains on equity instruments classified as available-for-sale.

- Tier 3 capital or market and operational risk capital includes market risk capital and operational risk capital. Operational risk includes legal risk. Market risk capital is allocated to the risk of losses in the on and off balance sheet position arising from movements in market prices.

Various limits are applied to elements of the capital base. The amount of capital qualifying for tier 2 capital cannot exceed tier 1 capital and the qualifying term subordinated loan capital may not exceed 50 percent of tier 1 capital. There are also restrictions on the amount of collective impairment allowances that may be included as part of tier 2 capital. Other deductions from capital include the carrying amounts of investments in subsidiaries that are not included in the regulatory consolidation, investment in the capital of other banks and certain other regulatory items.

The Group's operations are categorised as either banking or trading book, and risk weighted assets are determined according to specified requirements that seek to reflect the varying levels or risk attached to assets and off balance sheet exposures.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Overall, the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. The Group and its individually regulated operations have always complied with all externally imposed capital requirements throughout the period.

The Securities Commission of Zimbabwe ("SECZ") sets and monitors capital requirements for the stockbroking subsidiary and the Insurance and Pensions Commission ("IPEC") sets and monitors capital requirements for the insurance subsidiaries.

The following subsidiaries have their capital regulated by the regulatory authorities:

Company As at 31 December 2014	Regulatory Authority	Minimum capital required US$	Net Regulatory Capital US$	Total Equity US$
FBC Bank Limited	RBZ	25 000 000	30 668 970	33 475 757
FBC Building Society	RBZ	20 000 000	29 702 581	31 934 583
FBC Reinsurance Limited	IPEC	1 500 000	10 272 398	10 272 398
FBC Securities (Private) Limited	SECZ	150 000	205 479	205 479
Eagle Insurance Company (Private) Limited	IPEC	1 000 000	4 664 093	4 664 093
Microplan Financial Services (Private) Limited	RBZ	10 000	3 353 009	3 353 009
As at 31 December 2013				
FBC Bank Limited	RBZ	25 000 000	32 900 390	39 031 433
FBC Building Society	RBZ	20 000 000	24 893 035	25 810 051
FBC Reinsurance Limited	IPEC	1 500 000	8 743 519	8 743 519
FBC Securities (Private) Limited	SECZ	150 000	272 408	272 408
Eagle Insurance Company (Private) Limited	IPEC	1 000 000	3 556 694	3 556 694
Microplan Financial Services (Private) Limited	RBZ	10 000	1 968 212	1 968 212

33.7 Statement of Compliance
The Group complies with the following statutes inter alia:-
The Banking Act (Chapter 24:20) and Banking Regulations, Statutory Instrument 205 of 2000; Bank Use Promotion & Suppression of Money Laundering (Chapter 24:24); Exchange Control Act (Chapter 22:05); the National Payments Systems Act (Chapter 24:23) and the Companies Act (Chapter - 24:03). In addition, the Group also complies with the Reserve Bank of Zimbabwe's directives on liquidity management, capital adequacy as well as prudential lending guidelines.

34 INTERNATIONAL CREDIT RATINGS

The banking and reinsurance subsidiaries have their credit ratings reviewed annually by an international credit rating agency, Global Credit Rating. All subsidiaries have maintained their investor grade ratings as illustrated below;

Subsidiary	2014	2013	2012	2011	2010
FBC Bank Limited	A-	A-	A-	A-	A-
FBC Reinsurance Limited	A-	A-	A-	A-	A-
FBC Building Society	BBB-	BBB-	BBB-	BBB-	BBB-
Eagle Insurance Company Limited	BBB-	BBB-	BB+	BB	N/A

35 DIVIDEND

In view of the uncertain economic environment and the need to comply with regulatory capital levels, directors are recommending that the dividend for the period under review be passed.

36 CORPORATE GOVERNANCE

The Board is committed to the principles of openness, integrity and accountability. It recognises the developing nature of corporate governance and assesses its compliance with local and international generally accepted corporate governance practices on an ongoing basis through its various subcommittees.

The Board is responsible to the shareholders for setting the direction of the Group through the establishment of strategies, objectives and key policies. The Board monitors the implementation of these policies through a structured approach to reporting and accountability.

The Board meets regularly, with a minimum of four scheduled meetings annually. To assist the Board in the discharge of its responsibilities a number of committees have been established, of which the following are the most significant: (i) Board Audit Committee, (ii) Board Human Resources and Remuneration Committee, (iii) Board Finance and Strategy Committee (iv) Board Risk and Compliance Committee (v) Board Marketing and Public Relations Committee.

Board Attendance

Board member	Main board				Board Audit				Board HR				Board Finance & Strategy				Board Risk & Compliance				Board Marketing & PR			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Godfrey G Nhemachena	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	N/A	N/A	N/A	N/A
Kenzias Chibota	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A
Philip M Chiradza	✓	✓	✓	×	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A	✓	✓	✓	✓	N/A	N/A	N/A	N/A
Kleto Chiketsani	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
John Mushayavanhu	✓	✓	✓	✓	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	×	✓	✓
Webster Rusere	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	×	✓	✓	✓	×	✓	×	✓	×	✓	✓
Chipo Mtasa	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	N/A	N/A	N/A	N/A
Gertrude S Chikwava	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A	×	✓	✓	✓	N/A	N/A	N/A	N/A	✓	✓	✓	✓
Trynos Kufazvinei	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
James M Matiza	✓	✓	✓	×	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	×	✓	×	N/A	N/A	N/A	N/A	✓	✓	✓	✓
Johnson R Mawere	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Herbert Nkala	✓	✓	✓	✓	N/A	N/A	N/A	N/A	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Canada Malunga	✓	×	✓	✓	✓	×	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Felix Gwandekwande	✓	✓	×	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Franklin H Kennedy	✓	✓	×	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Legend

Not a member	N/A
Attended	✓
Apologies	×
Quarter	Q
Meeting postponed	P

By order of the Board

Tichaona K. Mabeza
GROUP COMPANY SECRETARY
30 March 2015

Audit opinion
The Auditors of the Group, PricewaterhouseCoopers Chartered Accountants (Zimbabwe) have audited the financial statements of the Group for the year ended 31 December 2014. The audit report is unqualified.