

Unaudited Interim Results

For the six months ended 30 June 2011

www.fbc.co.zw

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Statement Of Financial Position

As at 30 June 2011

		Unaudited 30 June 2011 US\$	Audited 31 December 2010 US\$
ASSETS			
Balances with banks and cash	1	54,434,420	63,554,183
Loans and advances	2	100,653,150	76,538,432
Financial assets at fair value through profit or loss	3	772,345	764,571
Prepayments and other assets	4	13,002,127	10,222,868
Property, plant and equipment	5	15,301,972	15,490,124
Total assets		184,164,014	166,570,178
EQUITY AND LIABILITIES			
Liabilities			
Deposits from customers and banks	6	147,936,854	136,837,180
Trade and other payables	7	7,291,314	3,327,697
Current income tax liability		882,810	255,187
Deferred income tax liability		2,486,644	2,647,232
Total liabilities		158,597,622	143,067,296
Equity			
Capital and reserves attributable to equity holders of the parent entity			
Share capital and share premium		18,500,000	18,500,000
Other reserves		1,169,881	1,025,122
Retained profits		5,896,511	3,977,760
Total equity		25,566,392	23,502,882
Total equity and liabilities		184,164,014	166,570,178

Statement Of Comprehensive Income

For the six months ended 30 June 2011

		Unaudited 30 June 2011 US\$	Unaudited 30 June 2010 US\$
Interest income	10	10,691,115	6,776,048
Interest expense	11	(4,914,426)	(1,961,813)
Net interest income		5,776,689	4,814,235
Dealing and trading income		658,836	(226,814)
Fees and commission		6,943,276	4,938,193
Other operating income		61,325	210,254
Total income		13,440,126	9,735,868
Impairment loss on financial assets	2.2	(699,827)	(14,797)
Operating expenditure	12	(9,907,216)	(8,849,702)
Profit before income tax		2,833,083	871,369
Income tax expense		(769,573)	(177,276)
Profit for the period		2,063,510	694,093
Other comprehensive income			
Gains (loss) on property revaluation			(370,034)
Tax relating to other comprehensive income		-	-
Other comprehensive income, (net of income tax)		-	(370,034)
Total comprehensive income for the period		2,063,510	324,059

Statement Of Changes In Equity

For the six months ended 30 June 2011

	Share Capital US\$	Share Premium US\$	Retained Profit US\$	General Reserve US\$	Total Equity US\$
Balance at 1 January 2011	18,500,000	-	3,977,760	1,025,122	23,502,882
Profit for the period	-	-	2,063,510	-	2,063,510
Regulatory impairment allowance	-	-	(144,759)	144,759	-
Balance at 30 June 2011	18,500,000	-	5,896,511	1,169,881	25,566,392

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Statement Of Cash Flows

For the six months ended 30 June 2011

	Unaudited 30 June 2011 US\$	Unaudited 30 June 2010 US\$
Cash flow from operating activities		
Profit for the period	2,833,083	871,369
Adjustments for:		
Depreciation	687,239	559,441
Impairment loss on loans and advances	699,827	14,797
Profit or loss on disposal on property equipment	(286)	(16,295)
Fair value adjustment on financial assets at fair value through profit or loss	(154,543)	675,213
Net Cash generated before changes in operating assets and liabilities	4,065,320	2,104,525
Increase in loans and receivables	(24,114,718)	(25,221,691)
Decrease in statutory reserves	10,450	-
Increase in prepayments and other assets	(3,331,708)	(3,490,467)
Decrease in deposits from customers	(11,874,919)	(15,332,811)
Increase in deposits from banks	22,974,593	4,506,250
Increase in trade and other payables	3,963,617	894,791
	(8,307,180)	(36,539,403)
Income tax expense paid	(303,332)	(168,768)
Net cash (used in)/generated from operating activities	(8,610,512)	(36,708,171)
Cash flows from investing activities		
Purchase of property, plant and equipment	(499,087)	(693,527)
Proceeds from sale of property, plant and equipment	286	17,442
Net cash (used in)/generated from investing activities	(498,801)	(676,085)
Net cash flows before financing activities	(9,109,313)	(37,384,256)
Cash flows from financing activities		
Net cash generated from financing activities	-	-
Net (decrease)/increase in cash and cash equivalents	(9,109,313)	(37,384,256)
Cash and cash equivalents at beginning of the period	54,433,189	78,947,314
Cash and cash equivalents at the end of the period	45,323,876	41,563,058

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FBC Bank



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For the six months ended 30 June 2011



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Notes to the Financial Results

For the six months ended 30 June 2011

	Unaudited 30 June 2011 US\$	Audited 31 December 2010 US\$
1 BALANCES WITH BANKS AND CASH		
Balances with Reserve Bank of Zimbabwe		
Statutory reserves	9,110,544	9,120,994
Current account balances	26,964,433	9,732,442
	<u>36,074,977</u>	<u>18,853,436</u>
Notes and coins	9,054,017	13,633,689
Other bank balances	9,305,426	31,067,058
	<u>18,359,443</u>	<u>44,700,747</u>
Balances with banks and cash	<u>54,434,420</u>	<u>63,554,183</u>

For the purpose of cash flow statement, cash and cash equivalents comprise the following balances:

Balances with other banks and cash	18,359,443	44,700,747
Current account balance at RBZ	26,964,433	9,732,442
Total	<u>45 323 876</u>	<u>54 433 189</u>

2 LOANS AND ADVANCES TO CUSTOMERS

Personal lending	28,158,383	12,036,366
Wholesale and corporate loans and advances	73,725,803	65,095,461
Gross value of loans and advances	<u>101,884,186</u>	<u>77,131,827</u>
less allowance for impairment	(1,231,036)	(593,395)
Net loans	<u>100,653,150</u>	<u>76,538,432</u>

2.1 Loans concentration by sector

Sector of the economy	gross total	percentage	gross total	percentage
Mining	2,570,519	3%	8,385,588	11%
Manufacturing	21,250,191	21%	15,863,957	21%
Wholesale	14,751,979	14%	12,615,553	16%
Individuals	28,158,383	28%	12,036,366	16%
Agriculture	9,387,039	9%	4,783,254	6%
Communication	2,941,002	3%	3,986,640	5%
Construction	315,102	0%	528,239	1%
Local Authorities	1,230,000	1%	1,701,259	2%
Other services	21,279,971	21%	17,230,971	22%
Gross value of loans and advances	<u>101,884,186</u>	<u>100%</u>	<u>77,131,827</u>	<u>100%</u>
less allowance for impairment	(1,231,036)		(593,395)	
Net loans	<u>100,653,150</u>		<u>76,538,432</u>	

2.2 Movement in impairment provision

Balance at the beginning of the period	593,395	149,430
Charge for the year – income statement	699,827	443,965
Less recoveries	(62,186)	-
Balance at end period	<u>1,231,036</u>	<u>593,395</u>

2.3 Maturity analysis of advances to customers

Maturing within 1 year	82,622,970	71,817,709
Maturing after 1 year but within 5 year	18,030,180	4,720,723
	<u>100,653,150</u>	<u>76,538,432</u>

3 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value	772 345	764 571
	<u>772,345</u>	<u>764,571</u>

4 OTHER ASSETS

Accrued interest and prepayments	4,476,881	-
Sundry assets	1,416,552	2,823,198
Inter-company balances	7,108,694	7,399,670
	<u>13,002,127</u>	<u>10,222,868</u>

4.1 Maturity analysis of other assets

Maturing within 1 year	13,002,127	10,222,868
Maturing after 1 year but within 5 years	-	-
	<u>13,002,127</u>	<u>10,222,868</u>

5 PROPERTY, PLANT AND EQUIPMENT

Opening balance	15,490,124	14,211,208
Additions	499,087	2,229,441
Disposals	-	(182,489)
Revaluation	-	58,241
Depreciation charge for the year	(687,239)	(1,190,257)
Depreciation charge on disposal	-	122,498
Accumulated depreciation reversal on valuation	-	241,482
Impairment	-	-
Carrying amount as at 30 June 2011	<u>15,301,972</u>	<u>15,490,124</u>

Notes to the Financial Results (cnt'd)

For the six months ended 30 June 2011

	Unaudited 30 June 2011 US\$	Audited 31 December 2010 US\$
6 DEPOSITS FROM CUSTOMERS		
Amounts due to customers by type		
Demand deposits	56,646,559	76,400,674
Promissory notes	38,331,644	32,206,639
Other Time deposits	3,344,405	1,590,214
	<u>98,322,608</u>	<u>110,197,527</u>
6.1 Deposits from banks		
Money market deposits	29,082,246	9,490,499
	<u>29,082,246</u>	<u>9,490,499</u>
6.2 Lines of credit		
PTA Bank	15,000,000	15,000,000
African Export-Import Bank	5,532,000	2,149,154
	<u>20,532,000</u>	<u>17,149,154</u>
Total deposits	<u>147,936,854</u>	<u>136,837,180</u>

6.3 Deposits concentration (excluding lines of credit)		percentage		percentage
Agriculture	379,145	0%	909,544	1%
Construction	563,795	0%	719,604	1%
Wholesale and retail trade	40,610,918	32%	36,536,678	31%
Public sector	19,800,418	16%	22,731,085	19%
Manufacturing	1,540,268	1%	1,965,936	2%
Telecommunication	645,927	1%	824,435	1%
Transport	125,183	0%	159,778	0%
Individuals	22,873,556	18%	28,526,009	24%
Financial services	29,082,246	23%	12,275,107	10%
Mining	11,575,397	9%	14,774,365	12%
Other	208,001	0%	265,485	0%
	<u>127,404,854</u>	<u>100%</u>	<u>119,688,026</u>	<u>100%</u>

7 TRADE AND OTHER PAYABLES

Accrued interest	1,701,158	1,414,272
Provisions	1,357,738	584,962
Accrued expenses	4,232,418	1,328,463
	<u>7,291,314</u>	<u>3,327,697</u>

8 MATURITY ANALYSIS

(Deposits & other liabilities)		
Maturing within 1 year	155,228,168	140,164,877
Maturing after 1 year but within 5 years	-	-
	<u>155,228,168</u>	<u>140,164,877</u>

9 CAPITAL ADEQUACY

Ordinary Share Capital	18,500,000	18,500,000
Share premium	-	-
Retained profit	5,896,511	3,977,760
Statutory reserve	-	-
Capital allocated for market and operational risk	(3,289,317)	(2,353,842)
Advances to insiders	(7,108,694)	(7,399,670)
Tier 1 capital	<u>13,998,500</u>	<u>12,724,248</u>

Other reserves	1,025,122	587,254
General provisions	144,759	660,244

Tier 1 & 2 capital	<u>15,168,381</u>	<u>13,971,746</u>
Tier 3 capital allocated for Market and operational risk	3,289,317	2,353,842
	<u>18,457,698</u>	<u>16,325,588</u>

Risk weighted assets	130,118,789	115,965,336
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Tier 1 Ratio (%)	10.76%	11%
Tier 2 Ratio (%)	0.90%	1%
Tier 3 Ratio (%)	2.53%	2%
Capital adequacy (%)	14.19%	14%

Unaudited
30 June 2011
US\$

Unaudited
30 June 2010
US\$

10 INTEREST INCOME

Loans and advances to banks and other financial institutions	730,955	814,876
Loans and advances to customers	6,982,583	2,255,922
Banker's acceptances and tradable bills	2,977,577	3,705,250
	<u>10,691,115</u>	<u>6,776,048</u>

11 INTEREST EXPENSE

Deposit from other banks	130,515	348,810
Demand deposits	768,855	25,452
Afreximbank and PTA Bank	1,355,531	-
Time deposits	2,659,525	1,587,551
	<u>4,914,426</u>	<u>1,961,813</u>

12 OPERATING EXPENDITURE

Administration expenses	4,489,092	3,451,193
Personnel expenses	4,497,898	4,557,853
Director's fees	80,703	51,834
Depreciation and amortization	687,239	559,441
Audit fees	152,284	229,381
	<u>9,907,216</u>	<u>8,849,702</u>



FBC Bank Limited
(Registered Commercial Bank)

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Notes to the Financial Results (cnt'd)

For the six months ended 30 June 2011

	Unaudited 30 June 2011 US\$	Audited 31 December 2010 US\$
13 COMMITMENTS		
Capital expenditure authorized but not yet contracted for	<u>2,837,400</u>	<u>2,829,400</u>
14 CONTINGENT LIABILITIES		
Bank's borrowing on behalf of specific customers - letter of credit	<u>2,696,761</u>	<u>21,115,962</u>
	<u>2,696,761</u>	<u>21,115,962</u>
15 CREDIT RISK		
Exposure to Credit Risk		
Carrying amount	<u>100,653,150</u>	<u>76,538,432</u>
Individually impaired		
Grade C: impaired	2,672,813	2,146,498
Grade D: impaired	1,110,827	396,518
Grade E: impaired	616,533	17,955
Gross amount	4,400,173	2,560,971
Allowance for impairment	(1,231,036)	(593,395)
Carrying amount	<u>3,169,137</u>	<u>1,967,576</u>
Unimpaired		
Grade A:	92,778,345	73,904,212
Grade B:	4,705,668	666,644
Gross amount	97,484,013	74,570,856
Allowance for impairment	-	-
Carrying amount	<u>97,484,013</u>	<u>74,570,856</u>
Total Carrying amount	<u>100,653,150</u>	<u>76,538,432</u>

16 FBC BANK CONTRACTUAL GAP MATURITY PROFILE AS AT 30 JUNE 2011

	0-30 days US\$	31-90 days US\$	91-180 days US\$	181-365 days US\$	Over 365 days US\$	Total US\$
ASSETS						
Balances with banks and cash	9,054,017	-	-	-	-	9,054,017
Balances with banks abroad	9,305,426	-	-	-	-	9,305,426
Balances with central bank	36,074,977	-	-	-	-	36,074,977
Investments	-	-	-	772,345	-	772,345
Advances to customers	31,550,775	22,813,400	17,971,914	10,684,840	17,632,221	100,653,150
Other asstes	-	-	-	13,002,127	-	13,002,127
Fixed asstes	-	-	-	-	15,301,972	15,301,972
TOTAL ASSETS	85,985,195	22,813,400	17,971,914	24,459,312	32,934,193	184,164,014
LIABILITIES						
Deposits from banks	24,502,246	4,580,000	-	-	-	29,082,246
Deposits from customers	82,810,934	15,147,059	247,615	117,000	-	98,322,608
Deposits from foreign banks	-	-	15,827,000	-	4,705,000	20,532,000
Current tax liabilities	-	-	-	882,810	-	882,810
Deferred tax liabilities	-	-	-	-	2,486,644	2,486,644
Other liabilities	-	-	-	1,701,158	5,590,156	7,291,314
Capital and Reserves	-	-	-	-	25,566,392	25,566,392
TOTAL LIABILITIES	107,313,180	19,727,059	16,074,615	2,700,968	38,348,192	184,164,014
Mismatch/Funding Gap	(21,327,985)	3,086,341	1,897,299	21,758,344	(5,413,999)	-
Cumulative Mismatch	(21,327,985)	(18,241,643)	(16,344,345)	5,413,999	-	-

17 FBC Bank Interest Repricing Gap as at 30 June 2011

	0-30 days US\$	31-90 days US\$	91-180 days US\$	181-365 days US\$	Over 365 days US\$	Non-Interest Bearing US\$	Total US\$
ASSETS							
Balances with banks and cash	-	-	-	-	-	9,054,017	9,054,017
Balances with banks abroad	9,305,426	-	-	-	-	-	9,305,426
Balances with Central Bank	-	-	-	-	-	36,074,977	36,074,977
Investments	-	-	-	-	-	772,345	772,345
Advances to customers	31,550,775	22,813,400	17,971,914	10,684,840	17,632,221	-	100,653,150
Other asstes	-	-	-	-	-	13,002,127	13,002,127
Fixed asstes	-	-	-	-	-	15,301,972	15,301,972
Intangible assets	-	-	-	-	-	-	-
TOTAL ASSETS	40,856,201	22,813,400	17,971,914	10,684,840	17,632,221	74,205,438	184,164,014
LIABILITIES							
Deposits from banks	24,502,246	4,580,000	-	-	-	-	29,082,246
Deposits from foreign banks	-	-	15,827,000	-	4,705,000	-	20,532,000
Deposits from customers	22,809,668	15,147,059	247,615	117,000	-	60,001,266	98,322,608
Current tax liabilities	-	-	-	-	-	882,810	882,810
Deferred tax liabilities	-	-	-	-	-	2,486,644	2,486,644
Other liabilities	-	-	-	-	-	7,291,314	7,291,314
Capital and Reserves	-	-	-	-	-	25,566,392	25,566,392
TOTAL LIABILITIES	47,311,914	19,727,059	16,074,615	117,000	4,705,000	96,228,426	184,164,014
Funding Gap Cumulative	(6,455,713)	3,086,341	1,897,299	10,567,840	12,927,221	(22,022,988)	-
Mismatch	(6,455,713)	(3,369,372)	(1,472,073)	9,095,767	22,022,988	-	-

Notes to the Financial Results (cnt'd)

For the six months ended 30 June 2011

18 FBC BANK FOREIGN EXCHANGE GAP AS AT 30 JUNE 2011

1-Jul-15 Assets	ZAR USD Equivalent	EUR USD Equivalent	BWP USD Equivalent	GBP USD Equivalent	TOTAL USD Equivalent
Cash	366,208	22,955	21,512	15,414	426,089
Correspondent					
Nostro Balances	1,471,665	285,440	144,776	126,276	2,028,157
Investments	2,210,075				2,210,075
Loans and Overdrafts	376,289	366	1,054	3,158	380,867
Other	10,178	111	-	48	10,337
Total Assets	4,434,415	308,872	167,342	144,896	5,055,525
Liabilities					
Foreign Currency Accounts	3,417,888	243,404	100,125	72,338	3,833,755
Other	268,173	1	142	19,747	288,062
Total Liabilities	3,686,061	243,405	100,267	92,085	4,121,817
Net Currency Positions	748,354	65,467	67,075	52,811	933,708

Value at Risk

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

Asset Class	Asset Class	Type of Risk	Present Value	Portfolio Weight	Value at Risk (95% Confidence level)	
					1-day Holding Period	5-day Holding Period
Currency	Currency	Exchange Rate	933,707	100%	9,000	20,000
Quoted Investments						
		Total	933,707	100%	9,000	20,000
		Portfolio VaR			10,000	22,000

19 BOARD ATTENDANCE

FBC BANK LIMITED BOARD ATTENDANCE

NAME	2011 MAIN BOARD	
	QUARTER 1	QUARTER 2
Taka Mutunhu	√	√
David Birch	√	√
John Mushayavanhu	√	√
Garikai Bera	X	√
Paul Chimedza	√	√
Trynos Kufazvinei	√	√
Martin Makonese	√	√
Susan Mutangadura	X	√
Webster Rusere	N/A	√

√ Present
X Absent

By order of the Board

Tichaona K. Mabeza
Group Company Secretary
30 August 2011