Unaudited Interim Results
For the six months ended 30 June 2015

FBC Holdings Limited

strength • diversity • service

FBC Bank Limited
(Registered Commercial Bank)

FBC Building Society
(Registered Building Society)

FBC Reinsurance Limited

FBC Securities (Private) Limited
(Registered Stockbrokers) - Zimbabwe Stock Exchange

MicroPlan
Financial Services (Pvt) Limited
(A registered microfinance institution)

Eagle Insurance Company Limited

FBC Holdings Limited

strength • diversity • service

Unaudited Interim Results
For the six months ended 30 June 2015

CHAIRMAN'S STATEMENT

Financial Highlights

- Group profit before income tax US$10.1 million.
- Group profit after tax US$8.2 million.
- Cost to income ratio 75%.
- Basic earnings per share 1.23 US cents.
- Net asset value per share 14 US cents.
- Dividend declared - US$1 million (0.149 US cents per share).

Financial Performance Review

Despite the challenging operating environment, the Group continues to operate profitably, achieving a profit before tax of US$10.1 million for the six months ended 30 June 2015. The results are commendable given the Group's reduced risk appetite in a market characterized by high interest rates and increasing credit risk. All subsidiaries, except for the stockbroking business, contributed positively to the Group's earnings.

The Group recorded total income of US$39.9 million, registering a marginal 2% decline from the US$40.9 million attained for the same period last year, mainly as a result of subdued economic activity. Net interest income at US$14.9 million contributed 37% to total income. This was however 11% below the same period last year. The Group has reduced its credit risk appetite and has resorted to selective lending, given the high risk of default in the market. In addition, the cost of funding has remained high due to the unavailability of adequate lines of credit in the country and the high country risk premium loaded on the few available lines of credit, which further reduces margins.

Fees and commissions contributed 31% to total income with no real growth due to a downward revision in fees as the Group moved towards e-channel transactions, which are high in volume and low in value. The Group's strategy is to further increase traffic from its various e-channel product offerings.

There was a notable increase in insurance business underwritten in the six months with net earned insurance premium registering an 18% growth to US$11 million from US$9.3 million achieved in the same period last year. The Group therefore continues to benefit from its diversified business model and an increased focus on cost containment. The Group's cost to income ratio increased marginally to 75% from 73% for the same period last year as a result of marginally lower revenues. Administrative expenses remained virtually unchanged. The Group will remain firmly focused on managing costs and achieving cost efficiencies through process reengineering and other initiatives. The Group has adopted a prudent credit policy which places emphasis on quality assets and adequate provisions for credit losses. An impairment allowance of US$1.6 million was charged to the statement of comprehensive income for the half year ended 30 June 2015, bringing the cumulative impairment allowance for credit losses to US$26.8 million. This is in line with the challenging operating environment that has resulted in a high level of non–performing loans. Strong risk management has been exercised in all lending activities with a number of recoveries having been achieved on past non- performing loans within the first half of the year.

The Group's subsidiaries continued to maintain adequate liquidity levels by continuously following prudent liquidity management strategies. This has resulted in the subsidiaries being able to comfortably discharge their obligations as and when they fall due. It remains of critical importance to the Group for all depositors to be able to access their money and all valid insurance claims to be settled promptly. The liquidity ratios for the Bank and the Building Society were 44 % and 63% respectively against the Reserve Bank minimum of 30%.

The Group's statement of financial position registered a modest growth of 4% to US$498 million from US$477 million achieved as at 31 December 2014 driven by increased deposits and additional lines of credit. The Group is continuing with its efforts in accessing credit facilities offshore, deposit mobilisation and customer acquisitions.

Operating Environment

The key economic indicators continued to trend in the negative direction during the first half of 2015. GDP growth forecasts have been revised downwards to 1.5% from an initial projection of 3.2% on the back of persistent liquidity constraints and under performance in all economic sectors. The annual inflation rate continued to decline against a background of weak aggregate demand across the economy as disposable incomes continue to shrink. The informal market continues to thrive and this has adversely affected government revenues. The country's capacity to unlock foreign direct investment and capital to ease the existing liquidity challenges and rejuvenate the economy, continues to be stymied by the high debt overhang, now estimated at more than US$10 billion. The IMF staff-monitored program (SMP) and other initiatives currently in implementation, are meant to address the weak external debt position and should see the country making good its obligations. This is expected to unlock additional lines of credit and other funding opportunities, thereby improving the growth prospects of the country going forward.

Banking Sector Developments

The financial services sector has generally remained stable despite multiple challenges in the form of liquidity stress, weak business volumes and unstable sources of funding, among other factors. Credit and liquidity risk have become the major risks threatening the sector. The industry non-performing loans ratio at 14.52% as at 30 June 2015, remains high and has resulted in banks slowing down on lending and applying stringent lending conditions. The slowdown in lending will unfortunately slow down economic growth. On the other hand, funding has largely remained short-term, thus limiting the ability of the banking industry to extend appropriate loan facilities to the productive sectors of the economy.

The regulatory authorities, however, have been actively engaging the industry to address some of the challenges. The operationalisation of the Aftrades Facility guaranteed by Afreximbank, significantly reduced the threat of systemic risk, as banks can now access funding to address immediate funding needs. The establishment of ZAMCO, a special purpose vehicle specifically designed to address the non-performing loans in the banking sector, will enable banks to clean their balance sheets and create capacity to underwrite more credit. The regulators are also working at making funding more affordable to key sectors of the economy and in the process, reduce non-performing loans.

These initiatives are expected to promote a safe and sound banking industry which is a fundamental pillar in the country's economic development.

We are happy to report that FBC Bank also assisted in stabilising the banking sector by providing liquidity under the Aftrades Facility.

FBCH Share Price Performance

Activity on the stock market remained depressed, consistent with the general subdued performance of the economy. Market capitalisation declined by 26% from US$4.87 billion recorded in June 2014 down to US$3.86 billion for the period ended 30 June 2015. The industrial index dropped by 8.84% whilst the mining index dropped by a significant 38.22% from the beginning of the year to close at 148.40 points and 44.30 points respectively.

The FBCH share price traded at 7 US cents per share compared to its net asset value of 14 US cents per share and provides an upside potential for investors, considering our history of consistent performance and dividend payment. The FBCH share price retreated by 12.5% compared to the opening price of 8 US cents per share this year and recorded a peak price of 9 US cents during the period under review. The Group remains profitable and performance is within expectations and sustainable.

Corporate Social Environment.

The Group has disbursed over US$60 000 towards various corporate social responsibility initiatives in the fields of education, health, community share trusts, sports and the arts during the first half of the year and remains committed to giving back to the communities it operates in.

Directorate

Mr. Johnson Rex Mawere retired from the Board at the Annual General Meeting on 25 June 2015 after serving on the Board for more than 20 years. I would like to thank Mr. Mawere for his valued contribution to the Group. We wish him well in his retirement.

Dividend

On behalf of the Board, I am pleased to advise shareholders that an interim dividend of 0.149 US cents per share was proposed for the half year ended 30 June 2015 after taking into account the good performance of the Group. The dividend proposed translates to eight times dividend cover.

Marketing and Public Relations

The Group has remained visible within the market place during the first half of the year owing to targeted marketing and public relations initiatives that have been implemented. The remaining part of the year is expected to open up market opportunities within the Group, through its strong brand stature and the introduction of new products.

e- commerce

The FBC Group has made significant inroads in re-modelling its business around digital platforms. The volume of electronic transactions continue to increase exponentially compared to over the counter and related manually delivered services. The response of customers has been overwhelming, with mobile platforms experiencing the biggest usage across most of the retail businesses. The business is focusing on expanding its customer reach through leveraging on the various technology investments in line with financial inclusion milestones as well as unlocking new market segments. The Group is alive to the various threats that come with the usage of electronic platforms and is putting measures to proactively manage the related vulnerabilities. The Group is undertaking an Information Security Management System ISO27001/2 implementation to ensure that the operating environment is mitigated from the various potential threats associated with open ecosystems.

Branch Network and Financial Inclusion

The Group continues to review its distribution channels with a view to making banking available to all areas of the country. To this end, a new branch was opened at Borrowdale and new branches have been opened for Microplan Financial Services at Mutoko, Bindura and Lupane. New Bank branches are envisaged to be opened in other outlying areas. In addition, the Group is expanding its agency banking network through partnerships with retail outlets in outlying areas.

Outlook

The Group is well poised to exploit organisational and operational economies of scale, leveraging on the diversified business model, the strong brand and profitability, despite the economic challenges.

Appreciation

I wish to thank our shareholders, strategic partners, customers and the regulatory authorities for their support. As always, I am humbled by the unwavering support and confidence shown in the FBC brand by our valued customers. I am truly grateful for the counsel and guidance provided by the non-executive directors during this period as well as the professionalism, dedication and commitment demonstrated at all times, by the Group Chief Executive, his management team and members of staff.

Herbert Nkala
Group Chairman
27 August 2015

FBC Holdings Limited

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Unaudited Interim Results
For the six months ended 30 June 2015

Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2015

Continuing operations	Note	Unaudited 30 June 2015 US$	Unaudited Restated 30 June 2014 US$
Interest income	16	27 902 528	28 544 788
Interest expense	17	(12 969 064)	(11 670 897)
Net interest income		**14 933 464**	**16 873 891**
Fee and commission income	18	12 336 753	12 850 644
Fee and commission expense		(17 273)	(19 742)
Net fee and commission income		**12 319 480**	**12 830 902**
Revenue	19.1	3 304 882	3 341 642
Cost of sales	19.2	(2 301 195)	(2 221 725)
Gross profit		**1 003 687**	**1 119 917**
Insurance premium revenue	20	19 057 641	15 411 879
Premium ceded to reinsurers and retrocessionaires		(8 030 373)	(6 072 222)
Net earned insurance premium		**11 027 268**	**9 339 657**
Net trading income		392 960	532 450
Net (loss)/gains from financial instruments carried at fair value		(6 875)	(121 529)
Other operating income	21	261 310	275 383
		647 395	686 304
Total income		**39 931 294**	**40 850 671**
Impairment allowance on financial assets	5.3	(1 590 149)	(2 303 398)
Net insurance commission expense	22	(2 661 610)	(1 935 199)
Insurance claims and loss adjustment expenses	23	(4 605 253)	(4 323 014)
Administrative expenses	24	(21 009 001)	(21 066 805)
Profit before income tax		**10 065 281**	**11 222 255**
Income tax expense	25	(1 869 358)	(1 871 864)
Profit for the period from continuing operations		**8 195 923**	**9 350 391**
Discontinued operations			
Loss from discontinued operation, net of tax	26	-	(2 641 189)
Profit for the period		**8 195 923**	**6 709 202**
Other comprehensive income		**-**	**-**
Available for sale reserve		15 098	-
Tax relating to other comprehensive income		(151)	-
Other comprehensive income, net income tax		14 947	-
Total comprehensive income for the period		**8 210 870**	**6 709 202**
Profit attributable to :			
Equity holders of the parent		8 176 763	7 794 992
Non-controlling interests		19 160	(1 085 790)
Total		**8 195 923**	**6 709 202**
Total comprehensive income attributable to :			
Equity holders of the parent		8 191 710	7 794 992
Non-controlling interests		19 160	(1 085 790)
Total		**8 210 870**	**6 709 202**
Earnings per share (US cents)			
Basic earnings per share	29.1	1.23	1.17
Diluted earnings per share	29.2	1.23	1.17
Earnings per share - Continuing operations (US cents)			
Basic earnings per share	29.1	1.23	1.40
Diluted earnings per share	29.2	1.23	1.40

Consolidated Statement of Financial Position
As at 30 June 2015

	Notes	Unaudited 30 June 2015 US$	Audited 31 December 2014 US$
ASSETS			
Balances with banks and cash	4	132 528 714	110 965 506
Loans and advances to customers	5.1	311 706 909	314 421 853
Trade and other receivables including insurance receivables	5.2	8 811 302	6 382 407
Debentures		-	2 768 518
Financial assets at fair value through profit or loss	7	1 721 230	1 349 039
Available for sale financial assets		422 863	407 764
Inventory	8	4 706 659	4 464 350
Prepayments and other assets	9	7 283 707	6 095 286
Income tax asset		436 915	197 042
Deferred income tax assets		4 448 677	4 274 800
Investment property		2 068 000	1 693 000
Intangible assets	10	1 161 316	1 212 593
Property, plant and equipment	11	22 799 819	23 115 845
Total assets		**498 096 111**	**477 348 003**
EQUITY AND LIABILITIES			
Liabilities			
Deposits from other banks and customers	12	375 378 889	364 867 863
Insurance liabilities	13	9 575 700	7 278 048
Trade and other payables	14	16 337 294	15 343 915
Current income tax liabilities		161 078	1 095 584
Deferred income tax liabilities		545 695	545 697
Total liabilities		**401 998 656**	**389 131 107**
Equity			
Capital and reserves attributable to equity holders of the parent entity			
Share capital and share premium	15	14 089 892	14 089 892
Other reserves		39 170 644	39 486 008
Retained profits		42 609 566	34 432 803
		95 870 102	88 008 703
Non controlling interest in equity		227 353	208 193
Total equity		96 097 455	88 216 896
Total equity and liabilities		**498 096 111**	**477 348 003**

Consolidated Statement of Changes in Equity
For the six months ended 30 June 2015

	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$
Half year ended 30 June 2015													
Balance at 1 January 2015	**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**
Profit for the period	-	-	8 176 763	-	-	-	-	-	-	-	8 176 763	19 160	8 195 923
Other comprehensive income													
Gain on revaluation of property, plant	-	-	-	-	-	-	-	-	-	-	-	-	-
and equipment, net of tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Available for sale reserve	-	-	-	-	-	-	-	14 947	-	-	14 947	-	14 947
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**14 947**	**-**	**-**	**14 947**	**-**	**14 947**
Total comprehensive income	**-**	**-**	**8 176 763**	**-**	**-**	**-**	**-**	**14 947**	**-**	**-**	**8 191 710**	**19 160**	**8 210 870**
Transaction with owners													
Net sale of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in ownership interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury share purchase	-	-	-	-	(330 311)	-	-	-	-	-	(330 311)	-	(330 311)
Share buyback	-	-	-	-	-						-		-
Shareholders' equity at 30 June 2015	**6 719**	**14 083 173**	**42 609 566**	**-**	**(1 504 012)**	**36 222 261**	**2 170 001**	**(15 867)**	**627 590**	**1 670 671**	**95 870 102**	**227 353**	**96 097 455**
Half year ended 30 June 2014													
Balance at 1 January 2014	**6 719**	**14 083 173**	**37 575 558**	**110 716**	**(339 150)**	**36 222 261**	**3 191 743**	**-**	**627 590**	**2 370 735**	**93 849 345**	**12 366 171**	**106 215 516**
Profit for the period	-	-	7 794 992	-	-	-	-	-	-	-	7 794 992	(1 085 790)	6 709 202
Other comprehensive income													
Gain on revaluation of property, plant	-	-	-	-	-	-	-	-	-	-	-	-	-
and equipment, net of tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Available for sale reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income	**-**	**-**	**7 794 992**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7 794 992**	**(1 085 790)**	**6 709 202**
Transaction with owners													
Net sale of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	(1 001 205)	-	-	-	-	-	-	-	(1 001 205)	(17 306)	(1 018 511)
Increase in ownership interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury share purchase	-	-	-	-	(834 551)	-	-	-	-	-	(834 551)	-	(834 551)
Share buyback	-	-	-	-	-						-	-	-
Shareholders' equity at 30 June 2014 (restated)	**6 719**	**14 083 173**	**44 369 345**	**110 716**	**(1 173 701)**	**36 222 261**	**3 191 743**	**-**	**627 590**	**2 370 735**	**99 808 581**	**11 263 075**	**111 071 656**

FBC Holdings Limited

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Unaudited Interim Results
For the six months ended 30 June 2015

Consolidated Statement of Cash Flows
For the six months ended 30 June 2015

	Note	Unaudited 30 June 2015 US$	Unaudited 30 June 2014 US$
Cash flow from operating activities			
Profit for the period		10 065 281	11 222 255
Adjustments for:			
Discontinued operation		-	(3 516 023)
Depreciation	11	853 930	2 331 923
Amortisation		237 860	134 371
Impairment loss on loans and advances	5.3	1 590 149	2 303 398
Loss from disposal of property and equipment	21	(14 947)	300
Fair value adjustment on financial assets at fair value through profit or loss		6 875	121 529
Net Cash generated before changes in operating assets and liabilities		**12 739 148**	**12 597 753**
Increase in loans and advances		1 124 795	15 713 132
Increase in trade and other receivables		(2 428 895)	2 059 731
Decrease in debentures		2 768 518	-
Increase in financial assets at fair value through profit or loss		(379 066)	(55 508)
Increase in inventory		(242 309)	(590 698)
Increase in prepayments and other assets		(1 188 421)	(677 045)
Increase in investment property		(375 000)	-
Increase in deposits from other banks and customers		2 113 746	42 340 894
Increase/ (decrease) in insurance liabilities		2 297 652	850 443
Increase/ (decrease) in trade and other payables		993 379	40 894
		17 423 547	**72 279 596**
Income tax expense paid		(3 217 768)	(1 607 673)
Net cash generated from operating activities		**14 205 779**	**70 671 923**
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(569 567)	(824 087)
Purchase of intangible assets		(170 827)	(42 837)
Proceeds from sale of property, plant and equipment		30 854	4 100
Net cash used in investing activities		**(709 540)**	**(862 824)**
Net cash flows before financing activities		13 496 239	69 809 099
Cash flows from financing activities			
Proceeds from borrowings		8 397 280	1 400 000
Repayment of borrowings		-	(20 145 867)
Dividend paid to non-controlling interest		-	(17 306)
Dividend paid to company's shareholders		-	(1 001 205)
Purchase of treasury shares		(330 311)	(834 551)
Proceeds from resale of treasury shares		-	-
Net cash generated/(used in) from financing activities		**8 066 969**	**(20 598 929)**
Net increase in cash and cash equivalents		21 563 208	49 210 170
Cash and cash equivalents at beginning of the period		110 965 506	68 928 263
Cash and cash equivalents at the end of period	4.1	**132 528 714**	**118 138 433**

Notes to the Financial Results
For the six months ended 30 June 2015

1 GENERAL INFORMATION

FBC Holdings Limited ("the Company") and its subsidiaries (together "the Group") provide a wide range of commercial banking, mortgage finance, micro lending, short - term reinsurance, short - term insurance and stockbrocking services. 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 condensed consolidated interim financial statements were approved for issue by the Board of Directors on 27 August 2015.

2 BASIS OF PREPARATION

The Group's condensed consolidated interim financial statements for the half year ended 30 June 2015 have been prepared in accordance with the International Accounting Standard ("IAS") 34 Interim Financial Reporting, the Zimbabwe Companies Act (Chapter 24:03) and the Zimbabwe Banking Act (Chapter 24:20). They do not include all the information required for a complete set of International Financial Reporting Standards ("IFRS") financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements. They shoud therefore be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2014.

3 ACCOUNTING POLICIES

The accounting policies applied in the preparation of these interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014, except for the adoption of new standards and interpretations effective as of 1 January 2015.

The condensed interim consolidated financial statements have been prepared under the historical cost convention and are presented in the United States dollars ("US$") and are rounded to the nearest dollar.

4 BALANCES WITH BANKS AND CASH

	Unaudited 30 June 2015 US$	Audited 31 December 2014 US$
Balances with Reserve Bank of Zimbabwe ("RBZ")		
Current account balances	55 213 141	63 395 624
	55 213 141	63 395 624
Balances with other banks and cash		
Notes and coins	15 475 414	26 585 721
Other bank balances	61 840 159	20 984 161
Balances with banks and cash (excluding bank overdrafts)	**132 528 714**	**110 965 506**
Current	132 528 714	110 965 506
Non-current	-	-
Total	**132 528 714**	**110 965 506**

	Unaudited 30 June 2015 US$	Audited 31 December 2014 US$	Unaudited 30 June 2014 US$
4.1 For the purpose of the cash flow statement,			
Cash and cash equivalents comprise the following balances :			
Balances with other banks, cash and current account balances at RBZ (including bank overdrafts)	132 528 714	110 965 506	118 138 433
Total cash and cash equivalents - statement of cash flows	132 528 714	110 965 506	118 138 433

5 LOANS AND RECEIVABLES

	Unaudited 30 June 2015 US$	Audited 31 December 2014 US$
5.1 Loans and advances to customers		
Loans and advances maturities		
Maturing within 1 year	174 936 629	105 242 184
Maturing after 1 year	163 172 380	231 877 324
Gross carrying amount	**338 109 009**	**337 119 508**
Impairment allowance	(26 402 100)	(22 697 655)
	311 706 909	**314 421 853**
5.2 Trade and other receivables		
Trade receivables	216 402	-
Insurance receivables		
- Due by insurance clients and insurance brokers	7 450 956	5 909 664
- Due by reinsurers and retrocessionaires	1 540 686	869 485
Gross carrying amount	**9 208 044**	**6 779 149**
Impairment allowance	(396 742)	(396 742)
Total	**8 811 302**	**6 382 407**
Current	8 811 302	6 382 407
Non-current	-	-
Total	**8 811 302**	**6 382 407**

	Unaudited 30 June 2015 US$	Audited 31 December 2014 US$	Unaudited 30 June 2014 US$
5.3 Allowance for impairment			
Balance at 1 January	23 094 397	18 369 341	18 369 341
Impairment allowance through statement of comprehensive income	1 590 149	8 343 080	2 303 398
Reversal of impairment (disposal of subsidiary)	-	(3 999 976)	-
Amounts written off during the year as uncollectible	-	(3 098 229)	(3 081 686)
Interest in suspense	2 114 296	3 480 181	2 004 697
Balance at end of period	**26 798 842**	**23 094 397**	**19 595 750**

	Unaudited 30 June 2015 US$	Audited 31 December 2014 US$
6 DEBENTURES		
Maturing after 1 year but within 5 years	-	2 768 518
Current	-	2 768 518
Non-current	-	-
Total	**-**	**2 768 518**
The debentures were fully repaid.		
7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Listed securities at market value	1 721 230	1 349 039
Current	1 721 230	1 349 039
Non-current	-	-
Total	**1 721 230**	**1 349 039**
8 INVENTORY		
Raw materials	102 472	90 285
Work in progress	3 104 375	2 569 611
Finished goods	1 499 812	1 804 454
	4 706 659	**4 464 350**
Current	4 706 659	4 464 350
Non-current	-	-
Total	**4 706 659**	**4 464 350**
9 PREPAYMENTS AND OTHER ASSETS		
Prepayments	3 200 213	1 973 657
Deferred acquisition costs	1 228 468	964 674
Commission receivable	1 711 041	1 711 043
Refundable deposits for MasterCard and Visa transactions	100 000	631 793
Stationary stock and other consumables	-	45 359
Jointly controlled assets	61 875	67 500
Other	982 110	701 260
	7 283 707	**6 095 286**
Current	5 510 791	4 316 743
Non-current	1 772 916	1 778 543
Total	**7 283 707**	**6 095 286**

10 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**
Half year ended 30 June 2015	
Opening net book amount	1 212 593
Additions	170 827
Transfer from property, plant and equipment	15 756
Amortisation charge	(237 860)
Closing net book amount	**1 161 316**
As at 30 June 2015	
Cost	4 471 926
Accumulated amortisation	(3 310 610)
Net book amount	**1 161 316**

FBC Holdings Limited

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For the six months ended 30 June 2015

11 PROPERTY, PLANT AND EQUIPMENT

Half year ended 30 June 2015	Freehold premises US$	Plant and machinery US$	Computer equipment US$	Furniture and Office equipment US$	Motor vehicles US$	Total US$
Opening net book amount	17 378 612	12 572	499 184	4 320 078	905 399	23 115 845
Additions	-	-	162 058	308 470	99 039	569 567
Capital work in progress	-	-	-	-	-	-
Transfer to intangible assets	-	-	(15 756)	-	-	(15 756)
Disposals	-	-	-	-	(15 907)	(15 907)
Depreciation	(215 123)	-	(219 087)	(306 274)	(113 446)	(853 930)
Closing net book amount	**17 163 489**	**12 572**	**426 399**	**4 322 274**	**875 085**	**22 799 819**

12 DEPOSITS FROM OTHER BANKS AND CUSTOMERS

	Unaudited 30 June 2015 US$	Audited 31 December 2014 US$
12.1 DEPOSITS FROM CUSTOMERS		
Demand deposits	116 108 283	110 892 109
Promissory notes	49 500 639	58 897 901
Other time deposits	59 365 581	47 327 942
	224 974 503	217 117 952
12.2 DEPOSITS FROM OTHER BANKS		
Money market deposits	59 590 452	65 333 257
Bank borrowings and lines of credit	90 813 934	82 416 654
	150 404 386	147 749 911
TOTAL DEPOSITS	**375 378 889**	**364 867 863**
Current	305 001 224	290 071 827
Non-current	70 377 665	74 796 036
Total	**375 378 889**	**364 867 863**

12.3 Deposits concentration

	Unaudited 30 June 2015 US$	Unaudited 30 June 2015 %	Audited 31 December 2014 US$	Audited 31 December 2014 %
Agriculture	6 668 653	2%	9 142 298	3%
Construction	4 126 880	1%	3 643 352	1%
Wholesale and retail trade	56 074 014	15%	72 563 290	20%
Public sector	18 317 247	5%	21 095 274	6%
Manufacturing	26 674 612	7%	26 508 214	7%
Telecommunication	10 670 559	3%	8 292 349	2%
Transport	2 667 461	1%	3 606 035	1%
Individuals	43 119 521	11%	41 761 899	11%
Financial services	151 110 411	40%	147 749 911	40%
Mining	33 373 751	9%	21 760 305	6%
Other	22 575 780	6%	8 744 936	2%
	375 378 889	**100%**	**364 867 863**	**100%**

13 INSURANCE LIABILITIES

US$	Unaudited 30 June 2015 US$	Audited 31 December 2014
Gross outstanding claims	4 513 811	3 054 196
Liability for unearned premium	5 061 889	4 223 852
	9 575 700	**7 278 048**
Current	9 575 700	7 278 048
Non-current	-	-
Total	**9 575 700**	**7 278 048**

14 TRADE AND OTHER PAYABLES

	Unaudited 30 June 2015 US$	Audited 31 December 2014
Trade and other payables	9 354 199	9 497 907
Deferred income	3 102 407	3 373 928
Other liabilities	3 880 688	2 472 080
	16 337 294	**15 343 915**
Current	16 337 294	14 490 450
Non-current	-	853 465
Total	**16 337 294**	**15 343 915**

15 SHARE CAPITAL AND SHARE PREMIUM

	Unaudited 30 June 2015	Audited 31 December 2014
Authorised		
Number of ordinary shares, with a nominal value of US$0.00001	800 000 000	800 000 000
Issued and fully paid		
Number of ordinary shares, with a nominal value of US$0.00001	671 949 927	671 949 927

Share capital movement

	Number of Shares	Share Capital US$	Share Premium US$	Total US$
As at 1 January 2015	**671 949 927**	**6 719**	**14 083 173**	**14 089 892**
Share issue	-	-	-	-
As at 30 June 2015	**671 949 927**	**6 719**	**14 083 173**	**14 089 892**

The unissued share capital is under the control of the directors, subject to the restrictions imposed by the Zimbabwe Companies Act (Chapter 24:03), Zimbabwe Stock Exchange Listing Requirements and the Articles and Memorandum of Association of the Company.

16 INTEREST INCOME

	Unaudited 30 June 2015 US$	Unaudited Restated 30 June 2014 US$
Cash and cash equivalents	1 915 807	155 779
Loans and advances to other banks	1 249 441	583 721
Loans and advances to customers	23 112 248	26 454 364
Bankers acceptances and tradable bills	1 625 032	696 318
Other interest income	-	654 606
	27 902 528	**28 544 788**

	Unaudited 30 June 2015 US$	Unaudited Restated 30 June 2014 US$
17 INTEREST EXPENSE		
Deposit from other banks	4 059 312	6 624 797
Demand deposits	214 243	296 615
Afreximbank and PTA Bank	5 146 613	1 849 762
Time deposits	3 548 896	2 899 723
	12 969 064	**11 670 897**
18 FEE AND COMMISSION INCOME		
Retail service fees	9 910 298	9 961 165
Credit related fees	2 326 267	2 453 237
Investment banking fees	5 297	6 391
Brokerage	52 440	130 381
Other	42 451	299 470
	12 336 753	**12 850 644**
19.1 REVENUE		
Property Sales	3 304 882	3 341 642
	3 304 882	**3 341 642**
19.2 COST OF SALES		
Property development	2 301 195	2 221 725
	2 301 195	**2 221 725**
20 INSURANCE PREMIUM REVENUE		
Gross Premium Written	19 895 677	15 773 874
Change in Unearned Premium Reserve (“UPR”)	(838 036)	(361 995)
	19 057 641	**15 411 879**
21 OTHER OPERATING INCOME		
Rental income	163 396	169 689
Profit on disposal of property, plant and equipment	14 947	300
Sundry income	82 967	105 394
	261 310	**275 383**
22 NET INSURANCE COMMISSIONS EXPENSE		
Commissions Paid	3 264 156	2 285 986
Change in technical provisions	(602 546)	(350 787)
	2 661 610	**1 935 199**
23 INSURANCE CLAIMS AND LOSS ADJUSTMENT EXPENSES		
Claims Paid	3 855 022	4 051 548
Change in Technical Provisions	750 231	271 466
	4 605 253	**4 323 014**
24 ADMINISTRATIVE EXPENDITURE		
Administration expenses	7 803 349	8 591 583
Staff costs	11 143 872	10 620 774
Directors' remuneration	269 288	249 371
Audit fees:		
- current year fees	44 481	161 617
- prior year fees	194 511	24 753
- other services	-	-
Depreciation	853 930	871 454
Amortisation	237 860	147 688
Operating lease payment	461 710	399 565
	21 009 001	**21 066 805**
25 INCOME TAX EXPENSE		
Current income tax on income for the half year	1 838 460	1 991 419
Deferred tax	30 898	(119 555)
	1 869 358	**1 871 864**

26 DISCOUNTED OPERATION

In October 2014, the Group disposed of Turnall Holdings Limited. The comparative condensed consolidated statement of comprehensive income has thus been restated to show the discontinued operation separately from continuing operations. Analysis of the results of the discontinued operation is as follows;

	Unaudited 30 June 2015 US$	Unaudited Restated 30 June 2014 US$
Revenue	-	12 899 874
Expenses	-	(16 415 897)
Loss before tax of discontinued operations	-	(3 516 023)
Tax	-	874 834
Loss after tax of discontinued operations	**-**	**(2 641 189)**

27 CAPITAL COMMITTEMENTS

	Unaudited 30 June 2015 US$	Audited 31 December 2014 US$
Capital expenditure authorized but not yet contracted for	10 027 400	8 904 117
28 CONTINGENT LIABILITIES		
Guarantees and letters of credit	8 303 766	6 898 941

29 EARNINGS PER SHARE

	Unaudited 30 June 2015 US$	Unaudited Restated 30 June 2014 US$
29.1 Basic earnings per share		
Profit from continuing operations attributable to equity holders of the parent	8 176 763	9 335 308
Loss from discontinued operations attributable to equity holders of the parent	-	(1 540 316)
Total	**8 176 763**	**7 794 992**
Basic earnings per share		
Basic earnings per share for continuing operations (US cents)	1.23	1.40
Basic loss per share from discontinued operations (US cents)	-	(0.23)
	1.23	**1.17**

29.1 Basic earnings per share (continued)

	Shares issued	Treasury shares	Shares outstanding	Weighted
Weighted average number of ordinary shares				
Half year ended 30 June 2015				
Issued ordinary shares as at 1 January 2015	671 949 927	(6 516 226)	665 433 701	665 433 701
Treasury shares purchased	-	(3 929 962)	(3 929 962)	(327 497)
Weighted average number of ordinary shares as at 30 June	**671 949 927**	**(10 446 188)**	**661 503 739**	**665 106 204**
Weighted average number of ordinary shares				
Half year ended 30 June 2014				
Issued ordinary shares as at 1 January 2014	671 949 927	(5 681 675)	666 268 252	666 268 252
Treasury shares purchased	-	(6 409 016)	(6 409 016)	(1 602 254)
Weighted average number of ordinary shares as at 30 June	**671 949 927**	**(12 090 691)**	**659 859 236**	**664 665 998**

29.2 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.

	Unaudited Unaudited 30 June 2015 US$	Restated 30 June 2014 US$
Profit from continuing operations attributable to equity holders of the parent	8 176 763	9 335 308
Loss from discontinued operations attributable to equity holders of the parent	-	(1 540 316)
Total	8 176 763	7 794 992
Weighted average number of ordinary shares at 30 June	**665 106 204**	**664 665 998**
Diluted earnings per share (US cents)		
Diluted earnings per share for continuing operations (US cents)	1.23	1.40
Diluted earnings per share from discontinued operations (US cents)	-	(0.23)
	1.23	**1.17**

29.3 Headline earnings per share

	Unaudited 30 June 2015 US$	Unaudited 30 June 2014 US$
Profit attributable to equity holders	**8 176 763**	**7 794 992**
Adjusted for excluded remeasurements		
(Profit)/Loss on the disposal of property, plant and equipment	(14 947)	(300)
Other	-	-
Headline earnings	**8 161 816**	**7 794 692**
Weighted average number of ordinary shares at 30 June	**665 106 204**	**664 665 998**
Headline earnings per share (US cents)	**1.23**	**1.17**

29.4 Diluted headline earnings per share

Diluted headline 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.

	Unaudited 30 June 2015 US$	Unaudited 30 June 2014 US$
Headline earnings	8 161 816	7 794 692
Weighted average number of ordinary shares at 30 June	665 106 204	664 665 998
Diluted earnings per share (US cents)	**1.23**	**1.17**

30 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

FAIR VALUE HIERARCHY

IFRS 13 'Fair value measurement' requires an entity to classify its assets and liabilities according to a hierarchy that reflects the observability of significant market inputs. The three levels of the the fair value hierarchy are defined below.

Quoted market prices - Level 1
Assets and liabilities are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets in active markets where the quoted price is readily available.

Valuation technique using observable inputs - Level 2
Assets and liabilities classified as Level 2 have been valued using models whose inputs are observable in an active market either directly (that is, as prices) or indirectly (that is, derived from prices).

Valuation technique using significant observable inputs - Level 3
Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). A valuation input is considered observable if it can be directly observed from transactions in an active market, or if there is compelling external evidence demonstrating an executable exit price.

The following table shows the Group's assets and liabilities that are held at fair value disaggregated by valuation technique:

Valuation technique using;

	Quoted prices in active markets for identical assets (Level 1) US$	Significant other observable inputs (Level 2) US$	Significant unobservable inputs (Level 3) US $
Recurring fair value measurements			
As at 30 June 2015			
Investment property	-	-	2 068 000
Financial assets at fair value through profit or loss	1 721 230	-	-
Available for sale financial assets	422 863		
Land and buildings	-	-	17 163 489
As at 31 December 2014			
Investment property	-	-	1 693 000
Financial assets at fair value through profit or loss	1 349 039	-	-
Available for sale financial assets	407 764		
Land and buildings	-	-	17 378 612

There were no transfers between levels 1 and 2 during the period.

31 CLASSIFICATION OF FINANCIAL INSTRUMENTS

The table below sets out the Group's classification of each class of financial assets and liabilities.

As at 30 June 2015	Held for trading US$	Available for sale US$	Loans and receivables US$	Financial liabilities at amortised cost US$
Trading assets				
Balances with other banks and cash	-	-	132 528 714	-
Loans and advances to customers	-	-	311 706 909	-
Trade and other receivables including insurance receivables	-	-	8 811 302	-
Debentures	-	-	-	
Financial assets at fair value through profit or loss	1 721 230	-	-	-
Available for sale financial assets		422 863	-	-
	1 721 230	**422 863**	**453 046 925**	**-**
Trading liabilities				
Deposits and borrowings from other banks and customers	-	-	-	375 378 889
Insurance liabilities	-	-	-	9 575 700
Trade and other payables	-	-	-	16 337 294
	-	**-**	**-**	**401 291 883**
As at 31 December 2014				
Trading assets				
Balances with other banks and cash	-	-	110 965 506	-
Loans and advances to customers	-	-	314 421 853	-
Trade and other receivables including insurance receivables	-	-	6 382 407	-
Debentures	-	-	2 768 518	
Financial assets at fair value through profit or loss	1 349 039		-	-
Available for sale financial assets	-	407 764	-	-
	1 349 039	407 764	434 538 284	-
Trading liabilities				
Deposits and borrowings from other banks and customers	-	-	-	364 867 863
Insurance liabilities	-	-	-	7 278 048
Trade and other payables	-	-	-	15 343 915
	-	-	-	387 489 826

32 RELATED PARTIES

The Group carried out banking and investment related transactions with various companies related to its shareholders, all of which were undertaken in compliance with the relevant banking regulations. The full list of related party transactions are provided in the Group's annual report for the year ended 31 December 2014. There have not been any material movements since.

33 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 six business segments i.e. commercial banking, microlending, mortgage financing, short term reinsurance, short - term insurance and stockbroking.

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.

30 June 2015	Commercial banking US$	Microlending US$	Mortgage financing US$	Short term reinsurance US$	Short term insurance US$	Stockbroking US$	Intersegment eliminations US$	Consolidated US$
Total segment revenue								
Interest income	20 074 812	3 732 226	6 054 936	440 309	225 975	48 075	(2 673 805)	27 902 528
Interest expense	(12 461 550)	(966 107)	(2 840 212)	-	-	-	3 298 805	(12 969 064)
Net interest income	7 613 262	2 766 119	3 214 724	440 309	225 975	48 075	625 000	14 933 464
Turnover	-	-	3 304 882	-	-	-	-	3 304 882
Cost of sales	-	-	(2 301 195)	-	-	-	-	(2 301 195)
Gross profit	-	-	1 003 687	-	-	-	-	1 003 687
Net earned insurance premium	-	-	-	6 547 071	4 480 196	-	-	11 027 267
Net fee and commission income	9 812 481	198 561	2 262 203	-	-	46 235	-	12 319 480
Net trading income and other income	512 434	18 518	103 763	(56 292)	17 737	(6 875)	58 110	647 395
Total income	**17 938 177**	**2 983 198**	**6 584 377**	**6 931 088**	**4 723 908**	**87 435**	**683 110**	**39 931 293**
Intersegment revenue	(481 744)	-	(1 324 314)	(624 144)	(222 034)	(47 717)	(625 000)	(3 324 953)
Intersegment interest expense and commission	1 636 056	966 106	721 123	-	-	1 668	-	3 324 953
Revenue from external customers	**19 092 489**	**3 949 304**	**5 981 186**	**6 306 944**	**4 501 874**	**41 386**	**58 110**	**39 931 293**
Segment profit before income tax	**4 206 990**	**1 442 901**	**3 121 030**	**1 084 429**	**560 959**	**(183 645)**	**167 386**	**10 065 279**
Impairment losses on financial assets	1 001 298	283 711	305 140	-	-	-	-	1 590 149
Depeciation	675 072	9 915	89 347	8 525	71 071	-	-	853 930
Amortisation	141 215	-	34 741	13 317	41 835	6 752	-	237 860
Segment assets	**393 889 138**	**14 764 783**	**108 893 844**	**20 454 869**	**11 978 847**	**1 467 671**	**(53 353 041)**	**498 096 111**
Total assets includes :								
Additions to non-current assets	460 971	55 081	16 651	12 483	24 381	-	-	569 567
Investment in associates	-	-	-	491 139	-	-	-	491 139
Segment liabilities	**357 539 287**	**10 302 145**	**76 020 005**	**9 425 682**	**6 898 237**	**1 272 050**	**(59 458 749)**	**401 998 656**
Type of revenue generating activity	Commercial and retail banking	Microlending	Mortgage financing	Underwriting short-term classes of insurance	Underwriting general classes of short term insurance	Equity market dealing		

33 SEGMENT REPORTING (CONTINUED)

30 June 2014	Commercial banking US$	Microlending US$	Mortgage financing US$	Short term reinsurance US$	Short term insurance US$	Stockbroking US$	Manufacturing US$	Intersegment eliminations US$	Consolidated US$
Total segment revenue									
Interest income	20 789 360	3 801 417	5 830 785	490 073	136 998	76 705	3 592	(2 584 142)	28 544 788
Interest expense	(10 630 350)	(1 319 738)	(2 955 966)	-	-	-	(895 853)	2 584 142	(11 670 897)
Net interest income	10 159 010	2 481 679	2 874 819	490 073	136 998	76 705	(892 261)	-	16 873 891
Turnover	-	-	3 341 642	-	-	-	12 878 086	(12 878 086)	3 341 642
Cost of sales	-	-	(2 221 725)	-	-	-	(12 005 661)	12 005 661	(2 221 725)
Gross profit	-	-	1 119 917	-	-	-	872 425	(872 425)	1 119 917
Net earned insurance premium	-	-	-	5 614 653	3 725 006	-	-	-	9 339 657
Net fee and commission income	10 041 005	173 259	2 493 376	-	-	123 262	-	-	12 830 902
Net trading income and other income	605 042	47 493	91 786	(191 683)	18 674	1 358	18 195	95 439	686 304
Total income	**20 805 057**	**2 702 431**	**6 579 898**	**5 913 043**	**3 880 678**	**201 325**	**(1 641)**	**(776 986)**	**40 850 671**
Intersegment revenue	(536 344)	-	(1 668 529)	(186 965)	(135 052)	(53 661)		(654 606)	(3 235 157)
Intersegment interest expense and commission	1 668 529	654 606	665 240	-	-	-	246 782	-	3 235 157
Revenue from external customers	**21 937 242**	**3 357 037**	**5 576 609**	**5 726 078**	**3 745 626**	**147 664**	**245 141**	**(1 431 592)**	**40 850 671**
Segment profit before income tax	**4 375 489**	**1 571 784**	**3 159 836**	**758 738**	**452 291**	**(34 688)**	**(3 516 023)**	**4 454 828**	**11 222 255**
Impairment losses on financial assets	1 688 499	318 694	296 205	-	-	-	-	-	2 303 398
Depeciation	670 512	6 192	89 835	11 166	62 975	7 040	1 484 203	-	2 331 923
Amortisation	63 418	-	29 118	-	41 835	-	-	-	134 371
Segment assets	**347 985 361**	**15 045 168**	**95 674 602**	**21 108 693**	**10 534 045**	**1 920 149**	**62 611 771**	**(65 384 795)**	**489 494 994**
Total assets includes :									
Additions to non-current assets	251 858	13 287	133 437	7 547	80 761	2 332	334 865	-	824 087
Investment in associates	-	-	-	491 139	-	-	-	-	491 139
Segment liabilities	**309 328 101**	**12 118 335**	**67 354 693**	**12 112 833**	**7 025 654**	**1 687 560**	**38 280 140**	**(69 624 210)**	**378 283 106**
Type of revenue generating activity	Commercial and retail banking	Microlending	Mortgage financing	Underwriting short-term classes of insurance	Underwriting general classes of short term insurance	Equity market dealing	Production and sales of building materials		

34 FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from financial instruments:

(a) Credit risk
(b) Liquidity risk
(c) Market risk
(c.i) Interest rate risk,
(c.ii) Currency risk, and
(c.iii) Price risk
(d) Settlement risk
(e) Operational risk
(f) Capital risk
(g) Compliance 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.

34.1 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 concentration of credit risk in respect of individual counterparties and groups. The Group structures the level 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 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 Department evaluates the credit exposures and assures ongoing credit quality by reviewing individual credit and concentration and monitoring of corrective action.

The Group Credit Management Department periodically prepares detailed reports on the quality of the customers for review by the Board Loans Review Committees of the subsidiary companies and assesses 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 are accepted 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 a 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 covers 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 categories 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
1	Prime grade	Insignificant	1%
2	Strong	Modest	1%
3	Satisfactory	Average	2%
4	Moderate	Acceptable	3%
5	Fair	Acceptable with care	4%
6	Speculative	Management attention	5%
7	Speculative	Special mention	10%
8	Substandard	Vulnerable	20%
9	Doubtful	High default	50%
10	Loss	Bankrupt	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.

Credit risk and Basel II
The Group applied Credit Risk Basel II standards in line with the regulatory authority's 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.

34.1.1 Exposure to credit risk

Loans and advances	Unaudited 30 June 2015 US$	Audited 31 December 2014 US$
Past due and impaired		
Grade 8: Impaired	28 477 062	29 608 779
Grade 9: Impaired	4 128 280	5 062 713
Grade 10: Impaired	16 302 570	17 615 392
Gross amount	**48 907 912**	**52 286 884**
Allowance for impairment	(18 836 120)	(18 169 753)
Carrying amount	**30 071 792**	**34 117 131**
Past due but not impaired		
Grades 4 - 7:	103 203 916	70 470 003
Niether past due nor impaired		
Grades 1 - 3:	185 997 181	214 362 621
Gross amount	**289 201 097**	**284 832 624**
Allowance for impairment	(7 565 980)	(4 527 902)
Carrying amount	**281 635 117**	**280 304 722**
Total carrying amount	**311 706 909**	**314 421 853**

34.1.2 Sectoral analysis of utilisations - loans and advances

	Unaudited 30 June 2015 US$	Unaudited 30 June 2015 %	Audited 31 December 2014 US$	Audited 31 December 2014 %
Mining	27 204 573	8%	15 964 985	5%
Manufacturing	65 294 116	19%	51 669 851	15%
Mortgage	33 424 848	10%	33 533 681	10%
Wholesale	16 322 744	5%	28 247 266	8%
Distribution	35 365 945	10%	33 520 369	10%
Individuals	84 323 976	25%	95 471 548	28%
Agriculture	24 484 116	7%	18 049 429	5%
Communication	10 881 829	3%	7 735 470	2%
Construction	5 440 915	2%	2 578 490	1%
Local Authorities	21 763 659	6%	23 206 409	7%
Other services	13 602 288	4%	27 142 010	8%
Gross loans and advances	338 109 009	100%	337 119 508	100%
Less impairment allowance	(26 402 100)		(22 697 655)	
Carrying amount	**311 706 909**		**314 421 853**	

34.1.3 Reconciliation of allowance for impairment for loans and advances

Loans and advances	Unaudited 30 June 2015 US$	Audited 31 December 2014 US$
Balance at 1 January	22 697 655	14 221 173
Increase in impairment allowance	1 590 149	8 094 530
Impairment reversal	-	-
Write off	-	(3 098 229)
Interest in suspense	2 114 296	3 480 181
	26 402 100	22 697 655

34.1.4 Trade and other receivables

	Unaudited 30 June 2015 US$	Audited 31 December 2014 US$
Past due and impaired	396 742	396 742
Allowance for impairment	(396 742)	(396 742)
Carrying amount	**-**	**-**
Past due but not impaired	-	-
Neither past due nor impaired	8 811 302	6 382 407
Gross amount	**8 811 302**	**6 382 407**
Allowance for impairment	-	-
Carrying amount	8 811 302	6 382 407
Total carrying amount	**8 811 302**	**6 382 407**

34.2 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 subsidiary companies 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 Department. 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.

34.3 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 34.3.1 to 34.3.3.

34.3.1 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.

34.3.2 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.

34.3.3 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.

34.4 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.

34.5 Operational 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 other 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. Each entity has a Management and Board Risk and Compliance Committee to ensure a robust operational risk management framework. 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 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 units and branches conduct tests half yearly in line with the Group policy. The Group continues to conduct its business continuity tests in the second and fourth quarters of each year and all the processes are well documented.

34.6 Capital risk

34.6.1 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 objectives 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:

As at 30 June 2015	Net Company Capital US$	Regulatory Total Equity US$
FBC Bank Limited	34 883 469	36 349 851
FBC Building Society	32 833 064	32 873 839
FBC Reinsurance Limited	11 029 187	11 029 187
FBC Securities (Private) Limited	195 620	195 620
Eagle Insurance Company (Private) Limited	5 080 609	5 080 609
Microplan Financial Services (Private) Limited	4 462 639	4 462 639

34.7 Compliance risk

Compliance risk is the current and prospective risk to earnings or capital arising from violations of, or non-conformance with laws, rules, regulations, prescribed practices, internal policies and procedures or ethical standards. The Compliance function assesses the conformity of codes of conduct, instructions, procedures and organizations in relation to the rules of integrity in financial services activities. These rules are those which arise from the institution's own integrity policy as well as those which are directly provided by its legal status and other legal and regulatory provisions applicable to the financial services sector.

Management is also accountable to the Board for designing, implementing and monitoring the process of compliance risk management and integrating it with the day to day activities of the Group.

35 STATEMENT OF COMPLIANCE

The Group complied 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 complied with the Reserve Bank of Zimbabwe's directives on liquidity management, capital adequacy as well as prudential lending guidelines.

36 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	2015	2014	2013
FBC Bank Limited	A-	A-	A-
FBC Reinsurance Limited	A-	A-	A-
FBC Building Society	BBB-	BBB-	BBB-
Eagle Insurance Company Limited	A-	BBB-	BBB-

37 INTERIM DIVIDEND ANNOUNCEMENT

Notice is hereby given that an interim dividend of 0.149 US cents per share was declared by the Board on 671 949 927 ordinary shares in issue on 27 August 2015 in respect of the half year ended 30 June 2015. The dividend is payable to shareholders registered in the books of the Company at the close of business on Friday, 11 September 2015. The transfer books and register of members will be closed from 11 September 2015 to 14 September 2015. Dividend payment will be made to shareholders on or about 28 September 2015.

FBC Holdings Limited

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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 (iv) Board Risk Committee.

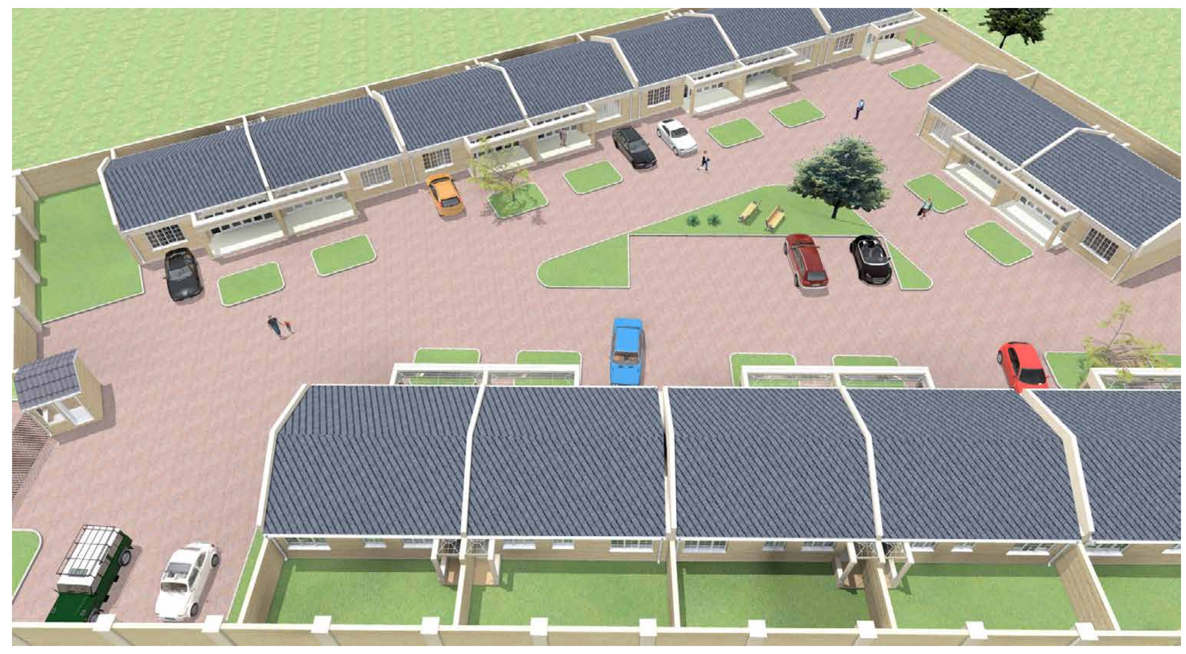
BOARD ATTENDANCE

Board member	Main board		Board Audit		Board Human Resources		Board Finance and Strategy		Board Risk and Compliance	
	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2
Herbert Nkala	✓	✓	N/A	N/A	✓	✓	N/A	N/A	N/A	N/A
John Mushayavanhu	✓	✓	N/A	N/A	✓	✓	✓	✓	✓	✓
Kenzias Chibota	✓	✓	N/A	N/A	N/A	N/A	✓	✓	✓	✓
Kleto Chiketsani	✓	✓	N/A	N/A	N/A	N/A	✓	✓	×	✓
Gertrude S Chikwava	✓	✓	N/A	N/A	N/A	N/A	✓	✓	N/A	N/A
Philip M Chiradza	✓	✓	✓	✓	✓	✓	N/A	N/A	✓	✓
Trynos Kufazvinei	✓	✓	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
James M Matiza	✓	✓	N/A	N/A	N/A	N/A	×	✓	N/A	N/A
Johnson R Mawere	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A
Chipo Mtasa	✓	×	✓	✓	N/A	N/A	N/A	N/A	✓	✓
Godfrey G Nhemachena	✓	✓	×	✓	N/A	N/A	N/A	N/A	✓	✓
Webster Rusere	✓	✓	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

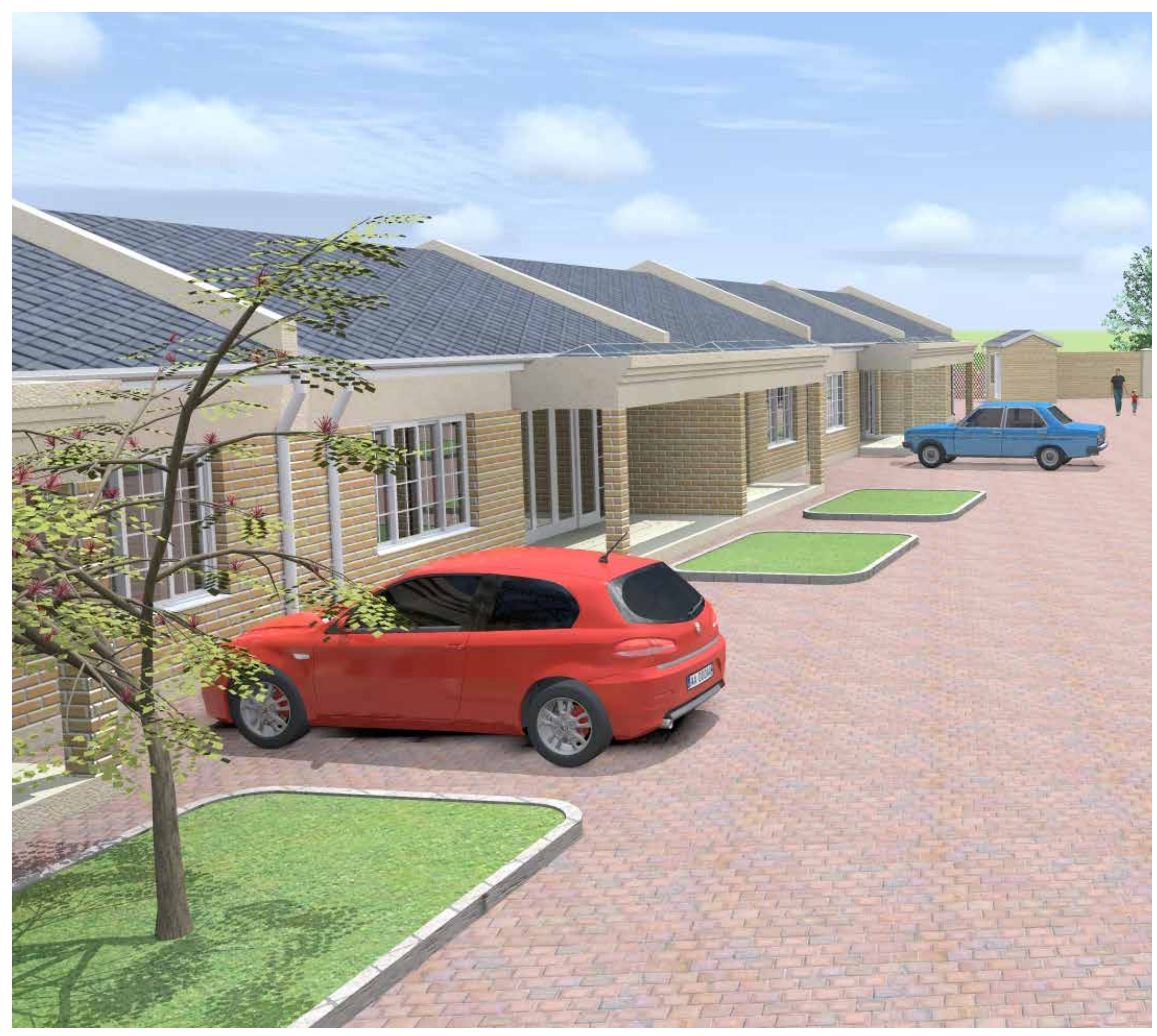
Key
✓ - Attended × - Apologies Q1 - Quarter 1
n/a- not applicable Q2 - Quarter 2

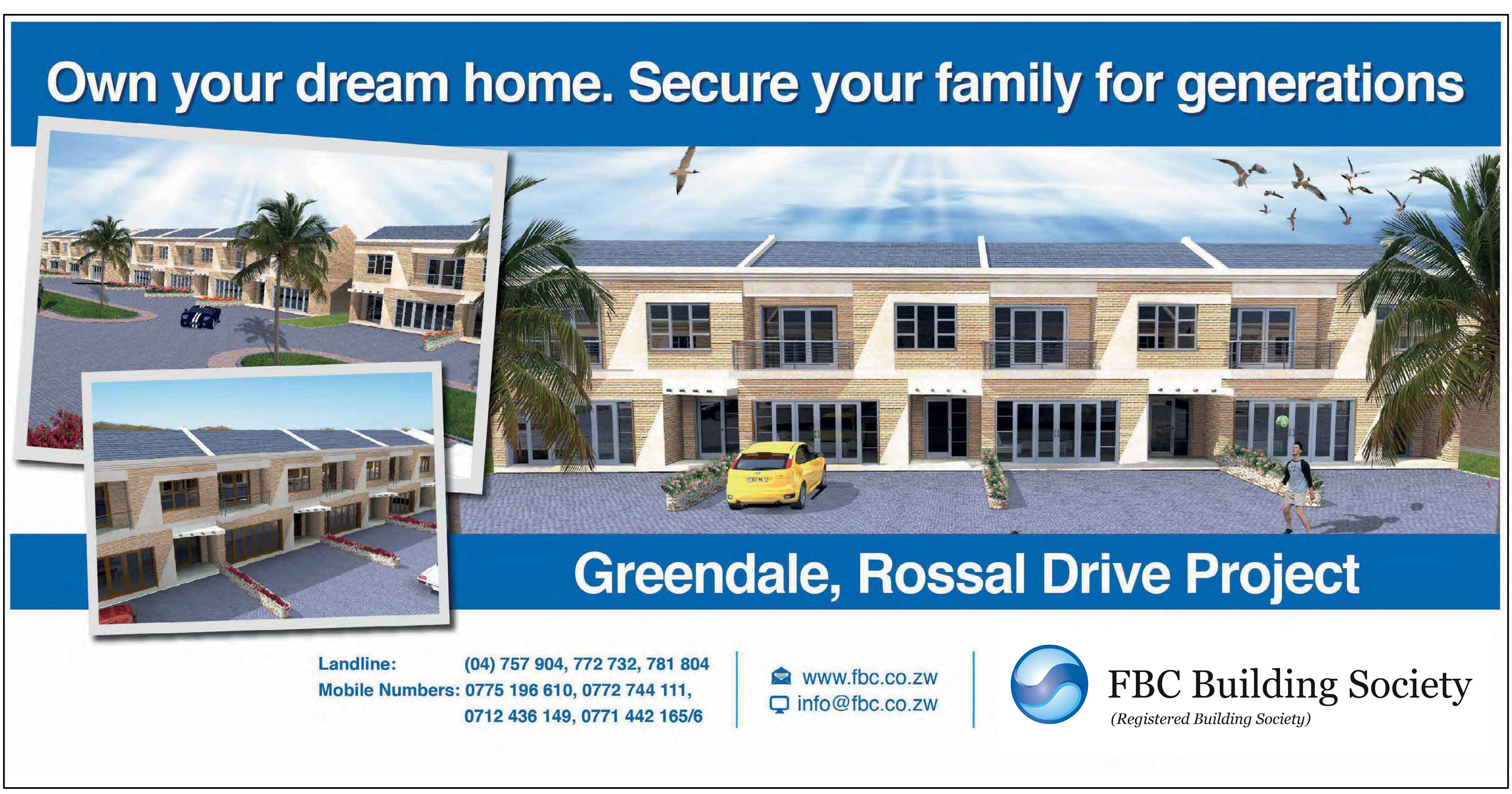
By order of the Board

Tichaona K. Mabeza
GROUP COMPANY SECRETARY
27 August 2015



Belgravia, 8 Philips Road Project





FBC Bank Limited

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Unaudited Interim Results
For the six months ended 30 June 2015

Statement of Financial Position
As at 30 June 2015

	Notes	Unaudited 30 June 2015 US$	Audited 31 Dec 2014 US$
Assets			
Cash and cash equivalents	1	115 765 388	100 525 672
Loans and advances to customers	2	250 254 112	252 788 323
Debentures		-	2 768 518
Prepayments and other assets	3	4 032 424	3 812 339
Amounts due from group companies		3 084 201	2 595 950
Current income tax asset		436 915	-
Deferred income tax asset		2 336 927	2 287 472
Investment property		2 043 000	1 668 000
Intangible assets		674 971	729 710
Property and equipment	4	15 261 200	15 474 408
Total assets		**393 889 138**	**382 650 392**
LIABILITIES			
Deposits from customers	5.1	193 789 828	186 283 360
Deposits from other financial institutions	5.2	72 956 292	80 725 798
Lines of credit	6	86 216 514	77 192 603
Current income tax liability		-	803 339
Trade and other payables	7	4 576 653	4 380 370
Total liabilities		**357 539 287**	**349 385 470**
EQUITY			
Share capital		18 500 000	18 500 000
Retained profits		15 563 932	12 479 003
Other reserves		2 285 919	2 285 919
Total equity		**36 349 851**	**33 264 922**
Total equity and liabilities		**393 889 138**	**382 650 392**

Statement of Comprehensive Income
For the six months ended 30 June 2015

	Notes	Unaudited 30 June 2015 US$	Unaudited 30 June 2014 US$
Interest and similar income	10	20 074 812	20 789 360
Interest and similar expense	11	(12 461 550)	(10 630 350)
Net interest income		**7 613 262**	**10 159 010**
Dealing and trading income		392 960	568 459
Fee and commission income	12	9 812 481	10 001 482
Other operating income		119 474	76 106
Total net income		**17 938 177**	**20 805 057**
Impairment allowance on loans and advances		(1 001 298)	(1 688 499)
Administrative expenses		(12 729 889)	(14 741 069)
Profit before income tax		**4 206 990**	**4 375 489**
Income tax expense		(1 122 061)	(971 158)
Profit for the period		**3 084 929**	**3 404 331**
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss:			
Fair value loss on financial assets available for sale		-	(4 723 130)
Tax relating to other comprehensive income		-	944 626
Other comprehensive income (net of income tax)		**-**	**(3 778 504)**
Total comprehensive income for the period		**3 084 929**	**(374 173)**

Statement of Changes in Equity
For the six months ended 30 June 2015

	Share capital US$	Retained profits US$	Revaluation reserve US$	Regulatory reserve US$	Financial asset available for sale US$	Total equity US
Balance as at 1 January 2015	**18 500 000**	**12 479 003**	**1 625 675**	**660 244**	**-**	**33 264 922**
Profit for the period	-	3 084 929	-	-	-	3 084 929
Other comprehensive income:	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income	**-**	**3 084 929**	**-**	**-**	**-**	**3 084 929**
Balance as at 30 June 2015	**18 500 000**	**15 563 932**	**1 625 675**	**660 244**	**-**	**36 349 851**
Balance as at 1 January 2014	**18 500 000**	**19 835 745**	**980 070**	**660 244**	**(944 626)**	**39 031 433**
Profit for the period	-	3 404 331	-	-	-	3 404 331
Other comprehensive income:						
Fair value loss on financial assets available for sale	-	-	-	-	(3 778 504)	(3 778 504)
Total comprehensive income	**-**	**3 404 331**	**-**	**-**	**(3 778 504)**	**(374 173)**
Balance as at 30 June 2014	**18 500 000**	**23 240 076**	**980 070**	**660 244**	**(4 723 130)**	**38 657 260**

Statement of Cash Flows
For the six months ended 30 June 2015

	Notes	Unaudited 30 June 2015 US$	Unaudited 30 June 2014 US$
Cash flows from operating activities			
Profit for the year		4 206 990	4 375 489
Adjustments for non cash items:			
Impairment allowance on loans and advances	2.2	1 001 298	1 688 499
Amortisation		141 215	63 418
Depreciation	4	674 178	670 512
Net cash generated before changes in operating assets and liabilities		**6 023 681**	**6 797 918**
Increase in loans and advances to customers		(2 789 300)	14 578 762
(Increase)/decrease in prepayments and other assets		(220 085)	301 085
(Increase)/ decrease in amounts due to group companies		(488 251)	1 421 144
Decrease in debentures		2 768 518	-
Increase in deposits from customers		7 506 468	30 707 615
(Decrease)/increase in deposits from other financial institutions		(7 769 507)	11 871 159
Increase/(decrease) in other liabilities		196 283	(974 462)
		5 227 807	64 703 221
Income tax paid		(2 323 553)	(1 134 645)
Net cash (used in)/generated from operating activities		**2 904 254**	**63 568 576**
Cash flows from investing activities			
Purchase of intangible assets		(86 476)	(42 837)
Purchase of property and equipment		(460 970)	(251 857)
Net cash used in investing activities		**(547 446)**	**(294 694)**
Cash flows from financing activities			
Proceeds received from lines of credit		13 782 908	1 400 000
Repayments of lines of credit		(900 000)	(17 686 239)
Net cash generated from financing activities		**12 882 908**	**(16 286 239)**
Net increase/(decrease) in cash and cash equivalents		15 239 716	46 987 643
Cash and cash equivalents at beginning of year		100 525 672	68 694 552
Cash and cash equivalents at the end of year	**1**	**115 765 388**	**115 682 195**

Notes to the Financial Results
For the six months ended 30 June 2015

	Unaudited 30 June 2015 US$	Audited 31 Dec 2014 US$
1. BALANCES WITH BANKS AND CASH		
Balances with Reserve Bank of Zimbabwe		
Current account balances	55 009 978	63 192 401
Balances with other banks and cash		
Nostro accounts	9 224 174	10 166 220
Notes and coins	13 618 202	24 069 654
Other bank balances	37 913 034	3 097 397
	60 755 410	**37 333 271**
Cash and cash equivalents	**115 765 388**	**100 525 672**
2. LOANS AND ADVANCES TO CUSTOMERS		
Maturing within 1 year	146 904 696	84 270 634
Maturing after 1 year but within 5 years	125 141 037	187 570 123
Gross carrying amount	272 045 733	271 840 757
Impairment allowance (note 2.2)	(21 791 621)	(19 052 434)
Net loans	**250 254 112**	**252 788 323**

2.1 Loans concentration by sector

Sector of the economy	2015 gross total	2015 percentage	2014 gross total	2014 percentage
Agriculture	24 484 116	9%	18 049 429	7%
Communication	10 881 829	4%	7 735 470	3%
Construction	5 440 915	2%	2 578 490	1%
Distribution	35 365 945	13%	33 520 369	12%
Individuals	51 688 689	19%	64 462 247	24%
Local authorities	21 763 659	8%	23 206 409	9%
Manufacturing	65 290 976	24%	51 669 851	18%
Mining	27 204 573	10%	15 470 939	6%
Other services	13 602 287	5%	26 900 287	10%
Wholesale	16 322 744	6%	28 247 266	10%
Gross value of loans and advances	**272 045 733**	**100%**	**271 840 757**	**100%**
less allowance for impairment	(21 791 621)		(19 052 434)	
Net loans	**250 254 112**		**252 788 323**	

	Unaudited 30 June 2015 US$	Audited 31 Dec 2014 US$
2.2 Movement in impairment allowance		
Balance at the beginning of the period	19 052 434	12 254 798
Increase in impairment allowances	1 001 298	6 350 987
Increase in interest in suspense	1 737 889	3 243 874
Amounts written off	-	(2 797 225)
Balance at period end	**21 791 621**	**19 052 434**
3 PREPAYMENTS AND OTHER ASSETS		
Prepayments	1 380 738	1 055 335
Commission receivable	1 711 042	1 711 042
ZimSwitch / Cheque / MasterCard collateral	706 941	631 793
Recoveries	206 858	206 858
Stationary stock and other consumables	-	-
Other receivables	26 845	207 311
	4 032 424	**3 812 339**
3.1 Maturity analysis of other assets		
Maturing within 1 year	2 221 380	2 001 295
Maturing after 1 year but within 5 years	1 811 044	1 811 044
	4 032 424	**3 812 339**

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Unaudited Interim Results
For the six months ended 30 June 2015

	Unaudited 30 June 2015	Audited 31 Dec 2014
4 PROPERTY AND EQUIPMENT		
Opening balance	15 474 408	16 060 985
Additions	460 970	1 064 669
Disposals	-	(59 884)
Revaluations	-	56 995
Reversal of depreciation on revaluation	-	773 939
Opening balance adjustments	-	(154 170)
Transfer to Investment Property	-	(1 020 000)
Depreciation charge for the period	(674 178)	(1 248 126)
Carrying amount for the period	**15 261 200**	**15 474 408**
5 DEPOSITS		
Deposits from customers	193 789 828	186 283 360
Deposits from other financial institutions	72 956 292	80 725 798
	266 746 120	**267 009 158**
5.1 Deposits from customers		
Amounts due to customers by type:		
Demand deposits	108 753 832	104 815 142
Promissory notes	49 500 639	58 897 901
Other time deposits	35 535 357	22 570 317
	193 789 828	**186 283 360**
5.2 Deposits from other financial institutions		
Money market deposits	**72 956 292**	**80 725 798**

5.3 Deposits concentration (excluding lines of credit)

Gross deposits - by sector	2015 US$	2015 %	2014 US$	2014 %
Agriculture	6 668 653	3%	9 070 956	3%
Construction	4 001 192	2%	3 372 907	1%
Wholesale and retail trade	56 016 685	21%	58 107 058	22%
Public sector	13 337 306	4%	14 695 707	5%
Manufacturing	26 674 612	10%	23 301 780	9%
Telecommunication	10 669 845	4%	8 227 613	3%
Transport	2 667 461	1%	3 577 642	1%
Individuals	37 344 457	14%	36 216 732	14%
Financial services	72 021 452	27%	80 725 798	30%
Mining	29 342 073	11%	21 583 649	9%
Other	8 002 384	3%	8 129 316	3%
	266 746 120	**100%**	**267 009 158**	**100%**

	Unaudited 30 June 2015	Audited 31 Dec 2014
5.4 Maturity analysis		
Maturing within 1 year	266 746 120	267 009 158
Maturing after 1 year but within 5 years	-	-
	266 746 120	**267 009 158**
6 LINES OF CREDIT		
Eastern and Southern African Trade and Development Bank (“PTA Bank”)	10 000 000	10 000 000
African Export-Import Bank	74 395 227	65 946 415
The Zimbabwe Agriculture Development Trust (“ZADT”)	1 821 287	1 246 188
	86 216 514	**77 192 603**
6.1 Maturity analysis		
Maturing within 1 year	11 821 287	11 246 188
Maturing after 1 year but within 5 years	74 395 227	65 946 415
	86 216 514	**77 192 603**
7 Trade and other payables		
Provisions	1,768,773	765,383
Accrued expenses	382,757	1 164 048
Deferred income	2,425,123	2 450 939
	4 576 653	**4 380 370**
8 CAPITAL ADEQUACY		
Ordinary Share Capital	18 500 000	18 500 000
Retained profit	15 563 932	12 479 001
Regulatory reserve	660 244	660 244
Capital allocated for market and operational risk	(5 339 225)	(4 035 797)
Advances to insiders	(1 466 382)	(2 595 950)
Tier 1 capital	27 918 569	25 007 498
Revaluation reserve	1 625 675	1 625 675
Available for sale reserve	-	-
Tier 2 capital	**1 625 675**	**1 625 675**
Tier 1 & 2 capital	29 544 244	26 633 173
Tier 3 capital allocated for market and operational risk	5 339 225	4 035 797
	34 883 469	**30 668 970**
Risk weighted assets	194 834 265	194 870 201
Tier 1 Ratio (%)	14.33%	12.83%
Tier 2 Ratio (%)	0.83%	0.83%
Tier 3 Ratio (%)	2.74%	2.07%
Capital adequacy (%)	**17.90%**	**15.73%**

	Unaudited 30 June 2015	Unaudited 30 June 2014
10 INTEREST INCOME		
Loans and advances to banks and other financial institutions	1 255 063	604 826
Loans and advances to customers	17 015 181	19 389 217
Banker’s acceptances and tradable bills	1 804 568	696 317
Debentures	-	99 000
	20 074 812	**20 789 360**
11 INTEREST EXPENSE		
Deposit from other financial institutions	3 279 035	5 429 818
Demand deposits	152 359	178 201
Lines of credit	4 903 213	1 504 750
Other time deposits	4 126 943	3 517 581
	12 461 550	**10 630 350**

	Unaudited 30 June 2015	Unaudited 30 June 2014
12 FEES AND COMMISSION INCOME		
Retail services fees	8 171 419	8 163 654
Corporate banking service fees	1 635 765	1 831 437
Investment banking fees	5 297	6 391
	9 812 481	**10 001 482**
13 ADMINISTRATION EXPENSES		
Administration expenses	4 814 432	6 870 268
Staff costs (note 13.1)	5 421 691	5 373 703
Directors’ remuneration (note 13.2)	1 047 211	1 285 383
Depreciation	674 178	670 512
Amortisation	141 215	63 418
Operating lease payment	439 660	356 189
Audit fees	191 502	121 596
	12 729 889	**14 741 069**
13.1 Staff costs		
Salaries and allowances	4 863 181	4 902 563
Social security	88 378	117 518
Pension contribution	470 132	353 622
	5 421 691	**5 373 703**
13.2 Directors’ remuneration		
Board fees	68 127	87 218
For services as management	869 532	899 054
Other emoluments	109 552	58 951
Share based payments	-	240 160
	1 047 211	**1 285 383**

	Unaudited 30 June 2015	Audited 31 Dec 2014
14 CAPITAL COMMITMENTS		
Capital expenditure authorized but not yet contracted for	**5 944 362**	**7 410 817**
15 CONTINGENT LIABILITIES		
Guarantees and letters of credit	**8 303 766**	**6 898 941**
The amount of these letters of credit and guarantees represents the Bank’s maximum exposure and no material losses are anticipated from these transactions.		
16 EXPOSURE TO CREDIT RISK		
Gross carrying amount of loans and advances to customers		
Past due and impaired		
Grade 8: impaired	27 369 537	27 409 149
Grade 9: impaired	2 513 838	2 761 467
Grade 10: impaired	13 449 172	14 828 820
Gross amount, past due and impaired	43 332 547	44 999 436
Allowance for impairment	(16 259 596)	(15 672 409)
Carrying amount, past due and impaired	**27 072 951**	**29 327 027**
Past due but not impaired		
Grade 4-7:	92 663 871	62 796 696
Neither past due nor impaired		
Grade 1-3:	136 049 315	164 044 625
Gross amount, not impaired	**228 713 186**	**226 841 321**
Allowance for impairment	(5 532 025)	(3 380 025)
Carrying amount, not impaired	**223 181 161**	**223 461 296**
Total carrying amount (loans and advances)	**250 254 112**	**252 788 323**

Directors: Taka Mutunhu (Chairman), Webster Rusere (Managing Director)*, Garikai Bera, David Birch, Trynos Kufazvinei*, Martin Makonese*, Theresa Mazoyo (Ms), Mercy Ndoro (Ms), Agrippa Mugwagwa*, John Mushayavanhu*, Morgan Nzwere, Patrick Takawira*. (*Executive)

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17 LIQUIDITY PROFILING

Liquidity profiling as at 30 June 2015

On balance sheet items	Up to 3 months US$	3 months to 1 year US$	Over 1 year US$	Total US$
Liabilities				
Deposits from customers	182 145 774	11 644 054	-	193 789 828
Deposits from other financial institutions	72 956 291	-	-	72 956 291
Lines of credit	10 000 000	16 216 514	60 000 000	86 216 514
Current income tax liabilities	-	-	-	-
Other liabilities	3 874 518	702 135	-	4 576 653
Total liabilities - (contractual maturity)	**268 976 583**	**28 562 703**	**60 000 000**	**357 539 286**
Assets held for managing liquidity risk				
Balances with other banks and cash	115 765 388	-	-	115 765 388
Loans and advances to customers	68 343 705	88 119 679	93 790 729	250 254 113
Debentures	-	-	-	-
Other assets (excluding prepayments)	3 521 116	2 336 927	2 570 169	8 428 212
Total assets - (contractual maturity)	**187 630 209**	**90 456 606**	**96 360 898**	**374 447 713**
Liquidity gap	**(81 346 374)**	**61 893 903**	**36 360 898**	**16 908 427**
Cumulative liquidity gap - on balance sheet	**(81 346 374)**	**(19 452 471)**	**16 908 427**	**-**
Off balance sheet items				
Liabilities				
Guarantees and letters of credit	-	8 303 766	-	8 303 766
Commitments to lend	5 444 369	-	-	5 444 369
Total liabilities	**5 444 369**	**8 303 766**	**-**	**13 748 135**
Liquidity gap	**(86 790 743)**	**53 590 137**	**36 360 898**	**3 160 292**
Cumulative liquidity gap -on and off balance sheet	**(86 790 743)**	**(33 200 606)**	**3 160 292**	**-**

Liquidity profiling as at 31 December 2014

On balance sheet items	Up to 3 months US$	3 months to 1 year US$	Over 1 year US$	Total US$
Liabilities				
Deposits from customers	169 851 978	16 431 382	-	186 283 360
Deposits from other financial institutions	80 725 798	-	-	80 725 798
Lines of credit	1 400 000	12 399 930	63 392 673	77 192 603
Current income tax liabilities	-	803 339	-	803 339
Other liabilities	3 017 854	1 362 516	-	4 380 370
Total liabilities - (contractual maturity)	**254 995 630**	**30 997 167**	**63 392 673**	**349 385 470**
Assets held for managing liquidity risk				
Balances with other banks and cash	100 525 672	-	-	100 525 672
Loans and advances to customers	25 908 954	82 088 864	144 790 505	252 788 323
Debentures	-	-	2 768 518	2 768 518
Other assets (excluding prepayments)	827 810	6 860 316	2 364 954	10 053 080
Total assets - (contractual maturity)	**127 262 436**	**88 949 180**	**149 923 977**	**366 135 593**
Liquidity gap	**(127 733 194)**	**57 952 013**	**86 531 304**	**16 750 123**
Cumulative liquidity gap - on balance sheet	**(127 733 194)**	**(69 781 181)**	**16 750 123**	**-**
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	**(137 506 982)**	**51 053 072**	**86 531 304**	**77 394**
Cumulative liquidity gap - on and off balance sheet	**(137 506 982)**	**(86 453 910)**	**77 394**	**-**

18 INTEREST RATE REPRICING AND GAP ANALYSIS

Total position as at 30 June 2015

	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 other banks and cash	25 797 777	11 336 486	775 000	-	-	77 856 125	115 765 388
Loans and advances to customers	15 897 485	52 446 219	27 673 427	60 446 252	93 790 729	-	250 254 112
Debentures	-	-	-	-	-	-	-
Prepayments and other assets	81 517	-	-	-	859 169	3 091 738	4 032 424
Amounts due from group companies	-	-	-	-	-	3 084 201	3 084 201
Current income tax assets	-	-	-	-	-	436 915	436 915
Deferred income tax asset	-	-	-	-	-	2 336 927	2 336 927
Investment property	-	-	-	-	-	2 043 000	2 043 000
Intangible assets	-	-	-	-	-	674 971	674 971
Property and equipment	-	-	-	-	-	15 261 200	15 261 200
Total assets	**41 776 779**	**63 782 705**	**28 448 427**	**60 446 252**	**94 649 898**	**104 785 077**	**393 889 138**
LIABILITIES							
Deposits from customers	35 091 500	43 393 981	6 734 949	4 909 106	-	103 660 292	193 789 828
Deposits from other financial institutions	37 389 459	35 303 333	143 500	120 000	-	-	72 956 292
Lines of credit	-	10 000 000	16 216 514		60 000 000	-	86 216 514
Current income tax payable	-	-	-	-	-	-	-
Other liabilities	548 603	1 097 206	1 530 138	1 400 706	-	-	4 576 653
Capital and reserves	-	-	-	-	-	36 349 851	36 349 851
Total liabilities	**73 029 562**	**89 794 520**	**24 625 101**	**6 429 812**	**60 000 000**	**140 010 143**	**393 889 138**
Interest rate repricing gap	**(31 252 783)**	**(26 011 815)**	**3 823 326**	**54 016 440**	**34 649 898**	**(35 225 066)**	**-**
Cumulative interest rate repricing gap	**(31 252 783)**	**(57 264 598)**	**(53 441 272)**	**575 168**	**35 225 066**	**-**	**-**

Total position as at 31 December 2014

	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 other banks and cash	5 587 483	-	-	-	-	94 938 189	100 525 672
Loans and advances to customers	79 366 005	10 480 174	8 132 139	59 336 652	95 473 353	-	252 788 323
Debentures	-	-	-	-	2 768 518	-	2 768 518
Prepayments and other assets	1 001 013	362 769	356 654	149 552	231 309	1 711 042	3 812 339
Amounts due from group companies	-	-	-	-	-	2 595 950	2 595 950
Current income tax assets	-	-	-	-	-	-	-
Deferred income tax asset	-	-	-	-	-	2 287 472	2 287 472
Investment property	-	-	-	-	-	1 668 000	1 668 000
Intangible assets	-	-	-	-	-	729 710	729 710
Property and equipment	-	-	-	-	-	15 474 408	15 474 408
Total assets	**85 954 501**	**10 842 943**	**8 488 793**	**59 486 204**	**98 473 180**	**119 404 771**	**382 650 392**
LIABILITIES							
Deposits from customers	46 004 504	19 900 040	5 499 094	9 555 532	-	105 324 190	186 283 360
Deposits from other financial institutions	60 443 609	20 282 189	-	-	-	-	80 725 798
Lines of credit	500 000	900 000	-	12 399 930	63 392 673	-	77 192 603
Current income tax payable	-	-	-	-	-	803 339	803 339
Other liabilities	1 005 951	2 011 903	359 906	1 002 610	-	-	4 380 371
Capital and reserves	-	-	-	-	-	33 264 922	33 264 922
Total liabilities	**107 954 064**	**43 094 132**	**5 859 000**	**22 958 072**	**63 392 673**	**139 392 451**	**382 650 392**
Interest rate repricing gap	**(21 999 563)**	**(32 251 189)**	**2 629 793**	**36 528 132**	**35 080 507**	**(19 987 680)**	**-**
Cumulative interest rate repricing gap	**(21 999 563)**	**(54 250 752)**	**(51 620 959)**	**(15 092 827)**	**19 987 680**	**-**	

19 FBC Bank Foreign Exchange Gap as at 30 June 2015

Foreign exchange gap analysis as at 30 June 2015

Base currency US$ equivalent	ZAR US$	EUR US$	BWP US$	GBP US$	TOTAL US$
Assets					
Cash	1 097 644	53 482	30 528	31 230	1 212 884
Correspondent nostro balances	690 920	344 820	316 880	99 919	1 452 539
Loans and overdrafts	70 138	1 781	535	353	72 807
Other assets	5 352	17	15	71	5 455
Total assets	**1 864 054**	**400 100**	**347 958**	**131 573**	**2 743 685**
Liabilities					
Deposits from customers	1 817 345	259 896	185 821	74 053	2 337 115
Other liabilities	4 668	49 417	55	106	54 246
Total liabilities	**1 822 013**	**309 313**	**185 876**	**74 159**	**2 391 361**
Net currency position	**42 041**	**90 787**	**162 082**	**57 414**	**352 324**

Foreign exchange gap analysis as at 31 December 2014

Base currency US$ equivalent	ZAR US$	EUR US$	BWP US$	GBP US$	TOTAL US$
Assets					
Cash	2 369 504	80 600	38 810	37 734	2 526 648
Correspondent nostro balances	259 471	300 921	134 230	78 611	773 233
Loans and overdrafts	81 153	1 612	440	305	83 510
Other assets	5 150	20	16	47	5,233
Total assets	**2 715 278**	**383 153**	**173 496**	**116 697**	**3,388,624**
Liabilities					
Deposits from customers	-	-	-	-	-
Other liabilities	1 894 612	319 966	91 448	92 668	2 398 694
Total liabilities	**1 894 612**	**319 966**	**91 448**	**92 668**	**2 398 694**
Net currency position	**820 666**	**63 187**	**82 048**	**24 029**	**989 930**

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Value at Risk

Value at Risk (VaR) 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.

30 Jun 15				Value at risk (95% confidence level)	
Asset class	Type of risk	Present value	Portfolio weight	1-day holding period	5-day holding period
Currency	Exchange rate	352 323	100%	2811.91	6285.38
Quoted investments	Equity	-			
	Total portfolio VaR	352 323	100%	2 811	6 285

31-Dec-14				Value at risk (95% confidence level)	
Asset class	Type of risk	Present value	Portfolio weight	1-day holding period	5-day holding period
Currency	Exchange rate	454 756	100%	2 470	5 524
Quoted investments	Equity				
	Total portfolio VaR	454 756	100%	2 470	5 524

21 RESERVE BANK OF ZIMBABWE (RBZ) ONSITE EXAMINATION

The Bank has its corporate governance and risk management processes independently audited by the Reserve Bank of Zimbabwe.

Summary risk assessment system (RAS) ratings

RAS component	Latest RAS rating 30-Jun-14
Overall inherent risk	Moderate
Overall risk management systems	Acceptable
Overall composite risk	**Moderate**

FBC Bank CAMELS* ratings

Camels component	Latest RBS ratings 30-Jun-14	Previous RBS ratings 30-Sep-08
Capital adequacy	2	2
Asset quality	3	3
Management	2	2
Earnings	2	2
Liquidity	1	2
Sensitivity to market risk	2	2
Composite rating	2	2

*CAMELS is an acronym for capital adequacy, asset quality, management, earnings, liquidity, and sensitivity to market risk. CAMELS rating system uses a rating scale of 1-5, where '1' is strong, '2' is satisfactory, '3' is fair, '4' is weak, and '5' is critical.

22 International Credit Rating

The Bank has its credit ratings reviewed annually by an international credit rating agency, Global Credit Rating Company.

The Bank maintained an International A- Credit Rating (2014:A-)

23 BOARD ATTENDANCE

Name	Executive ("E") / Non Executive Director ("NE")	2015 MAIN BOARD	
		QUARTER 1	QUARTER 2
Takabvakure Euwitt Mutunhu	N/E	✓	✓
John Mushayavanhu	E	✓	✓
Garikai Bera	N/E	×	×
Trynos Kufazvinei	E	✓	✓
Martin Makonese	E	✓	✓
Webster Rusere	E	✓	✓
Mercy Rufaro Ndoro	N/E	✓	✓
Theresa Mazoyo	N/E	✓	✓
Patrick Takawira	E	✓	×
Agrippa Mugwagwa	E	✓	✓
David William Birch	N/E	✓	✓
Morgan Nzwere	N/E	✓	✓
Nomsa Dube	N/E	✓	✓

Key

✓ - Attended × - Apologies N/E - Non executive director E - Executive director

By Order of the Board

Tichaona Kudakwashe Mabeza
Company Secretary

27 August, 2015

FBC Building Society

(Registered Building Society)

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Statement of Financial Position
As at 30 June 2015

	Notes	Unaudited 30 June 2015 US$	Audited 31 Dec 2014 US$
Assets			
Cash and cash equivalents	1	47 771 426	50 219 722
Loans and advances to customers	2	50 070 117	50 156 220
Inventory	3	4 706 659	4 225 813
Other assets	4	1 747 931	173 189
Investment property		25 000	25 000
Intangible assets	5	195 393	145 781
Property and equipment	6	4 377 318	4 457 131
Total assets		**108 893 844**	**109 402 856**
Liabilities			
Deposits from banks	7.1	19 366 726	25 368 660
Deposits from customers	7.2	45 733 220	44 413 138
Borrowings	7.3	4 030 527	4 325 682
Other liabilities	8	6 889 532	5 542 567
Total liabilities		**76 020 005**	**79 650 047**
Equity			
Share capital		156 175	156 175
Share premium		11 110 424	11 110 424
Revaluation reserves		93 915	93 915
Accumulated surplus		21 513 325	18 392 295
Total equity		**32 873 839**	**29 752 809**
Total equity and liabilities		**108 893 844**	**109 402 856**

Statement of Comprehensive Income
For the six months ended 30 June 2015

	Notes	Unaudited 30 June 2015 US$	Restated Unaudited 30 June 2014 US$
Interest income	9	6 054 936	5 830 785
Interest expense	10	(2 840 212)	(2 955 966)
Net interest income		**3 214 724**	**2 874 819**
Revenue property sales		3 304 882	3 341 642
Cost of sales		(2 301 195)	(2 221 725)
Net income from property sales		**1 003 687**	**1 119 917**
Fees and commission income		2 299 419	2 533 113
Fees and commission expense		(37 216)	(39 737)
Net fees and commission income		**2 262 203**	**2 493 376**
Other income	11	103 763	91 786
Total income		**6 584 377**	**6 579 898**
Impairment loss on loans and advances	2.2	(305 140)	(296 205)
Operating expenses	12	(3 158 207)	(3 123 857)
Total operating expenses		**(3 463 347)**	**(3 420 062)**
Surplus for the period		**3 121 030**	**3 159 836**
Other comprehensive income		-	-
Total comprehensive income for the period		**3 121 030**	**3 159 836**

Statement of Changes In Equity
For the six months ended 30 June 2015

	Share capital US$	Share premium US$	Revaluation reserve US$	Accumulated surplus US$	Total US$
Half year ended 30 June 2015					
Balance as at 1 January 2015	**156 175**	**11 110 424**	**93 915**	**18 392 295**	**29 752 809**
Surplus for the period				3 121 030	3 121 030
Other comprehensive income	-	-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**3 121 030**	**3 121 030**
Transactions with owners recorded directly in equity					
Dividend paid	-	-	-	-	-
Shareholders equity as at 30 June 2015	**156 175**	**11 110 424**	**93 915**	**21 513 325**	**32 873 839**
Half year ended 30 June 2014					
Balance as at 1 January 2014	**156 175**	**11,110,424**	**24,123**	**14,519,329**	**25 810 051**
Surplus for the period	.			3 159 836	3 159 836
Other comprehensive income	-	-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**3 159 836**	**3 159 836**
Transactions with owners recorded directly in equity					
Dividend paid	-	-	-	(790 211)	(790 211)
Shareholders equity as at 30 June 2014	**156 175**	**11 110 424**	**24 123**	**16 888 954**	**28 179 676**

Statement of Cash Flows
For the six months ended 30 June 2015

	Notes	Unaudited 30 June 2015 US$	Restated Unaudited 30 June 2014 US$
Cash flow from operating activities			
Surplus for the period		3 121 030	3 159 836
Adjustments for:			
Depreciation	6	89 348	89 835
Amortisation of intangible assets		34 741	29 118
Profit on disposal of property and equipment		(882)	(300)
Impairment allowance on loans and advances	2.2	305 140	296 205
Net cash generated before changes in operating assets and liabilities		**3 549 377**	**3 574 694**
(Increase) / decrease in loans and advances to customers		(219 037)	1 041 353
Increase in inventory		(480 846)	(818 418)
Increase in other assets		(1 574 742)	(1 252 656)
(Decrease) / increase in deposits from banks		(6 001 934)	8 585 460
Increase in deposits from customers		1 320 082	6 932 175
Increase / (decrease) in other liabilities		1 346 963	(7 870)
Net cash (outflow) / inflow from operating activities		**(2 060 137)**	**18 054 738**
Cash flow from investing activities			
Purchase of intangible assets	5	(84 353)	-
Purchase of property and equipment	6	(16 651)	(133 437)
Proceeds from disposal of property and equipment		8 000	300
Net cash outflow on investing activities		**(93 004)**	**(133 137)**
Cash flow from financing activities			
Repayment of borrowings		(295 155)	(1 131 353)
Dividend paid		-	(790 211)
Net cash outflow from financing activities		**(295 155)**	**(1 921 564)**
Net (decrease) / increase in cash and cash equivalents		**(2 448 296)**	**16 000 037**
Cash and cash equivalents at the beginning of the period		50 219 722	24 661 038
Cash and cash equivalents at the end of the period	1	**47 771 426**	**40 661 075**

Notes to the Financial Results
For the six months ended 30 June 2015

	Unaudited 30 June 2015 US$	Audited 31 Dec 2014 US$
1. CASH AND CASH EQUIVALENTS		
Cash on hand	1 857 212	1 062 594
Cash at bank	2 603 173	768 931
Interbank short term investments	43 311 041	48 388 197
	47 771 426	**50 219 722**
2. LOANS AND ADVANCES TO CUSTOMERS		
Short term loan advances	18 779 833	18 370 800
Mortgage loan advances	33 424 848	33 533 681
Gross loans and advances to customers	52 204 681	51 904 481
Less: Allowance for impairment	(2 134 564)	(1 748 261)
Net loans and advances to customers	**50 070 117**	**50 156 220**
2.1 Maturity analysis of loans and advances		
Up to 1 month	1 504 283	1 420 550
1 month to 3 months	2 832 291	2 783 604
3 months to 1 year	9 836 764	10 256 050
1 year to 5 years	19 675 496	25 140 253
Over 5 years	16 221 283	10 555 763
	50 070 117	**50 156 220**
2.2 Movement in impairment allowance on loans and advances		
Balance at beginning of the period	1 748 261	1 170 065
Impairment charge for the period	305 140	848 059
Suspended interest	81 163	31 141
Amounts written off during the period	-	(301 004)
	2 134 564	**1 748 261**
2.3 Exposure to credit risk		
Carrying amount	50 070 117	50 156 220
Past due and impaired		
Grade 8: Impaired	642 118	2 158 121
Grade 9: Impaired	908 361	1 876 923
Grade 10: Impaired	2 636 336	1 164 352
Gross amount	4 186 815	5 199 396
Allowance for impairment	(1 187 974)	(839 390)
Carrying amount	**2 998 841**	**4 360 006**
Neither past due nor impaired		
Grades 1 - 3: low fair risk	38 553 157	39 031 779
Grades 4 - 7: watch list	9 464 709	7 673 306
Gross amount	48 017 866	46 705 085
Allowance for impairment	(946 590)	(908 871)
Carrying amount	47 071 276	45 796 214
Total carrying amount	**50 070 117**	**50 156 220**
3. INVENTORY		
Raw materials	102 472	90 285
Work in progress	3 104 375	2 569 611
Completed units	1 499 812	1 565 917
	4 706 659	**4 225 813**
4. OTHER ASSETS		
Prepayments	107 730	79 854
Other	1 640 201	93 335
	1 747 931	**173 189**
5 INTANGIBLE ASSETS		
Opening net carrying amount	145 781	204 017
Additions	84 353	-
Amortisation charge	(34 741)	(58 236)
Closing net carrying amount	**195 393**	**145 781**

FBC Building Society

(Registered Building Society)

strength • diversity • service

Unaudited Interim Results
For the six months ended 30 June 2015

	Unaudited 30 June 2015 US$	Audited 31 Dec 2014 US$
6. PROPERTY AND EQUIPMENT		
Cost		
Carrying amount at beginning of the period	4 457 131	4 774 019
Gross carrying amount	5 086 629	5 430 925
Accumulated depreciation and impairment loss	(629 498)	(656 906)
Additions	16 651	148 906
Revaluation gain on properties	-	69 792
Disposals	(7 116)	-
Current period depreciation charge	(89 348)	(188 741)
Impairment loss	-	(346 845)
Carrying amount at end of the period	**4 377 318**	**4 457 131**
7. DEPOSITS AND BORROWINGS		
7.1 Deposits from banks		
Money market deposits	19 366 726	25 368 660
	19 366 726	**25 368 660**
7.2 Deposits from customers		
Retail savings deposits	7 653 520	6 920 467
Money market deposits	38 079 700	37 492 671
	45 733 220	**44 413 138**
7.3 Borrowings		
Offshore borrowings	4 030 527	4 325 682
	4 030 527	**4 325 682**
Total deposits and borrowings	**69 130 473**	**74 107 480**
7.4 Maturity analysis of deposits and borrowings		
Up to 1 month	49 093 272	48 098 509
1 month to 3 months	11 716 677	17 062 386
3 months to 1 year	454 545	808 592
Over 1 year	7 865 979	8 137 993
	69 130 473	**74 107 480**
8 OTHER LIABILITIES		
Trade and other payables	2 928 573	1 586 455
Deferred income	677 284	660 151
Provisions	3 283 675	3 295 961
	6 889 532	**5 542 567**

	Unaudited 30 June 2015 US$	Restated Unaudited 30 June 2014 US$
9. INTEREST INCOME		
Loans and advances to customers	4 144 750	4 027 581
Interbank money market investments	1 910 186	1 803 204
	6 054 936	**5 830 785**
10. INTEREST EXPENSE		
Deposits from banks	780 277	1 194 979
Demand deposits - retail savings	61 884	118 414
Offshore borrowings	243 400	345 013
Deposits from customers - time deposits	1 754 651	1 297 560
	2 840 212	**2 955 966**
11. OTHER INCOME		
Rent received	86 575	77 914
Profit on disposal of property and equipment	882	300
Other	16 306	13 572
	103 763	**91 786**
12. OPERATING EXPENSES		
Administration expenses	743 069	855 090
Personnel expenses	2 230 300	2 085 344
Directors fees	60 749	64 470
Depreciation and amortisation	124 089	118 953
	3 158 207	**3 123 857**

13. PRIOR PERIOD ADJUSTMENTS

The Statement of Comprehensive Income for the six months ended 30 June 2014 was restated in line with the restatement adjustments done for the financial results for the year ended 31 December 2014.

The effect of the adjustment is indicated below:

	30 June 2014
Decrease in revenue from property sales	(392 512)
Decrease in cost of sales	252 279
Decrease in total comprehensive income	(140 233)

14. LIQUIDITY RISK

Maturity profile of assets and liabilities

30 June 2015

	Up to 30 days US$	31-90 days US$	91-180 days US$	181-365 days US$	1 to 5 years US$	Over 5 years US$	Total US$
Liabilities							
Deposits from banks	18 824 381	542 345	-	-	-	-	19 366 726
Deposits from customers	30 268 891	11 022 817	-	-	4 441 512	-	45 733 220
Borrowings	-	151 515	151 515	303 030	3 030 303	394 164	4 030 527
Other liabilities	2 089 792	684 019	2 316 003	1 080 043	563 918	155 757	6 889 532
Total liabilities	**51 183 064**	**12 400 696**	**2 467 518**	**1 383 073**	**8 035 733**	**549 921**	**76 020 005**
Assets							
Cash and cash equivalents	21 621 618	26 149 808	-	-	-	-	47 771 426
Loans and advances to customers	1 504 283	2 832 291	3 367 059	6 469 705	19 675 496	16 221 283	50 070 117
Total assets	**23 125 901**	**28 982 099**	**3 367 059**	**6 469 705**	**19 675 496**	**16 221 283**	**97 841 543**
Liquidity gap	**(28 057 163)**	**16 581 403**	**899 541**	**5 086 632**	**11 639 763**	**15 671 362**	**21 821 538**
Cumulative liquidity gap	**(28 057 163)**	**(11 475 760)**	**(10 576 219)**	**(5 489 587)**	**6 150 176**	**21 821 538**	**-**

15. INTEREST RATE RISK

Interest rate repricing gap

30 June 2015

	Up to 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							
Cash and cash equivalents	17 161 233	26 149 808	-	-	-	4 460 385	47 771 426
Loans and advances to customers	33 676 494	2 291 582	2 555 995	4 847 577	6 698 469	-	50 070 117
Inventory	-	-	-	-	-	4 706 659	4 706 659
Other assets	-	-	-	-	-	1 747 931	1 747 931
Investment properties	-	-	-	-	-	25 000	25 000
Intangible assets	-	-	-	-	-	195 393	195 393
Property and equipment	-	-	-	-	-	4 377 318	4 377 318
Total assets	**50 837 727**	**28 441 390**	**2 555 995**	**4 847 577**	**6 698 469**	**15 512 686**	**108 893 844**
Equity and Liabilities							
Deposits from banks	18 824 381	542 345	-	-	-	-	19 366 726
Deposits from customers	34 710 403	11 022 817	-	-	-	-	45 733 220
Borrowings	4 030 527	-	-	-	-	-	4 030 527
Other liabilities	-	-	-	-	-	6 889 532	6 889 532
Equity	-	-	-	-	-	32 873 839	32 873 839
Total equity and liabilities	**57 565 311**	**11 565 162**	**-**	**-**	**-**	**39 763 371**	**108 893 844**
Interest rate repricing gap	**(6 727 584)**	**16 876 228**	**2 555 995**	**4 847 577**	**6 698 469**	**(24 250 685)**	**-**
Cumulative interest rate repricing gap	**(6 727 584)**	**10 148 644**	**12 704 639**	**17 552 216**	**24 250 685**	**-**	**-**

	Unaudited 30 June 2015 US$	Audited 31 Dec 2014 US$
16. CAPITAL ADEQUACY RATIO		
Core Capital Tier 1		
Issued and fully paid up ordinary share capital	11 266 599	11 266 599
Accumulated surplus	21 513 325	18 392 295
Capital allocated for market and operational risk	(1 448 938)	(1 650 312)
Advances to insiders	(40 775)	(50 228)
Total core capital	**31 290 211**	**27 958 354**
Supplementary Capital Tier 2		
Revaluation reserves	93 915	93 915
Total supplementary capital	**93 915**	**93 915**
Tier 3		
Capital allocated for market and operational risk	1 448 938	1 650 312
Core capital plus supplementary capital	**32 833 064**	**29 702 581**
Total risk weighted assets	**72 739 176**	**73 516 267**
Tier 1 capital ratio	43%	38%
Tier 2 capital ratio	0%	0%
Tier 3 capital ratio	2%	2%
Capital adequacy ratio	45%	40%
17. CAPITAL COMMITMENTS		
Capital expenditure authorised not yet undertaken	**1 318 996**	**1 420 000**

18. RESERVE BANK OF ZIMBABWE (RBZ) ONSITE EXAMINATION

The Building Society has its corporate governance and risk management processes independently audited by the Reserve Bank of Zimbabwe.

Summary risk assessment system (RAS) ratings

RAS component	Latest RAS rating 30-Jun-14
Overall inherent risk	Moderate
Overall risk management systems	Acceptable
Overall composite risk	**Moderate**

FBC Building Society CAMELS* (RAS) ratings

Camels component	Latest RBS ratings 30-Jun-14	Previous RBS ratings 30-Sep-07
Capital adequacy	2	2
Asset quality	3	2
Management	2	2
Earnings	2	2
Liquidity	1	2
Sensitivity to market risk	2	2
Composite rating	2	2

*CAMELS is an acronym for capital adequacy, asset quality, management, earnings, liquidity, and sensitivity to market risk.
CAMELS rating system uses a rating scale of 1-5, where '1' is strong, '2' is satisfactory, '3' is fair, '4' is weak, and '5' is critical.

19. BOARD ATTENDANCE

Board member	Main Board		Board Audit		Board HR		Board Finance & ALCO		Board Risk & Compliance		Board Credit		Board Loans Review	
	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2
Benjamin Kumalo	✓	✓	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
Oliver Gwaze	✓	✓	n/a	n/a	n/a	n/a	n/a	n/a	✓	✓	n/a	n/a	✓	✓
Marah Hativagone	✓	✓	✓	✓	n/a	n/a	✓	✓	n/a	n/a	✓	✓	n/a	n/a
Agnes Kanhukamwe	✓	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Patrick L. Mapani	✓	✓	n/a	n/a	n/a	n/a	✓	✓	✓	✓	n/a	n/a	✓	✓
Kennard C. Muranda	✓	✓	✓	✓	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	n/a	n/a	✓	✓
Christopher Y. Muyeye	✓	✓	×	✓	✓	✓	×	✓	n/a	n/a	n/a	n/a	n/a	n/a
Pius Rateiwa	✓	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Webster Rusere	✓	✓	n/a	n/a	n/a	n/a	✓	✓	✓	✓	✓	✓	n/a	n/a

Key:

✓ - Attended × - Apologies Q1 - Quarter 1 Q2 - Quarter 2 n/a- not applicable

By Order of the Board

T. Mabeza

Group Company Secretary
27 August 2015