FBC Holdings Limited

strength • diversity • service

AUDITED FINANCIAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2015

FBC Bank Limited
(Registered Commercial Bank)
strength • diversity • service

FBC Building Society
(Registered Building Society)

FBC Reinsurance Limited

FBC Securities (Private) Limited
(Registered Stockbroker) - Member of the Zimbabwe Stock Exchange

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

Eagle Insurance Company Limited
A member of the FBC Group

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

Group Chairman's Statement

Financial Highlights

- Group profit before income tax US$21.3 million.
- Group profit after tax US$18.1 million.
- Cost to income ratio 74%.
- Basic earnings per share 2.72 US cents.
- Net asset value per share 15.84 US cents.
- Final dividend proposed US$1.0 million, bringing total dividend to $2 million, including interim dividend of US$1 million.

Financial Performance Review

I am very pleased to report to our stakeholders that 2015 was another outstanding year for FBC Holdings. Net profits increased by 30% to US$18.1 million, cost to income ratio improved to 74% from 78% and return on capital improved to 17.2% from 5.5%. The Group's improved performance benefitted from the strategic decision to divest from Turnall Holdings Limited, a non-core building supplies manufacturing company. The company had been part of the FBC Holdings Group from September 2009 and was disposed of in 2014.

The Group's improved performance was significantly driven by net income growth of 5.9% (US$4.6 million). This was however, partly offset by an increase in insurance commission and insurance claims related expenses of 15% (US$1.7 million) and an upward movement in overhead expenses of 9% (US$3.6 million).

The Group's diversified business model in the financial services sector continues to form the foundation of our strong performance, and positions the FBCH Group well in dealing with a volatile macroeconomic landscape.

The Group's total net income increased by 5.9% to US$81.9 million underpinned by growth in net interest income of 12% (US$3.8 million) to US$36.6 million, fee and commission income of US$20.8 million, growth in net earned insurance premium of 15% (US$2.9 million) to US$22.1 million. Gross profit on property sales decreased to US$0.9 million compared to US$2.9 million in 2014 due to a slowdown in sales. The Building Society had 22 units of unsold houses at year end as most of these were only completed towards the end of the year. In order to retain and strengthen our competitiveness in the sector we continue to focus on delivering housing units at the most efficient cost.

The growth in net interest income was driven by a 5% growth in financial assets held to maturity and the loan book to US$353 million from US$337 million, improved cost of funding and the continued re-focusing of the loan portfolio to better yielding sectors and improved quality loan income.

The net earned insurance premium growth was buttressed by the continued strengthening of the FBCH brand in the market, which inter-alia has culminated in the insurance subsidiaries consolidating their market share by acquiring more quality customers.

The level of impairment allowance on financial assets improved significantly, following the redefinition of our risk appetite. We are now more prudent in our approach to lending and have in the process, taken measures to de-risk those counterparties falling outside our risk appetite. These initiatives, aided by the Reserve Bank's scheme for banks to transfer secured non- performing loans to the Zimbabwe Asset Management Company (ZAMCO), culminated in our non-performing loans (NPL) ratio improving to 6.9% from 15% last year. The Central Bank has set a non-performing loans ratio target of 10% by 30 June 2016 and 5% by 31 December 2016. The Group transferred total loans valued at $8 million to ZAMCO.

Our administration expenses increased as we continued to invest for growth and the strengthening of our compliance and IT capabilities. The Group will continue to take action to manage its costs better by expanding its digital capabilities, automation, re-engineering processes and strict cost control.

The Group's banking subsidiaries continued to maintain adequate liquidity for all its depositing customers throughout the year by following prudent liquidity management policies and procedures.

The Group's statement of financial position grew by 2.8% to US$490.5 million from US$477.3 million last year, mainly driven by retained earnings.

The Group's total equity attributable to shareholders of the parent company increased by 18.9% to US$104.6 million from US$88 million last year as a result of retained revenue reserves for the year.

Operating Environment

Economic fundamentals remained weak during the course of 2015 as most key economic indicators continued on a downward trend. Economic growth forecasts were below the 2% mark, reflecting a challenging operating environment. The economy was characterised by weak aggregate demand, persistent liquidity constraints and low foreign direct investments. Capacity utilisation reportedly decreased further as cheap imports, obsolete plants and erratic power supplies constrained production across most sectors of the economy. Informal business activities on the other hand remained significant, as economic participants drifted further from the formal structures of doing business.

On a positive note, however, the country eagerly awaits the finalisation of the debt repayment arrangements initiated by the government in 2015 which may provide the springboard for economic revival. The country requires significant fresh cash inflows coupled with investor-friendly macroeconomic policies to turn the fortunes of the economy around.

Financial Services Sector

The financial services sector has not been spared from the current economic distress as the sector's prospects follow the fortunes of the general economy. Some players have exited the industry either voluntarily or involuntarily due to unviable business models.

Non-performing loans on the other hand have been on a downward trend as banks tightened lending conditions, whilst the Reserve Bank's initiative of ZAMCO affords banks the opportunity to clean up their balance sheets. This may create additional capacity for underwriting new credit facilities which are critical in the economic revival process.

Regulatory authorities across the various sub-sectors of the financial services industry have been actively engaging the industry and have reviewed various risk management and compliance frameworks with a view to stabilising the industry and creating the necessary confidence required by all stakeholders. The regulators have also intervened in the determination of lending rates with the objective of making funding more affordable to key sectors of the economy and reducing non-performing loans in the process. Furthermore, banks have had the opportunity to lay out plans for financial inclusion as part of their initiatives to harness informal economic activities. This is expected to promote a more stable financial services industry, while providing the requisite platform for economic revival.

Share Price Performance.

Trading on the Zimbabwe Stock Exchange was subdued for the greater part of 2015. The depressed performance reflected the weak investment culture spurred by lack of savings as disposable incomes continued to shrink. The FBCH Share price retreated by 12.5% from 8c to 7c compared to the overall industrial index's negative outturn of 29.45%. Despite the negative share price outturn, the company has remained fundamentally strong and continues to unlock value as evidenced by growth in profitability and net asset value.

Corporate Social Investment

FBC Holdings Limited remains committed in giving back to the community as part of its corporate social investment strategy. It is in this light that the Group disbursed over US$120 000.00 towards various corporate social responsibility initiatives in the fields of education, health, community share trusts, sports and the arts during the year 2015.

Marketing and Public Relations

The FBC Holdings brand remains strongly visible within the financial services market place. During the course of the year, the Group's flagship brand, FBC Bank was recognised at the Corporate Governance Awards held by the Institute of Chartered Secretaries and Administrators in Zimbabwe where the following awards were presented: Second prize for the "Best Banking Risk Management" category, and Third prize in the "Best Banking Corporate Governance Practices" and "Best Banking Internal Audit Disclosures " categories. In addition, FBC Holdings was ranked as one of the top four performing companies on the Zimbabwe Stock Exchange by the Zimbabwe Independent Banks and Banking Survey 2015.

e-Commerce

The volumes of transactions going through electronic platforms show remarkable growth as more customers become banked and embrace convenient, cashless and reliable modes of transacting. The Group has been able to significantly value-add services across all electronic platforms such as ATMs, POS, mobile gadgets and the internet. The year culminated in the launch of the FBC Mobile Banking Application on the mainstream Android and IOS platforms. The Group's e-commerce infrastructure is fundamental in enabling financial inclusion in the Zimbabwean market place. Having submitted its five-year financial inclusion plan to the Reserve Bank of Zimbabwe, the Group expects to implement the same in 2016 and beyond. It is imperative that the economy migrates to cash-lite methods of transacting, thus reducing the burden of using cash which is expensive to procure and manage. The Group continues to engage like-minded partners towards the development of an inter-operable payments eco-system for the benefit of individuals, businesses as well as government entities.

Directorate

Messrs Johnson Rex Mawere, Kenzias Chibota and James Mwaiyapo Matiza resigned from the Board of FBC Holdings Limited with effect from 25 June 2015, 12 October 2015 and 16 October 2015 respectively. I would like to thank the three directors for their valued contributions to the Group and would like to take this opportunity to wish them well in their new endeavors. Mr Robin Vela was appointed to the Board with effect from 7 October 2015. I welcome Robin to the Group and look forward to his wise counsel.

Dividend

On behalf of the Board of Directors, I am pleased to advise shareholders that a final dividend of 0.149 US cents per share was proposed. This makes a total dividend of 0.298 US cents per share, together with the interim dividend of 0.149 US cents per share which was paid in September 2015.

Outlook

In the face of a very challenging and intensely competitive environment, FBC Holdings will maintain its culture of outstanding performance and industry leadership. We will continue to monitor global and local economic developments, and realign our strategies as appropriate, with a view to continue driving shareholder value.

Appreciation

I wish to extend my sincere appreciation to our valued clients who have continued to support us over the years. The confidence and loyalty shown to the FBC brand are immeasurable. As always, I am immensely grateful for the guidance and counsel shown by the non-executive directors during this period, and for the professionalism, commitment and dedication shown by the Group Chief Executive, Mr John Mushayavanhu and the entire FBC team.

Herbert Nkala
Group Chairman
15 March 2016

FBC Holdings Limited

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AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

Group Chief Executive's Report

It is my pleasure to once again present to you the FBC Holdings audited financial results for the 12 month period ending 31 December 2015. Despite the constraints presented by the economic environment, the Group has continued to leverage off its diverse business model as a means to delivering positive performance and preserving stakeholder interests.

Group Performance

The Group sustained a positive performance for the year 2015, achieving a profit before tax of US$21.3 million for the year compared to US$17.1 million last year. It is pleasing to note that the Group's total net income registered a growth of 6% to $81.9 million from US$77.4 million achieved last year. The revenue was sustained by increased customer acquisition and retention initiatives, whilst leveraging on the FBC brand.

The Group's net interest income grew by 12% to US$36.6 million from US$32.8 million recorded last year and its contribution to total income increased to 45% from 42% last year. This was driven by the growth in loans and advances, mortgages and financial assets held to maturity.

Fee and commission income decreased slightly by 1% to US$20.9 million from US$21.2 million achieved in the prior year. This was due to downward review conducted on bank charges during the course of the year. The contribution to total net income registered a marginal decrease to 25% from 27% on the back of a more pronounced net interest income and net earned insurance premium contribution.

The contribution of gross profit on property sales decreased to 1% from 4% mainly as a result of reduced turnover on property sales due to the fact that a significant number of housing units were completed towards the end of the year. Of note is the decline in margins on property sales to 14% from 36% last year as a result of increased competition in the housing sales space, continued liquidity challenges within the economy and a capital gains charge.

Net earned insurance premium registered a commendable growth of 15% and its contribution to total net income increased to 27% from 25% last year driven by increased customer acquisitions and the successful performance of our micro insurance products.

The Group continues to place emphasis on cost containment as a strategic objective for survival under the current challenging operating environment. The Group cost to income ratio improved to 74% from 78% last year, mainly due to a decreased impairment allowance arising from an improved loan book. Administration overheads at US$43 million were 9% above those incurred last year, as a result of expansion related expenses. The Bank and Microplan Financial Services opened two and four new branches respectively during 2015.

The Group's statement of financial position at US$490.5 million increased by 3% compared to the prior year. This growth is underpinned by continued customer support which is a further testimony to the continued consolidation of the FBC brand.

Total equity attributable to shareholders of FBC Holdings limited increased by 19% to US$105 million.

FBC Bank Limited

FBC Bank recorded a profit before income tax of US$9.3 million compared to US$2.2 million which was achieved for the prior year after a fair value loss adjustment of US$6 million on the disposal of Turnall investment. The Bank's cost to income ratio for the period improved to 76% from the prior year's figure of 93%. Where possible, the Group has continued to pursue a cost containment strategy supported by deployment of digital solutions to the bank's operations.

The Bank's statement of financial position marginally grew by 1% from US$382.7 million to US$387.4 million, reflective of the underlying punitive operating environment. Lines of credit from Afreximbank ($15 million) and PTA Bank ($10 million) were successfully repaid during the year when they were due for repayment, demonstrating FBC Bank's strong liquidity management. FBC Bank also accessed US$3.5 million from PTA Bank, particularly for the Agricultural Inputs Facility whilst an additional US$20 million was jointly raised from the local market through the issuance of Tobacco bills for the 2015/16 season.

The Bank increased its lending portfolio by 4.5% from US$252.8 million to US$268.5 million. Stringent credit policies were put in place to ensure that new credit was advanced only to qualifying customers. Asset quality has significantly improved, with Non-Performing Loans down to 8% as at 31 December 2015, in compliance with the RBZ guideline of 10% set for 30 June 2016.

The Bank's core capital as at 31 December 2015 which stood at US$43,1 million, is well in excess of the US$25 million minimum capital requirement set by the RBZ, and is in line with our re-capitalisation plan, in pursuit of US$100 million by 2020.

During the course of the year, the Bank opened an SME-oriented branch in Graniteside, extended its agency banking portfolio and deployed more Point of Sale terminals in pursuit of its financial inclusion initiatives. An additional branch was also opened in Borrowdale to serve our growing customer base in the northern suburbs.

The Bank continued with its e-commerce based strategy and introduced a mobile application to further increase customer convenience when transacting.

The Bank maintained an A-rating from the Global Credit Rating Agency in 2015.

FBC Building Society

FBC Building Society continues to be a significant player on the Zimbabwean properties market as it continues to avail high quality and affordable housing units on the market. A total of 90 new housing units were released into the market during the year under review.

The Society recorded a surplus of US$6.3 million for the year ended 31 December 2015, which is relatively comparable to the US$6.8 million recorded in the prior year. Total net income for the year amounted to US$12.9 million in comparison to the US$14.1 million recorded in 2014.

The Building Society's statement of financial position increased by 14%, to US$124.8 million, from US$109.4 million in 2014. Deposits increased by 16% from US$74.1 million to US$ 85.3 million. The loan portfolio also registered a 16% growth to US$57.9 million from US$50.1 million in 2014. The loan book growth continues to be driven by mortgages lending, arising from our housing development projects.

The net capital for the Building Society stood at US$35.0 million as at 31 December 2015, which is compliant with the current minimum capital requirements for building societies.

Microplan Financial Services (Private) Limited

Microplan's growth in market share and profitability since inception has remained impressive, supported by aggressive business development techniques and strong risk management methods. Microplan recorded a full year profit before tax of US$3 million in 2015, posting a 47% increase on the prior year. The capital level of the company stands at US$5.5 million which is well above the regulatory minimum requirement of US$25 000. 00 and in compliance with the required minimum capital for deposit taking Micro Finance Institutions of $5 million.

In the same period under review, new branches were opened in Chipinge, Chinhoyi, Lupane and Kwekwe, and these have been very active in the deployment of new Microplan products, namely micro-leasing, house expansion loans and rural agriculture business finance. Partnerships with targeted development agencies have yielded exciting results which have advanced Microplan's penetration of its target markets. The Zimbabwe Microfinance Fund (ZMF) in August 2015 extended a new line of credit to Microplan, adding to the existing lines of credit.

FBC Securities (Private) Limited

The meltdown in the world financial markets and reduced aggregate demand culminated in a negative performance of 29.45% for the industrial index on the Zimbabwe Stock Exchange, as investors became more risk averse. This impacted negatively on the unit's first half performance of 2015. With the coming on board of the Central Securities Depository and Automated Trading System in the listed securities market, FBC Securities rationalised its operations in the second half of 2015.

An increased presence in foreign markets and additional income from fixed income securities trading helped the unit finish strongly in 2015. Looking ahead, the unit will continue with the income diversification strategy hinged on equities, fixed income trading and advisory services.

FBC Reinsurance Limited

FBC Reinsurance's gross premium income for 2015 amounted to US$17.8 million compared to US$15.6 million written in 2014, representing an increase of 13%. Profit before income tax amounted to $2.5 million, which is a 6% decrease from the US$2.7 million achieved last year. Performance was adversely impacted by the adverse performance of the ZSE, as well as the reduction in money market rates which resulted in investment income decreasing from $648 000.00 in 2014 to $583 000.00 in 2015.

Inspite of the challenging operating environment, the company maintained an underwriting result of US$1.9 million supported by strong underwriting discipline and robust risk management systems. The company has been steadily increasing its market share from 12% in 2010 to 20% in 2015, on the back of increased confidence from the company's clients.

FBC Reinsurance's maintained its A- rating in claims paying ability from the Global Credit Rating Agency of South Africa.

The company commenced writing Life and Health business in 2015 and is already participating in some of the major life companies' treaties. This new line of business is expected to contribute meaningfully in 2016, based on the business written thus far.

FBC Reinsurance's retrocession programme has been enhanced by the addition of an A rated global reinsurer on the panel. This ensures that the business accepted by FBC Re is reinsured with some of the strongest Global reinsurers. The company also has arrangements with top rated specialist markets covering businesses against risks associated with Political Riots and Terrorism, as well as Cyber Risks.

Eagle Insurance Company Limited

Eagle Insurance continues to grow since its acquisition by the Group in 2011. Gross Written Premium increased by 6% to US$18.9 million from US$16.9 million in 2014. The insurance company has continued to post profits consistently since 2012.

I am pleased to report that the outlook remains largely positive, with the business unit poised to benefit from on-going product development in the largely untapped micro insurance space. Eagle Insurance continues to exercise robust risk management, engage in prudent underwriting and also continues to maintain a very liquid balance sheet. In 2015, Eagle Insurance's claims paying ability was upgraded to A- by the Global Credit Rating Agency.

Service Delivery

Our commitment as FBC Holdings is to deliver outstanding service that leaves a lasting impression on all our clients and stakeholders. In this regard, the Group has embarked on a mission to refurbish its branches, giving them a more contemporary feel. The Group also opened new branches across the country for units such as Microplan and FBC Bank in a bid to increase our footprint and nurture financial inclusion.

Risk Management

The Group's risk management processes are built on the Enterprise-Wide Risk Management model. This has enabled the development of a strong risk management culture across FBC Holdings which is critical in the effective management of risks across the business. Key focus areas include people, processes and systems, as these are key pillars in the implementation of the enterprise-wide risk management programme. The Group has a well-defined risk appetite which provides the connection between the overall business strategy and the risk governance of the organisation. A mandatory review of policy and procedure manuals is conducted at least once every year to ensure realignment with changes in the operating environment.

Internal Capital Adequacy Assessment Processes (ICAAP) and Stress Tests are part of management's regular tools to ensure businesses have sufficient capital at all times, consistent with risk profiles. Proactive measures are put in place to address any vulnerability noted in stress testing exercises. The Group's internal control environment continues to improve as the Group implements ISO Information Security and Basel II standards. The Group has fully embraced these standards in its quest to foster strong risk management standards. Management and the Board, which are an integral part of the risk governance structure across the Group, continue to provide oversight on overall risks.

Know Your Customer (KYC) and Anti Money Laundering (AML)

The prevention of money laundering and terrorist financing is a key focus of the FBC Group. The Group has put in place the necessary Know Your Customer (KYC) and Customer Due Diligence (CDD) controls designed to inhibit the movement of funds derived from any criminal activity, curb the availability of money to fund terrorist activities and prevent illicit financial flows. The Group and its subsidiaries is guided by the standards of regulatory and supervisory bodies such as the Financial Action Task Force (FATF), the Wolfsberg Group, the East and Southern African Anti Money Laundering Group (ESAAMLG) and the Reserve Bank of Zimbabwe Financial Intelligence Unit. In addition, the FBC Group has adopted international best practice in order to refine its process flows relating to anti-money laundering (AML) and the countering of the financing of terrorism (CFT) as guided by regular interactions with its correspondent bankers.

Key controls that have been put in place to minimize the Money Laundering/Terrorist Financing risk include the following; Board approved AML/CFT Policies and Procedures which are reviewed annually; Risk Based Approach to KYC/CDD; Risk Based Training of all Staff; Independent and Anonymous Reporting Arrangements and Automated Screening Solutions.

Human Resources

The Group enjoys harmonious employee relations across all its business units. For the fifth consecutive year, the Group was able to retain its key and critical skills that are pivotal in delivering the service it provides to its valued customers and stakeholders. Employee commitment to the Group continues to be high as reflected by the level of employee engagement which in 2015 surpassed the average level recorded for the last 4 years.

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

Information Technology and E-Commerce

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

In an effort to increase our global footprint in the payments market, the Bank will shortly implement the VISA international card scheme which will see us accept and process VISA cards by April 2016. FBC Bank has also embarked on a drive to adopt and implement globally recognised frameworks in ICT governance and management to increase the efficiency and effectiveness of our computing platform as it becomes more complex and sophisticated.

The Group is at an advanced stage of implementing an Information Security Management System based on the ISO27001 standard. This is to ensure preservation of confidentiality, integrity and availability of the Information Systems and the valuable information they process, thereby protecting stakeholder value against ever-escalating cyber threats. Technology remains fundamental to the FBC financial value chain, which will also utilise the agency network to enable reach and financial inclusion across multiple ecosystems. The Group is well poised to deliver integrated payment systems to its clients and the economy at large.

We are fully aware of the shorter life-cycle of ICT infrastructure, attributed to the ever-changing needs of our valued customers. To this end, we have invested US$3 million to revamp our ICT infrastructure, which will result in enhanced systems performance, business continuity, agility and real-time monitoring of the computing environment, thus assuring our customers of a guaranteed superior experience on any FBC electronic service delivery channel they transact on.

Product Development

Our greatest asset as a Group is the ability to understand the desires of our clients and the market at large, thereby giving us the scope to come up with products that are cost effective and tailor made for our clients. In line with our e-Commerce thrust, we are also coming up with competitive and user friendly e- based products.

Appreciation

As always, my sincere gratitude is extended to our valued and loyal customers who have demonstrated their well-placed confidence in us over the years. I wish to convey my sincere gratitude to the FBC Holdings Limited Board of Directors, Management and staff members for their unwavering guidance, contribution and support.

John Mushayavanhu
Group Chief Executive
15 March 2016

FBC Holdings Limited

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AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2015

	Note	2015 US$	2014 US$
Continuing operations			
Interest income	19	61 476 965	61 380 917
Interest expense	19.1	(24 848 487)	(28 545 366)
Net interest income		**36 628 478**	**32 835 551**
Fee and commission income	20	20 977 274	21 233 171
Fee and commission expense	20.1	(81 617)	(67 270)
Net fee and commission income		**20 895 657**	**21 165 901**
Revenue	21	6 709 923	8 282 137
Cost of sales	21.1	(5 758 871)	(5 282 538)
Gross profit		**951 052**	**2 999 599**
Insurance premium revenue	22	35 425 142	31 067 431
Premium ceded to reinsurers and retrocessionaires		(13 227 253)	(11 777 515)
Net earned insurance premium		**22 197 889**	**19 289 916**
Net trading income		792 957	999 900
Net loss from financial assets at fair value through profit or loss	23	(361 233)	(335 862)
Other operating income	24	850 102	405 016
		1 281 826	**1 069 054**
Total net income		**81 954 902**	**77 360 021**
Impairment allowance on financial assets	5.4	(3 325 576)	(8 343 080)
Net insurance commission expense	25	(4 798 058)	(4 004 082)
Insurance claims and loss adjustment expenses	26	(8 551 720)	(7 580 228)
Administrative expenses	27	(43 931 527)	(40 337 235)
Profit before income tax		**21 348 021**	**17 095 396**
Income tax expense	28	(3 249 778)	(3 162 233)
Profit for the year from continuing operations		**18 098 243**	**13 933 163**
Discontinued operations			
Loss for the year from discontinued operations	29	-	(9 038 872)
Profit for the year		**18 098 243**	**4 894 291**
Other comprehensive income			
Gains on property revaluation		-	1 222 154
Tax relating to other comprehensive income		-	(238 040)
Transfer from regulatory reserves		627 590	-
Tax		-	-
Loss on available for sale financial assets		(30 196)	(31 125)
Tax		302	311
Other comprehensive income, net income tax		597 696	953 300
Total comprehensive income for the year		**18 695 939**	**5 847 591**
Profit attributable to:			
Equity holders of the parent		18 040 863	4 838 405
Non - controlling interest		57 380	55 886
Profit for the year		**18 098 243**	**4 894 291**
Profit attributable to equity shareholders arises from:			
Continuing operations:		18 040 863	13 877 277
Discontinued operations:		-	(9 038 872)
		18 040 863	**4 838 405**
Total comprehensive income attributable to:			
Equity holders of the parent		18 638 559	5 779 344
Non - controlling interest		57 380	68 247
Total comprehensive income for the year		**18 695 939**	**5 847 591**
Total comprehensive income attributable to equity shareholders arises from:			
Continuing operations:		18 638 559	14 818 216
Discontinued operations:		-	(9 038 872)
		18 638 559	**5 779 344**
Earnings per share (US cents)			
Basic earnings/(loss) per share	**30.1**		
From continuing operations		2.72	2.09
From discontinued operations		-	(1.36)
From profit for the year		**2.72**	**0.73**
Diluted earnings/(loss) per share	**30.2**		
From continuing operations		2.72	2.09
From discontinued operations		-	(1.36)
From profit for the year		**2.72**	**0.73**

Consolidated Statement of Financial Position
As at 31 December 2015

	Note	31 Dec 2015 US$	31 Dec 2014 US$
ASSETS			
Balances with other banks and cash	4	93 762 063	110 965 506
Financial assets held to maturity		49 624 033	10 749 309
Loans and advances to customers	5.1	282 971 693	303 672 544
Trade and other receivables including insurance receivables	5.2	8 099 529	6 382 407
Bonds and debentures	6	8 702 320	2 768 518
Financial assets at fair value through profit or loss	7	1 050 037	1 349 039
Available for sale financial assets	8	377 568	407 764
Inventory	9	6 112 654	4 464 350
Prepayments and other assets	10	5 666 568	6 095 286
Current tax asset		-	197 042
Deferred income tax assets		6 181 913	4 274 800
Investment property	11	2 472 140	1 693 000
Intangible asset	12	897 946	1 212 593
Property, plant and equipment	13	24 646 858	23 115 845
Total assets		**490 565 322**	**477 348 003**
EQUITY AND LIABILITIES			
Liabilities			
Deposits and borrowings from other banks and customers	14	360 719 968	364 867 863
Insurance liabilities	15	9 404 428	7 278 048
Trade and other payables	16	13 933 849	15 343 915
Current income tax liability		907 522	1 095 584
Deferred income tax liability		710 525	545 697
Total liabilities		**385 676 292**	**389 131 107**
Equity			
Capital and reserves attributable to equity holders of the parent entity			
Share capital and share premium	17.3	14 089 892	14 089 892
Other reserves		38 439 904	39 486 008
Retained profits		52 100 051	34 432 803
		104 629 847	**88 008 703**
Non controlling interest in equity		259 183	208 193
Total equity		**104 889 030**	**88 216 896**
Total equity and liabilities		**490 565 322**	**477 348 003**

Consolidated Statement of Cash Flows
Year ended 31 December 2015

	Note	2015 US$	2014 US$
Cash flow from operating activities			
Profit before income tax		21 348 021	17 095 396
Adjustments for non cash items:			
Depreciation	13	1 747 315	1 633 171
Amortisation charge	12	493 636	451 168
Impairment loss on loans and advances	5.4	3 325 576	8 343 080
Fair value adjustment on investment propety	11	(162 576)	-
Impairment loss on property and equipment	13	-	346 845
Fair value adjustment on financial assets at fair value through profit or loss	23	361 233	335 862
Profit on disposal of property and equipment	24	(32 503)	(15 268)
Net cash generated before changes in operating assets and liabilities		**27 080 702**	**28 190 254**
Increase in financial instrument held to maturity		(38 874 724)	(10 749 309)
Decrease/(increase) in loans and advances		17 375 275	(46 254 766)
(Increase)/decrease in trade and other receivables		(1 717 122)	4 542 557
Increase in bonds and debentures		(5 933 802)	(104 239)
Increase in financial assets at fair value through profit or loss		(62 231)	(213 701)
Decrease/(increase) in available for sale financial assets		30 196	(407 764)
Increase in inventory		(1 648 304)	(306 276)
Decrease in prepayments and other assets		428 718	390 361
Increase in investment property		(616 564)	(648 000)
(Decrease)/increase in deposits from customers		(7 687 854)	64 113 180
Increase/(decrease) in deposits from other banks		12 652 873	(10 598 244)
Increase/(decrease) in insurance liabilities		2 126 380	(4 357 919)
(Decrease)/increase in trade and other payables		(1 410 066)	3 649 800
		1 743 477	**27 245 934**
Income tax paid		(4 987 872)	(2 907 837)
Net cash (used in)/generated from operating activities		**(3 244 395)**	**24 338 097**
Cash flows from investing activities			
Purchase of intangible assets	12	(178 989)	(302 816)
Purchase of property, plant and equipment	13	(3 321 442)	(1 312 671)
Proceeds from sale of property, plant and equipment		50 512	15 989
Net cash used in investing activities		**(3 449 919)**	**(1 599 498)**
Cash flows from financing activities			
Proceeds from borrowings		3 735 163	39 987 316
Repayment of borrowings		(12 848 077)	(18 836 406)
Dividend paid to the Company's shareholders		(1 001 205)	(1 001 205)
Dividend paid to non-controlling interests		(6 390)	(16 510)
Purchase of treasury shares		(388 620)	(834 551)
Net cash (used)/generated from financing activities		**(10 509 129)**	**19 298 644**
Net (decrease)/increase in cash and cash equivalents		**(17 203 443)**	**42 037 243**
Cash and cash equivalents at beginning of the year		110 965 506	68 928 263
Cash and cash equivalents at the end of year	**4.2**	**93 762 063**	**110 965 506**

Consolidated Statement of Changes in Equity
For the year ended 31 December 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$
Balance as at 1 January 2014	**6 719**	**14 083 173**	**32 413 981**	**110 716**	**(339 150)**	**36 222 261**	**3 191 743**	**-**	**627 590**	**1 679 029**	**87 996 062**	**9 686 407**	**97 682 469**
Profit for the year	-	-	4 838 405	-	-	-	-	-	-	-	4 838 405	55 886	4 894 291
Other comprehensive income;													
Gain on revaluation of property, plant and equipment, net of tax	-	-	-	-	-	-	971 753	-	-	-	971 753	12 361	984 114
Loss on available for sale financial assets	-	-	-	-	-	-	-	(30 814)	-	-	(30 814)	-	(30 814)
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**971 753**	**(30 814)**	**-**	**-**	**940 939**	**12 361**	**953 300**
Total comprehensive income	**-**	**-**	**4 838 405**	**-**	**-**	**-**	**971 753**	**(30 814)**	**-**	**-**	**5 779 344**	**68 247**	**5 847 591**
Transaction with owners:													
Dividend declared and paid	-	-	(1 001 205)	-	-	-	-	-	-	-	(1 001 205)	(16 510)	(1 017 715)
Dividend in specie	-	-	(3 930 947)	-	-	-	-	-	-	-	(3 930 947)	-	(3 930 947)
Disposal of interest in subsidiary	-	-	2 001 853	-	-	-	(1 993 495)	-	-	(8 358)	-	(9 529 951)	(9 529 951)
Realisation of reserve	-	-	110 716	(110 716)	-	-	-	-	-	-	-	-	-
Treasury share purchase	-	-	-	-	(834 551)	-	-	-	-	-	(834 551)	-	(834 551)
Balance as at 31 December 2014	**6 719**	**14 083 173**	**34 432 803**	**-**	**(1 173 701)**	**36 222 261**	**2 170 001**	**(30 814)**	**627 590**	**1 670 671**	**88 008 703**	**208 193**	**88 216 896**
Balance as 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 year	-	-	18 040 863	-	-	-	-	-	-	-	18 040 863	57 380	18 098 243
Other comprehensive income													
Transfer from regulatory reserve	-	-	627 590	-	-	-	-	-	(627 590)	-	-	-	-
Loss on available for sale financial assets	-	-	-	-	-	-	-	(29 894)	-	-	(29 894)	-	(29 894)
Total other comprehensive income	**-**	**-**	**627 590**	**-**	**-**	**-**	**-**	**(29 894)**	**(627 590)**	**-**	**(29 894)**	**-**	**(29 894)**
Total comprehensive income and regulatory reserve transfer	**-**	**-**	**18 668 453**	**-**	**-**	**-**	**-**	**(29 894)**	**(627 590)**	**-**	**18 010 969**	**57 380**	**18 068 349**
Transaction with owners:													
Dividend declared and paid	-	-	(1 001 205)	-	-	-	-	-	-	-	(1 001 205)	(6 390)	(1 007 595)
Treasury share purchase	-	-	-	-	(388 620)	-	-	-	-	-	(388 620)	-	(388 620)
Balance as at 31 December 2015	**6 719**	**14 083 173**	**52 100 051**	**-**	**(1 562 321)**	**36 222 261**	**2 170 001**	**(60 708)**	**-**	**1 670 671**	**104 629 847**	**259 183**	**104 889 030**

Notes to the Consolidated Financial Results
For the year ended 31 December 2015

1 GENERAL INFORMATION

FBC Holdings Limited ("the Company") and its subsidiaries (together "the Group") provide a wide range of commercial banking, mortgage financing, micro lending, reinsurance, short-term insurance, and 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 consolidated financial statements were approved for issue by the Board of Directors on 15 March 2016.

2 SIGNIFICANT ACCOUNTING POLICIES

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

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

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

2.2 Basis of consolidation

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

The Company recognises investments in subsidiaries at cost. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

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

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

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.
Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Unrealised profits or losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Changes in ownership interests in subsidiaries without change of control
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity within "changes in ownership reserve". Gains or losses on disposals to non-controlling interests are also recorded in equity within "changes in ownership reserve".

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

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

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

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

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

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

4 BALANCES WITH BANKS AND CASH

	31-Dec-15 US$	31-Dec-14 US$
4.1 Balances with Reserve Bank of Zimbabwe ("RBZ")		
Current account balances	57 131 391	63 395 624
Balances with banks and cash		
Notes and coins	13 326 759	26 585 721
Other bank balances	23 303 913	20 984 161
	36 630 672	47 569 882
Balances with banks and cash (excluding bank overdrafts)	**93 762 063**	**110 965 506**
Current	93 762 063	110 965 506
Non-current	-	-
Total	**93 762 063**	**110 965 506**

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

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

	31-Dec-15 US$	31-Dec-14 US$
Current account balance at Reserve Bank of Zimbabwe ("RBZ") (note 4.1)	57 131 391	63 395 624
Balances with banks and cash (note 4.1)	36 630 672	47 569 882
	93 762 063	**110 965 506**

5 LOANS AND RECEIVABLES

	31-Dec-15 US$	31-Dec-14 US$
5.1 Loans and advances to customers		
Loans and advance maturities		
Maturing within 1 year	166 959 721	105 242 184
Maturing after 1 year	136 396 594	221 128 015
Gross carrying amount	**303 356 315**	**326 370 199**
Impairment allowance	(20 384 622)	(22 697 655)
	282 971 693	**303 672 544**
5.2 Trade and other receivables including insurance receivables		
Insurance receivables;		
- Due by insurance clients and insurance brokers	6 012 301	5 909 664
- Due by reinsurers	566 701	758 769
- Due by retrocessionaires	2 034 269	110 716
Gross carrying amount	**8 613 271**	**6 779 149**
Impairment allowance	(513 742)	(396 742)
	8 099 529	**6 382 407**
Current	8 099 529	6 382 407
Non-current	-	-
Total	**8 099 529**	**6 382 407**

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

5.4 Allowance for impairment

	Loans and advances	Trade and other receivables	Total
Balance as at 1 January 2014	14 221 173	4 148 168	18 369 341
Impairment allowance through statement of comprehensive income	8 094 530	248 550	8 343 080
Reversal of impairment allowance for discontinued operations	-	(3 999 976)	(3 999 976)
Amounts written off during the year as uncollectible	(3 098 229)	-	(3 098 229)
Interest in suspense	3 480 181	-	3 480 181
Balance as at 31 December 2014	**22 697 655**	**396 742**	**23 094 397**
Balance as at 1 January 2015	22 697 655	396 742	23 094 397
Impairment allowance through statement of comprehensive income	3 208 576	117 000	3 325 576
Amounts written off during the year as uncollectible	(7 657 711)	-	(7 657 711)
Interest in suspense	2 136 102	-	2 136 102
Balance as at 31 December 2015	**20 384 622**	**513 742**	**20 898 364**

6 BONDS AND DEBENTURES

	31-Dec-15 US$	31-Dec-14 US$
Maturing after 1 year but within 7 years	**8 702 320**	**2 768 518**

Bonds of US$8 440 642 and US$261 678 have a fixed interest rate of 10% and 5% and they mature on 30 June 2022 and 30 September 2020 respectively.

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31-Dec-15 US$	31-Dec-14 US$
Listed securities at market value	**1 050 037**	**1 349 039**
Current	1 050 037	1 349 039
Non-current	-	-
Total	**1 050 037**	**1 349 039**

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

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

8 AVAILABLE FOR SALE FINANCIAL ASSETS

	31-Dec-15 US$	31-Dec-14 US$
Listed securities at market value	377 568	407 764
Current	377 568	407 764
Non-current	-	-
	377 568	**407 764**

9 INVENTORY

	31-Dec-15 US$	31-Dec-14 US$
Raw materials	274 442	90 285
Work in progress	4 039 788	2 569 611
Finished goods	1 798 424	1 804 454
	6 112 654	**4 464 350**
Current	6 112 654	4 464 350
Non-current	-	-
Total	**6 112 654**	**4 464 350**

FBC Holdings Limited

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AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

10 PREPAYMENTS AND OTHER ASSETS

	31-Dec-15 US$	31-Dec-14 US$
Prepayments	1 774 253	1 973 657
Deferred acquisition costs	902 108	964 674
Commission receivable	1 711 043	1 711 043
Refundable deposits for Mastercard and Visa transactions	706 781	631 793
Stationery stock and other consumables	45 359	45 359
Time - share asset	56 250	67 500
Other	470 774	701 260
	5 666 568	**6 095 286**
Current	3 899 277	4 316 743
Non-current	1 767 291	1 778 543
Total	**5 666 568**	**6 095 286**

11 INVESTMENT PROPERTY

	31-Dec-15 US$	31-Dec-14 US$
Balance as at 1 January	1 693 000	25 000
Additions	1 096 564	648 000
Fair value adjustment	162 576	-
Disposals	(480 000)	-
Transfer from property, plant and equipment	-	1 020 000
Balance as at 31 December	**2 472 140**	**1 693 000**
Non-current	2 472 140	1 693 000
Total	**2 472 140**	**1 693 000**

12 INTANGIBLE ASSETS

	Software US$
Year ended 31 December 2015	
Opening net book amount	1 212 593
Additions	178 989
Amortisation charge	(493 636)
Closing net book amount	**897 946**
As at 31 December 2015	
Cost	4 412 562
Accumulated amortisation	(3 514 616)
Net book amount	**897 946**
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**

13 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings US$	Plant and machinery US$	Computer equipment US$	Furniture and office equipment US$	Motor vehicles US$	Total US$
Year ended 31 December 2014						
Opening net book amount	28 328 732	24 959 160	954 817	4 415 523	1 140 479	59 798 711
Additions	21 000	3 199	160 551	655 972	471 949	1 312 671
Revaluation of property	1 124 419	-	-	-	-	1 124 419
Transfer to intangible property	-	-	(84 836)	-	-	(84 836)
Impairment loss	(338 963)	-	-	(7 882)	-	(346 845)
Adjustment to cost	(500)	-	65 108	(1 622)	(146 984)	(83 998)
Transfer to investment property	(1 020 000)	-	-	-	-	(1 020 000)
Disposals	-	-	-	(721)	-	(721)
Disposal of a subsidiary	(10 386 462)	(24 932 017)	(149 019)	(135 700)	(347 187)	(35 950 385)
Depreciation	(349 614)	(17 770)	(447 437)	(605 492)	(212 858)	(1 633 171)
Closing net book amount	**17 378 612**	**12 572**	**499 184**	**4 320 078**	**905 399**	**23 115 845**
As at 31 December 2014						
Cost or valuation	17 378 612	196 995	2 634 302	6 612 226	2 629 691	29 451 826
Accumulated depreciation	-	(184 423)	(2 135 118)	(2 284 266)	(1 472 741)	(6 076 548)
Accumulated impairment	-	-	-	(7 882)	(251 551)	(259 433)
Net book amount	**17 378 612**	**12 572**	**499 184**	**4 320 078**	**905 399**	**23 115 845**

	Land and buildings US$	Plant and machinery US$	Computer equipment US$	Furniture and office equipment US$	Motor vehicles US$	Total US$
Year ended 31 December 2015						
Opening net book amount	17 378 612	12 572	499 184	4 320 078	905 399	23 115 845
Additions	3 570	-	1 737 207	1 244 062	336 603	3 321 442
Adjustment to cost	48 851	(12 572)	12 572	-	-	48 851
Adjustment to accumulated depreciation	-	-	(62 824)	-	(11 132)	(73 956)
Disposals	-	-	(1 387)	(714)	(15 908)	(18 009)
Depreciation	(407 149)	-	(444 797)	(666 161)	(229 208)	(1 747 315)
Closing net book amount	**17 023 884**	**-**	**1 739 955**	**4 897 265**	**985 754**	**24 646 858**
As at 31 December 2015						
Cost or valuation	17 431 033	184 423	4 338 521	7 845 495	2 700 449	32 499 921
Accumulated depreciation	(407 149)	(184 423)	(2 598 566)	(2 940 348)	(1 463 144)	(7 593 630)
Accumulated impairment	-	-	-	(7 882)	(251 551)	(259 433)
Net book amount	**17 023 884**	**-**	**1 739 955**	**4 897 265**	**985 754**	**24 646 858**

Adjustments were recognised to correct identified mismatches in Property Plant and Equipment.

14 DEPOSITS AND BORROWINGS FROM OTHER BANKS AND CUSTOMERS

	31-Dec-15 US$	31-Dec-14 US$
14.1 Deposits from customers		
Demand deposits	75 313 161	110 892 109
Promissory notes	37 765 456	58 897 901
Other time deposits	96 351 481	47 327 942
	209 430 098	**217 117 952**
Current	204 365 822	212 699 581
Non-current	5 064 276	4 418 371
Total	**209 430 098**	**217 117 952**
14.2 Deposits from other banks		
Money market deposits	77 986 130	65 333 257
Current	77 986 130	65 333 257
Total	**77 986 130**	**65 333 257**
14.3 Borrowings		
Bank borrowings	3 735 164	-
Foreign lines of credit	65 902 989	81 518 286
Other borrowings	3 665 587	898 368
	73 303 740	**82 416 654**
Current	10 318 845	12 038 989
Non-current	62 984 895	70 377 665
Total	**73 303 740**	**82 416 654**
Total deposits and borrowings	**360 719 968**	**364 867 863**

14.4 Deposit concentration

	2015 US$	%	2014 US$	%
Agriculture	8 994 139	2%	9 142 298	3%
Construction	3 419 684	1%	3 643 352	1%
Wholesale and retail trade	71 377 383	20%	72 563 290	20%
Public sector	24 801 577	7%	21 095 274	6%
Manufacturing	23 555 554	7%	26 508 214	7%
Telecommunication	8 159 431	2%	8 292 349	2%
Transport	3 547 590	1%	3 606 035	1%
Individuals	40 373 383	11%	41 761 899	11%
Financial services	142 089 010	39%	147 749 911	41%
Mining	21 402 035	6%	21 760 305	6%
Other	13 000 182	4%	8 744 936	2%
	360 719 968	**100%**	**364 867 863**	**100%**

15 INSURANCE LIABILITIES

	31-Dec-15 US$	31-Dec-14 US$
Gross outstanding claims	5 799 070	3 054 196
Liability for unearned premium	3 605 358	4 223 852
	9 404 428	**7 278 048**
Current	9 404 428	7 278 048

16 TRADE AND OTHER PAYABLES

	31-Dec-15 US$	31-Dec-14 US$
Trade and other payables	6 995 899	9 497 907
Deferred income	4 413 902	3 373 928
Other liabilities	2 524 048	2 472 080
	13 933 849	**15 343 915**
Current	13 933 849	14 490 450
Non-current	-	853 465
Total	**13 933 849**	**15 343 915**

17 SHARE CAPITAL AND SHARE PREMIUM

	31-Dec-15	31-Dec-14
17.1 Authorised		
Number of ordinary shares, with a nominal value of US$0,00001	800 000 000	800 000 000
17.2 Issued and fully paid		
Number of ordinary shares, with a nominal value of US$0,00001	671 949 927	671 949 927

17.3 Share capital movement

	Number of Shares	Share Capital US$	Share Premium US$	Total US$
As at 1 January 2014	671 949 927	6 719	14 083 173	14 089 892
Share issue	-	-	-	-
As at 31 December 2014	671 949 927	6 719	14 083 173	14 089 892
As at 31 December 2015	671 949 927	6 719	14 083 173	14 089 892

18 DISPOSAL OF PORTION OF INTEREST IN SUBSIDIARY

During the year 2014 a portion of the interest in a subsidiary, Turnall Holdings Limited, was disposed of as a distribution to the shareholders of FBC Holdings Limited through a dividend in specie resulting in it becoming a 5% held financial asset available for sale. The consolidated carrying amount of assets and liabilities disposed of were as follows:

	31-Dec-15 US$	31-Dec-14 US$
Property, plant and equipment	-	33 504 876
Inventory	-	10 104 786
Trade and other receivables	-	4 379 502
Borrowings	-	(7 149 415)
Trade and other payables	-	(20 910 279)
Current income tax liability	-	(1 488 266)
Deferred income tax liability	-	(2 981 536)
Net assets disposed of	**-**	**15 459 668**
Non-controlling interests	-	(6 436 307)
Fair value of retained investment	-	(382 097)
Deemed consideration : dividend in specie	-	(3 930 947)
Total loss on disposal	-	4 710 317
Net cash inflow	-	-

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

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

19 INTEREST INCOME	31-Dec-15 US$	31-Dec-14 US$
Cash and cash equivalents	3 217 220	1 602 707
Loans and advances to other banks	2 530 340	2 177 173
Loans and advances to customers	50 994 933	54 337 806
Banker's acceptances and tradable bills	4 681 300	1 519 224
Other interest income	53 172	1 744 007
	61 476 965	**61 380 917**

Credit related fees that are an intergral part of the effective interest on loans and advances have been classified under interest income. In 2014 these were shown under fee and commission income.

19.1 INTEREST EXPENSE		
Deposit from other banks	7 305 957	12 559 651
Demand deposits	472 907	609 577
Afreximbank and PTA Bank	9 233 670	7 430 371
Time deposits	7 835 953	7 945 767
	24 848 487	**28 545 366**

20 FEE AND COMMISSION INCOME		
Retail service fees	16 019 619	16 211 913
Credit related fees	4 789 325	4 760 671
Investment banking fees	26 964	16 064
Brokerage commission	140 549	238 279
Financial guarantee contract commission	817	6 244
	20 977 274	**21 233 171**

20.1 Fee and commission expense		
Brokerage	81 617	67 270

21 REVENUE		
Property sales	6 709 923	8 282 137
	6 709 923	**8 282 137**

21.1 Cost of sales		
Raw materials	5 758 871	5 282 538
	5 758 871	**5 282 538**

22 INSURANCE PREMIUM REVENUE		
Gross premium written	34 806 647	30 847 414
Change in unearned premium reserve ("UPR")	618 495	220 017
	35 425 142	**31 067 431**

23 NET LOSS FROM FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE		
Financial assets at fair value through profit or loss (note 7), fair value gains	(361 233)	(335 862)

24 OTHER OPERATING INCOME		
Rental income	404 843	318 655
Profit disposal of property, plant and equipment	32 503	15 268
Sundry income	412 756	71 093
Rental income is earned from owner occupied properties. Included in rental income is US$ 184 833 (2014- US$ 117 690) earned from investment property.	**850 102**	**405 016**

25 NET INSURANCE COMMISSION EXPENSE		
Commissions paid	6 247 579	5 312 373
Commission received	(1 500 177)	(1 404 122)
Change in technical provisions	50 656	95 831
	4 798 058	**4 004 082**

26 INSURANCE CLAIMS AND LOSS ADJUSTMENT EXPENSES

	Gross US$	Reinsurance US$	Net US$
Year ended 31 December 2015			
Claims and loss adjustment expenses	7 964 157	-	7 964 157
Change in technical provisions	587 563	-	587 563
Total claims	**8 551 720**	**-**	**8 551 720**
Year ended 31 December 2014			
Claims and loss adjustment expenses	7 591 850	-	7 591 850
Change in technical provisions	(11 622)	-	(11 622)
Total claims	**7 580 228**	**-**	**7 580 228**

27 ADMINISTRATIVE EXPENSES	31-Dec-15 US$	31-Dec-14 US$
Administrative expenses	16 393 701	15 264 426
Staff costs	20 427 899	17 882 262
Directors' remuneration	3 503 840	3 481 265
Audit fees:		
- Current year fees	173 256	269 530
- Prior year fees	187 491	146 221
- Other services	-	-
Depreciation	1 747 315	1 633 171
Impairment of property and equipment	-	346 845
Amortisation	493 636	451 168
Operating lease payment	1 004 389	862 347
	43 931 527	**40 337 235**

28 INCOME TAX EXPENSE:		
Charge for the year		
Current income tax on income for the reporting year	4 594 914	3 634 706
Adjustments in respect of prior years	327 364	1 154 389
Deferred income tax	(1 672 500)	(1 626 862)
Income tax expense	**3 249 778**	**3 162 233**

29 DISCONTINUED OPERATIONS

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

Revenue	-	26 478 307
Expenses	-	(34 774 937)
Loss before tax of discontinued operations	-	(8 296 630)
Tax	-	874 432
Loss after tax of discontinued operations	**-**	**(7 422 198)**
Loss attributable to equity holders of the parent	-	(4 328 555)
Pre-tax loss recognised on the re-measurement of assets of the discontinued operation	-	(4 710 317)
Loss for the year from discontinued operations	**-**	**(9 038 872)**

30 EARNINGS PER SHARE	31-Dec-15 US$	31-Dec-14 US$
30.1 Basic earnings per share		
Profit from continuing operations attributable to equity holders of the parent	18 040 863	13 877 277
Loss from discontinued operations attributable to equity holders of the parent	-	(9 038 872)
Total	**18 040 863**	**4 838 405**

	Shares issued	Treasury shares	Shares outstanding	Weighted
Year ended 31 December 2015				
Weighted average number of ordinary shares	671 949 927	6 516 226	665 433 701	665 433 701
Treasury shares purchased	-	4 787 977	(4 787 977)	(1 994 990)
Weighted average number of ordinary shares as at 31 December	**671 949 927**	**11 304 203**	**660 645 724**	**663 438 711**
Basic earnings per share for continuing operations (US cents)			2.72	
Basic earnings per share from discontinued operations (US cents)			-	
			2.72	
Year ended 31 December 2014				
Weighted average number of ordinary shares				
Issued ordinary shares as at 1 January 2014	671 949 927	5 681 675	666 268 252	666 268 252
Treasury shares purchased	-	834 551	(834 551)	(486 821)
Weighted average number of ordinary shares as at 31 December	**671 949 927**	**6 516 226**	**665 433 701**	**665 781 431**
Basic earnings per share for continuing operations (US cents)				2.09
Basic loss per share from discontinued operations (US cents)				(1.36)
				0.73

30.2 Diluted earnings per share

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

	31-Dec-15 US$	31-Dec-14 US$
Earnings		
Profit from continuing operations attributable to equity holders of the parent	18 040 863	13 877 277
Loss from discontinued operations attributable to equity holders of the parent	-	(9 038 872)
Total	**18 040 863**	**4 838 405**
Weighted average number of ordinary shares at 31 December	**663 438 711**	**665 781 431**
Diluted earnings per share for continuing operations (US cents)	2.72	2.09
Diluted loss per share from discontinued operations (US cents)	-	(1.36)
	2.72	**0.73**

30.3 Headline earnings per share		
Profit attributable to equity holders	**18 040 863**	**4 838 405**
Adjusted for excluded remeasurements		
Profit on the disposal of property, plant and equipment (note 24)	(32 503)	(15 268)
Loss on the loss of control of Turnall Holdings Limited	-	4 710 272
Impairment of property, plant and equipment	-	346 845
Headline earnings	18 008 360	9 880 254
Weighted average number of ordinary shares at 31 December	663 438 711	665 781 431
Headline earnings per share (US cents)	2.71	1.48

31 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. The manufacturing subsidiary was disposed of during the year 2014.

Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group Executive Committee.

31 December 2015	Commercial banking US$	Microlending US$	Mortgage financing US$	Short term reinsurance US$	Short term insurance US$	Stockbroking US$	Consolidated US$
Total segment net income							
Interest income	40 688 990	7 459 327	11 861 778	904 208	404 754	136 543	61 455 600
Interest expense	(23 325 950)	(1 722 591)	(4 978 685)	-	-	-	(30 027 226)
Net interest income / loss	17 363 040	5 736 736	6 883 093	904 208	404 754	136 543	31 428 374
Sales	-	-	6 709 923	-	-	-	6 709 923
Cost of sales	-	-	(5 758 871)	-	-	-	(5 758 871)
Gross profit	-	-	951 052	-	-	-	951 052
Net earned insurance premium	-	-	-	13 752 838	9 568 880	-	23 321 718
Net fee and commission income	19 913 382	482 183	4 868 831	-	-	122 764	25 387 160
Net trading income and other income	1 272 343	52 197	175 108	(298 995)	30 865	(6 886)	1 224 632
Total net income for reported segments	38 548 765	6 271 116	12 878 084	14 358 051	10 004 499	252 421	82 312 936
Intersegment revenue	(1 516 767)	-	(2 168 152)	(1 199 948)	(1 534 095)	(82 952)	(6 501 914)
Intersegment interest expense and commission	3 002 797	1 636 767	1 738 372	38 913	1 255 383	3 272	7 675 504
Net income from external customers	**40 034 795**	**7 907 883**	**12 448 304**	**13 197 016**	**9 725 787**	**172 741**	**83 486 526**
Segment profit before income tax	**9 289 390**	**3 027 775**	**6 307 115**	**2 521 059**	**1 663 178**	**(151 207)**	**22 657 310**
Impairment allowances on financial assets	2 054 623	517 393	636 560	-	117 000	-	3 325 576
Depreciation	1 372 473	27 037	167 101	22 518	142 887	15 299	1 747 315
Amortisation	310 648	-	72 295	27 023	83 670	-	493 636
Segment assets	**387 388 351**	**18 876 686**	**124 754 260**	**19 477 235**	**12 963 393**	**1 550 225**	**565 010 150**
Total assets includes :							
Additions to non-current assets	2 925 619	118 817	156 713	81 665	38 450	178	3 321 442
Investment in associates	-	-	-	491 139	-	-	-
Segment liabilities	**344 320 639**	**13 384 908**	**89 724 276**	**7 646 373**	**7 190 834**	**1 285 359**	**463 552 389**
Type of revenue generating activity	Commercial and retail banking	Microlending	Mortgage financing	Underwriting general classes of short term re-insurance	Underwriting general classes of short term insurance	Equity market dealing	

31 SEGMENT REPORTING (CONTINUED)

31 December 2014	Commercial banking US$	Microlending US$	Mortgage financing US$	Short term reinsurance US$	Short term insurance US$	Stockbroking US$	Consolidated US$
Total segment net income							
Interest income	39 783 729	7 454 419	11 847 226	1 107 819	305 925	133 262	60 632 380
Interest expense	(25 415 667)	(2 477 737)	(6 049 608)	-	-	-	(33 943 012)
Net interest income	14 368 062	4 976 682	5 797 618	1 107 819	305 925	133 262	26 689 368
Sales	-	-	8 282 137	-	-	-	8 282 137
Cost of sales	-	-	(5 282 538)	-	-	-	(5 282 538)
Gross profit	-	-	2 999 599	-	-	-	2 999 599
Net earned insurance premium	-	-	-	11 693 984	8 695 882	-	20 389 866
Net fee and commission income	19 788 925	400 312	5 100 395	-	-	240 440	25 530 072
Net trading income and other income	(3 453 846)	74 719	177 759	(459 771)	21 517	8 249	(3 631 373)
Total net income for reported segments	30 703 141	5 451 713	14 075 371	12 342 032	9 023 324	381 951	71 977 532
Intersegment revenue	(269 641)	-	(3 623 843)	(1 929 797)	(997 085)	(125 849)	(6 946 215)
Intersegment interest expense and commission	4 109 127	1 257 463	528 409	70 062	1 053 111	-	7 018 172
Net income from external customers	**34 542 627**	**6 709 176**	**10 979 937**	**10 482 297**	**9 079 350**	**256 102**	**72 049 489**
Segment profit before income tax	**2 196 040**	**2 060 767**	**6 767 000**	**2 668 021**	**1 763 452**	**(40 364)**	**15 414 916**
Impairment allowances on financial assets	6 350 988	895 482	848 059	-	248 551	-	8 343 080
Depreciation	1 248 126	13 308	188 741	25 503	135 097	22 396	1 633 171
Amortisation	282 628	-	58 236	26 634	83 670	-	451 168
Segment assets	**382 650 392**	**12 212 595**	**109 402 856**	**16 561 022**	**11 475 913**	**2 072 074**	**534 374 852**
Total assets includes:							
Additions to non-current assets	994 498	23 675	148 906	11 671	130 722	3 199	1 312 671
Investment in associates	-	-	-	491 139	-	-	-
Segment liabilities	**349 385 470**	**8 859 586**	**79 650 047**	**6 288 624**	**6 811 822**	**1 834 765**	**452 830 314**
Type of revenue generating activity	Commercial and retail banking	Microlending	Mortgage financing	Underwriting general classes of short term re-insurance	Underwriting general classes of short term insurance	Equity market Dealing	

Operating segments reconciliations	2015 US$	2014 US$
Net income		
Total net income income for reportable segments	83 486 526	72 049 489
Total net income for non reportable segments	2 956 020	-
Elimination of intersegment revenue received from the holding company	(95 802)	250 334
Add fair value loss/(gain) on treasury shares	57 195	(257 376)
Intersegment eliminations	(4 449 037)	5 317 574
Group total net income	**81 954 902**	**77 360 021**
Group profit before tax		
Total profit before income tax for reportable segments	22 657 310	15 414 916
Intersegment eliminations	(1 309 289)	1 680 480
Profit before income tax	**21 348 021**	**17 095 396**
Group assets		
Total assets for reportable segments	565 010 150	534 374 852
Other group assets	56 250	67 500
Deferred tax asset allocated to the holding company	1 527 861	1 164 980
Intersegment eliminations	(76 028 939)	(58 259 329)
Group total assets	**490 565 322**	**477 348 003**
Group liabilities		
Total liabilities for reportable segments	463 552 389	452 830 314
Elimination of intersegment payables	(77 876 097)	(63 699 207)
Group total liabilities	**385 676 292**	**389 131 107**

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

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

32 FINANCIAL RISK MANAGEMENT

The Group has a defined risk appetite that is set by the Board and it outlines the amount of risk that business is prepared to take in pursuit of its objectives and it plays a pivotal role in the development of risk management plans and policies. The Group regularly reviews its policies and systems to reflect changes in markets, products, regulations and best market practice.

The policies specifically cover foreign exchange risk, liquidity risk, interest rate risk , credit risk and the general use of financial instruments. Group Risk and Compliance, Group Internal Audit review from time to time the integrity of the risk control systems in place and ensure that risk policies and strategies are effectively implemented within the Group.

The Group's risk management strategies and plans are aimed at achieving an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group's activities and operations results in exposure to the following risks:
(a) Credit risk
(b) Market risk
(b.i) Interest rate risk,
(b.ii) Currency risk, and
(b.iii) Price risk
(c) Liquidity risk
(d) Settlement risk
(e) Operational risk
(f) Capital risk

Other risks:
g) Reputational risk
h) Legal and Compliance risk
i) Strategic risk

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

32.1 Credit risk

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

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

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

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

The Group Credit Division periodically prepares detailed reports on the quality of the customers for review by the Board Loans Review Committees of the subsidiary companies and 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 at least once every year 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 Credit Managers, Management, Board Credit Committees and the Board. In addition there are counterparty limits, individual account limits, group limits and concentration limits.

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

Credit risk stress testing
The Group recognises the possible events or future changes that could have a negative impact on the credit portfolios which could affect the Group's ability to generate more business. To mitigate this risk, the Group has put in place stress testing framework that guides the Group's banking subsidiaries 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 in which the debtor is in default by exceeding the loan tenure or expiry date as expressly set out in the loan contract i.e. the debtor fails to repay the loan by a specific given date.

Impaired loans
The Group's policy regarding impaired/doubtful loans is that 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 categories 8, 9 and 10 under the Basel II ten tier grading system.

Provisioning policy and write offs
Determination of general and specific provisions

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

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

General allowance for impairment

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

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

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

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

32.1.1 Exposure to credit risk

	31-Dec-15 US$	31-Dec-14 US$
Loans and advances		
Past due and impaired		
Grade 8: Impaired	9 564 595	29 608 779
Grade 9: Impaired	2 010 262	5 062 713
Grade 10: Impaired	12 764 706	17 615 392
Gross amount, past due and impaired	24 339 563	52 286 884
Allowance for impairment	(14 476 110)	(18 169 753)
Carrying amount, past due and impaired	**9 863 453**	**34 117 131**
Past due but not impaired		
Grade 4 - 7:	84 016 094	70 254 017
Neither past due nor impaired		
Grade 1 - 3:	195 000 658	203 829 298
Gross amount, not impaired	279 016 752	274 083 315
Allowance for impairment	(5 908 512)	(4 527 902)
Carrying amount, not impaired	**273 108 240**	**269 555 413**
Total carrying amount	**282 971 693**	**303 672 544**

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

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

32.1.2 Sectorial analysis of utilizations of loans and advances to customers

	2015 US$	2015 %	2014 US$	2014 %
Mining	13 511 235	4%	15 964 985	5%
Manufacturing	53 833 631	18%	65 919 412	20%
Mortgage	40 603 547	13%	34 535 672	11%
Wholesale	15 680 752	5%	28 247 266	9%
Distribution	29 904 593	10%	22 771 060	7%
Individuals	88 306 979	29%	94 469 561	29%
Agriculture	17 750 980	6%	18 049 431	6%
Communication	6 720 323	2%	7 735 468	2%
Construction	2 240 106	1%	2 578 490	1%
Local authorities	20 160 967	7%	23 206 410	7%
Other services	14 643 202	5%	12 892 444	4%
	303 356 315	100%	326 370 199	100%

Reconciliation of allowance for impairment for loans and advances

Allowances for impairment	31 December 2015			31 December 2014		
	Specific allowance US$	Collective allowance US$	Total US$	Specific allowance US$	Collective allowance US$	Total US$
Balance at 1 January	18 169 753	4 527 902	22 697 655	10 551 613	3 669 560	14 221 173
Increase in impairment allowance	1 827 967	1 380 609	3 208 576	7 236 188	858 342	8 094 530
Write off	(7 657 711)	-	(7 657 711)	(3 098 229)	-	(3 098 229)
Interest in suspense	2 136 102	-	2 136 102	3 480 181	-	3 480 181
	14 476 111	5 908 511	20 384 622	18 169 753	4 527 902	22 697 655

32.1.3 Trade and other receivables including insurance receivables

	31-Dec-15 US$	31-Dec-14 US$
Past due and impaired	513 742	396 742
Allowance for impairment	(513 742)	(396 742)
Carrying amount	**-**	**-**
Past due but not impaired	-	-
Neither past due nor impaired	8 099 529	6 382 407
Gross amount, not impaired	8 099 529	6 382 407
Allowance for impairment	-	-
Carrying amount, not impaired	**8 099 529**	**6 382 407**
Total carrying amount	**8 099 529**	**6 382 407**

32.2 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 manage liquidity risk in isolation as it is often triggered by consequences of other financial risks such as credit risk and market risk. The Group's liquidity risk management framework is therefore designed to ensure that its subsidiaries have adequate liquidity to withstand any stressed conditions. To achieve this objective, the Board of Directors of the Company, through the Board Asset Liability Committees of the Bank, Microplan and the Building Society and Board Risk and Compliance Committees, is ultimately responsible for liquidity risk management. The responsibility for managing the daily funding requirements is delegated to the Heads of Treasury Divisions for the banking entities and the 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 Division. The Group uses concentration risk limits to ensure that funding diversification is maintained across 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 the banking units' abilities 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 management policy, liquidity contingency plans are in place for the subsidiaries in order to ensure a positive outcome in the event of a liquidity crisis. The plans clearly outline early warning indicators which are supported by clear and decisive crisis response strategies. The crisis response strategies are created around the relevant crisis management structures and address both specific and market crises.

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

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

Contractual maturity analysis On balance sheet items as at 31 December 2015	Up to 3 months US$	3 months to 1 year US$	Over 1 year US$	Total US$
Liabilities				
Deposits from customers	193 945 072	10 420 750	5 064 276	209 430 098
Deposits from other banks	74 876 026	3 110 104	-	77 986 130
Borrowings	3 518 454	6 800 391	62 984 895	73 303 740
Insurance liabilities	2 523 461	-	6 880 967	9 404 428
Current income tax liabilities	907 522	-	-	907 522
Trade and other liabilities	2 118 504	10 966 918	848 427	13 933 849
Total liabilities - (contractual maturity)	**277 889 039**	**31 298 163**	**75 778 565**	**384 965 767**
Assets held for managing liquidity risk (contractual maturity dates)				
Balances with banks and cash	93 762 063	-	-	93 762 063
Financial assets held to maturity	-	27 988 587	21 635 446	49 624 033
Loans and advances to customers	30 542 463	109 781 455	142 647 775	282 971 693
Bonds and debentures	-	-	8 702 320	8 702 320
Trade and other receivables including insurance receivables	1 835 744	6 263 785	-	8 099 529
Financial assets at fair value through profit or loss	136 472	913 565	-	1 050 037
Available for sale financial assets	377 568	-	-	377 568
Other assets	964 343	333 814	2 676 339	3 974 496
	127 618 653	**145 281 206**	**175 661 880**	**448 561 739**
Liquidity gap	**(150 270 386)**	**113 983 043**	**99 883 315**	**63 595 972**
Cumulative liquidity gap - on balance sheet	**(150 270 386)**	**(36 287 343)**	**63 595 972**	**-**
Off balance sheet items				
Liabilities				
Guarantees and letters of credit	-	4 328 256	-	4 328 256
Commitments to lend	7 044 988	-	-	7 044 988
Total liabilities	7 044 988	4 328 256	-	11 373 244
Liquidity gap	**(7 044 988)**	**(4 328 256)**	**-**	**52 222 728**
Cumulative liquidity gap - on and off balance sheet	**(157 315 374)**	**(47 660 587)**	**52 222 728**	**-**

Contractual maturity analysis On balance sheet items as at 31 December 2014	Up to 3 months US$	3 months to 1 year US$	Over 1 year US$	Total US$
Liabilities				
Deposits from customers	196 263 136	16 436 445	4 418 371	217 117 952
Deposits from other banks	65 333 257	-	-	65 333 257
Borrowings	1 551 515	13 140 189	67 724 950	82 416 654
Insurance liabilities	-	2 447 245	4 830 803	7 278 048
Current income tax liabilities	-	1 095 584	-	1 095 584
Trade and other liabilities	7 075 618	7 534 555	733 742	15 343 915
Total liabilities - (contractual maturity)	**270 223 526**	**40 654 018**	**77 707 866**	**388 585 410**
Assets held for managing liquidity risk (contractual maturity dates)				
Balances with banks and cash	110 965 506	-	-	110 965 506
Financial assets held to maturity	-	-	10 749 309	10 749 309
Loans and advances to customers	39 973 493	95 324 452	168 374 599	303 672 544
Bonds and debentures	-	-	2 768 518	2 768 518
Trade and other receivables including insurance receivables	-	6 382 407	-	6 382 407
Financial assets at fair value through profit or loss	1 349 039	-	-	1 349 039
Available for sale financial assets	407 764	-	-	407 764
Other assets	827 810	2 143 204	1 150 615	4 121 629
	153 523 612	**103 850 063**	**183 043 041**	**440 416 716**
Liquidity gap	**(116 699 914)**	**63 196 045**	**105 335 175**	**51 831 306**
Cumulative liquidity gap - on balance sheet	**(116 699 914)**	**(53 503 869)**	**51 831 306**	**-**
Off balance sheet items				
Liabilities				
Guarantees and letters of credit	-	6 898 941	-	6 898 941
Commitments to lend	9 773 788	-	-	9 773 788
Total liabilities	9 773 788	6 898 941	-	16 672 729
Liquidity gap	**(9 773 788)**	**(6 898 941)**	**-**	**35 158 577**
Cumulative liquidity gap - on and off balance sheet	**(126 473 702)**	**(70 176 598)**	**35 158 577**	**-**

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

32.3 Market risk

Market risk is the risk of financial loss from on and off balance sheet positions arising from adverse movements in market prices 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.

32.3.1 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 tools such as Value at Risk ("VAR"), Scenario Analysis and Gap Analysis.

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

32.3.2 Currency risk

The Group is a diversified local Company and its major trading and reporting currency is the US$. Due to the existing multi-currency regime, 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 forecasted movements in exchange rates on the Group's profitability.

32.3.3 Equity 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 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.

32.4 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 their obligation 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 trades are settled only when both parties have fulfilled their contractual settlement obligations.

Settlement limits form part of the credit approval / limit monitoring process.

32.5 Operating risk

Operational risk is the risk of loss arising from the potential inadequate information systems, technological failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems that 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, authorisation, close monitoring of risk limits, monitoring of assets use, reconciliation of transactions and compliance.

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

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

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

Business continuity management

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

32.6 Capital risk

32.6.1 Regulatory Capital and Financial Risk Management

Capital risk refers to the risk of the Group's own capital resources being adversely affected by unfavourable external developments.

The Group's objective when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- To comply with the capital requirements set by the regulators of the Group's subsidiaries;
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its businesses.

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

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

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

- Tier 1 capital, which includes ordinary share capital and premium, retained profits, non distributable reserves and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.
- Tier 2 capital, which includes qualifying subordinated liabilities, revaluation reserve, collective impairment allowances and the element of the fair value reserve relating to unrealised gains on equity instruments classified as available-for-sale.
- Tier 3 capital or market and operational risk capital includes market risk capital and operational risk capital. Operational risk includes legal risk. Market risk capital is allocated to the risk of losses in the on and off balance sheet position arising from movements in market prices.

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

The Group's operations are categorised as either banking or trading book, and risk weighted assets are determined according to specified requirements that seek to reflect the varying levels of 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 companies have always complied with all externally imposed capital requirements throughout the period.

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

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

Company As at 31 December 2015	Regulatory Authority	Minimum capital required US$	Net Regulatory Capital US$	Total Equity US$
FBC Bank Limited	RBZ	25 000 000	41 387 308	43 067 712
FBC Building Society	RBZ	20 000 000	35 029 984	35 029 984
FBC Reinsurance Limited	IPEC	3 000 000	11 830 862	11 830 862
FBC Securities (Private) Limited	SECZ	150 000	264 865	264 865
Eagle Insurance Company (Private) Limited	IPEC	1 500 000	5 772 560	5 772 560
Microplan Financial Services (Private) Limited	RBZ	10 000	5 491 778	5 491 778
As at 31 December 2014				
FBC Bank Limited	RBZ	25 000 000	30 668 972	33 264 921
FBC Building Society	RBZ	20 000 000	29 702 581	29 752 809
FBC Reinsurance Limited	IPEC	3 000 000	10 272 398	10 272 398
FBC Securities (Private) Limited	SECZ	150 000	237 308	237 308
Eagle Insurance Company (Private) Limited	IPEC	1 500 000	4 664 093	4 664 093
Microplan Financial Services (Private) Limited	RBZ	10 000	3 353 009	3 353 009

32.7 Reputational risk

Reputational risk refers to the risk of damage to the Group's image, which may affect its ability to retain and generate business. The Group manages reputational risk by ensuring that business is conducted in accordance with the legal and regulatory requirements. In addition, the Group's corporate governance structure conforms to international standards. The Group also has systems in place to monitor customer service satisfaction levels as well as processes to resolve customer queries and complaints.

32.8 Legal and compliance risk

Legal and compliance risk is the risk that arises due to the Group's failure to adhere to legal and regulatory obligations. The Group manages this risk through dedicated Legal and Compliance units, and deliberations by its Board Risk and Compliance Committee.

32.9 Strategic risk

Strategic risk refers to the potential for opportunity loss arising from failure to optimise the earnings potential of the Group. The Board approves the Group's strategy as formulated by top management, while the Chief Executive Officer has the overall responsibility of strategy implementation. The Board conducts a quarterly review of the strategy's performance and its continued applicability.

33 STATEMENT OF COMPLIANCE

The Group complies with the following statutes inter alia:-
The Banking Act (Chapter 24:20) and Banking Regulations, Statutory Instrument 205 of 2000; Bank Use Promotion & Suppression of Money Laundering (Chapter 24:24); Exchange Control Act (Chapter 22:05); the National Payments Systems Act (Chapter 24:23); Insurance Act (Chapter 24:07) and the Companies Act (Chapter - 24:03). In addition, the Group also complies with the Reserve Bank of Zimbabwe and Insurance and Pensions Commission's directives on liquidity management, capital adequacy as well as prudential lending guidelines.

34 INTERNATIONAL CREDIT RATINGS

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

Subsidiary	2015	2014	2013	2012	2011
FBC Bank Limited	A-	A-	A-	A-	A-
FBC Reinsurance Limited	A-	A-	A-	A-	A-
FBC Building Society	BBB-	BBB-	BBB-	BBB-	BBB-
Eagle Insurance Company Limited	A-	BBB	BBB-	BB+	BB

35 SUBSEQUENT EVENTS

Dividend Declared

A final dividend of 0.149 US cents per share was declared by the Board on 15 March 2016 payable on 671 949 927 ordinary shares in issue in respect of the year ended 31 December 2015. The dividend is payable to Shareholders registered in the books of the Company at the close of business on Friday, 8th April 2016. The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange up to the market day of 1 April 2016 and ex-dividend as from 4 April 2016. Dividend payment will be made to Shareholders on or about 20 April 2016.

36 CORPORATE GOVERNANCE

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

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 reporting and accountability.

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

Board Attendance

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

Legend

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

By order of the Board

Tichaona K. Mabeza
GROUP COMPANY SECRETARY
15 March 2016

Audit opinion

The Auditors of the Group, Deloitte & Touche have audited the financial results of the Group for the year ended 31 December 2015. The audit report is unqualified.

Directors: Herbert Nkala (Chairman), John Mushayavanhu (Group Chief Executive)*, Kleto Chiketsani*, Gertrude S Chikwava, Philip M Chiradza, Felix Gwandekwande*, Franklin H Kennedy, Trynos Kufazvinei (Group Finance Director)*, Canada Malunga, Chipo Mtasa, Godfrey G Nhemachena, Webster Rusere*, Robin Vela. (*Executive)