



FBC Holdings Limited

You Matter Most

Incorporated in Zimbabwe on 7 November 2002, Registration Number 15583/2002

ABRIDGED CIRCULAR TO SHAREHOLDERS

THIS ABRIDGED CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Abridged Circular is neither a prospectus nor an invitation to the public to subscribe for shares in FBC Holdings Limited (“FBCH” or “the Group”), but is a document issued, in compliance with the Zimbabwe Stock Exchange Listings Requirements, to inform FBCH Shareholders of the Proposed Transaction whose basis, rationale and terms and conditions are more fully set out in this Abridged Circular and the full Circular.

- Action required:**
- Shareholders are invited to attend the Extraordinary General Meeting convened by the EGM Notice contained herein;
 - Shareholders who are unable to attend the EGM, but wish to be represented thereat, should complete and sign the Proxy Form included in Appendix VI of the Abridged Circular and return to the Company Secretary by 1230 hours on 26 September 2023;
 - Shareholders may attend the EGM in person, notwithstanding the completion and return of the Proxy Form;
 - If you are in any doubt as to the action you should take, please consult your stockbroker, banker, accountant or other professional advisor immediately; and
 - If you no longer hold any shares in FBCH, you should send this Abridged Circular, as soon as possible, to the stockbroker, bank or other agent through whom the sale of your shareholding in FBCH was executed for onward delivery to the purchaser or transferee of your shares.

REGARDING AND SEEKING APPROVALS FOR:
The acquisition by FBC Holdings Limited of all of the issued ordinary shares of Standard Chartered Bank Zimbabwe Limited and the entire beneficial interest in the Africa Enterprise Network Trust for a cash consideration.

INCORPORATING: -
Notice of an Extraordinary General Meeting of the members of FBC Holdings Limited, to be held physically in the Kariba Room, Holiday Inn Harare, Samora Machel Avenue and Fifth Street and virtually via the link, <https://polling.fts-net.com/> on 28 September 2023, at 1230 hours, which notice was published on 07 September 2023 in accordance with the Listings Requirements of the Zimbabwe Stock Exchange and the Companies and Other Business Entities Act (Chapter 24:31) of Zimbabwe, as set out at the end of this Abridged Circular. Shareholders are asked to complete and return the attached form of proxy in accordance with the instructions printed thereon, as soon as possible, but not later than 1230 hours, on 26 September 2023.

Financial Advisors


FBC Bank Limited
(Registered Commercial Bank)
You Matter Most

Independent Financial Advisors


Corporate Excellence
FINANCIAL ADVISORY SERVICES

Legal Advisors


DMH
FULL SERVICE LAW FIRM

Reporting Accountants


KPMG

Tax Advisors


BDO

Transfer Secretaries


FIRST TRANSFER SECRETARIES
(PRIVATE) LIMITED

Sponsoring Brokers


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

Date of issue: 07 September 2023

This Abridged Circular is available in English only. Additional copies of this Abridged Circular may be obtained from the Company Secretary at the Registered Offices of FBC Holdings Limited at 5th Floor, FBC Centre, 45 Nelson Mandela Avenue, Harare and the offices of the Transfer Secretaries, First Transfer Secretaries at 1 Armagh Avenue, Eastlea, Harare, during noemal business hours on Business Days. A copy of this Abridged Circular will also be available for viewing and downloading on FBC Holdings Limited's website (<https://www.fbc.co.zw/>)

- 1. Introduction**

The current prevailing macroeconomic environment in Zimbabwe can only be withstood by financial institutions with robust financial bases underpinned by a diverse and quality clientele to enable them to be resilient in the face of increased competition, regulation and the need to keep up with digitization trends in line with global developments.

In April 2022, Standard Chartered PLC announced its decision to divest from a number of markets including Zimbabwe. Consequently, Standard Chartered Bank Zimbabwe Limited was put up for sale. Against the foregoing background and in line with FBCH's strategy of continuously growing the business organically and through mergers and acquisitions if opportunities arise, the Board, in a meeting held in June 2022 resolved to submit a bid for the acquisition of SCBZ. A rigorous bidding process ensued culminating in the Group's binding offer being accepted by the shareholders of SCBZ and the subsequent execution of the sale and purchase agreement.

2. The Proposed Transaction

2.1. Details of the Proposed Transaction

FBCH has entered into an agreement with Standard Chartered Holdings (Africa) B.V. ("SCH") for the purchase of all of the issued ordinary shares of Standard Chartered Bank (Zimbabwe) Limited ("SCBZ") and the entire beneficial interest in the Africa Enterprise Network Trust ("AENT" or "the Trust Interest") for a cash consideration ("the Proposed Acquisition" or "the Proposed Transaction"). SCBZ owns 100% of Standard Chartered Nominees Zimbabwe Private Limited ("SC Nominees"). On completion of the Proposed Acquisition, SCBZ will become a wholly owned subsidiary of FBCH. FBCH will also own the entire Trust Interest which is comprised of a 20.7% shareholding in Mashonaland Holdings Limited ("MHL" or "the MHL Shareholding") and a legacy debt receivable with a face value of USD8 million from the Ministry of Finance and Economic Development ("MOFED"). Under the proposed transaction, FBCH shall not retain the SCBZ name.

2.2. Consideration and completion mechanics

The Proposed Transaction consideration will be based on net asset value ("NAV") to be determined through a Completion Balance Sheet mechanism. The Consolidated Completion Balance Sheet, which will combine the SCBZ and the AENT balance sheets ("Completion Balance Sheet") will be computed by SCH by no later than 45 business days following the successful fulfilment or waiver of the last condition precedent and delivered to FBCH. FBCH will be accorded an opportunity to dispute any item or items and propose adjustments in aggregate of at least US\$350,000 within 20 business days. If adjustments are less than US\$350,000 or if FBCH does not wish to dispute the Completed Balance Sheet or if FBCH does not give notice to dispute within 20 business days then the NAV in the Completion Balance Sheet will be adopted as the Proposed Transaction consideration.

To demonstrate FBCH's capacity to execute the Proposed Transaction, an escrow account was set up in which FBCH, through FBC Bank Limited ("FBCB") deposited a sum of Thirty-Four million United States Dollars ("USD") (US\$34,000,000) ("the Escrow Amount") with Standard Chartered Bank UK ("SCB" or "the Escrow Agent"). The Escrow Amount was based on the indicative NAV using a proforma Completion Balance Sheet computed as at 31 March 2023.

3. Brief overview of the acquired entities

3.1. Standard Chartered Bank Zimbabwe Limited

SCBZ is a registered commercial bank that has been in existence for the past 130 years, whose main focus is the Corporate, Commercial and Institutional Banking ("CCIB") business. It is wholly owned indirectly by Standard Chartered Plc, with 88.3% shareholding held through SCH, 3.2% through Standard Chartered Holdings (International) BV ("SCIH") and 8.5% through SCB.

3.2. Standard Chartered Nominees Zimbabwe (Private) Limited

SC Nominees is a custodial services business licensed by the Securities and Exchange Commission of Zimbabwe ("SECZ") that is wholly owned by SCBZ, with a focus on institutions.
- 3.3. Africa Enterprise Network Trust**

AENT is a stand-alone fund created by the SCBZ shareholders to house any other local investments other than the investment in SCBZ. The shareholders are the current holders of the beneficial and economic interest in the Trust. AENT's main assets are;

 - 20.68% equity interest in MHL; and
 - Legacy debt receivable with a face value of USD8 million from MoFED.

4. Proposed Post Transaction strategy

4.1. Operations

If the Proposed Transaction is successfully concluded, FBCH will own 100% shareholding directly in SCBZ and indirectly in SC Nominees and the beneficial interest in AENT. This will result in FBCH owning two commercial banking licences through FBCB and SCBZ and two custodial services business licenses through FBCB custodial services and SC Nominees. As part of the post-acquisition plan, FBCH will optimise its commercial banking operations culminating into two major divisions, in the form of Wholesale Banking Division (the ex-SCBZ business) and Consumer Banking Division (the current FBC Bank).

4.2. Employees

Post the Proposed Transaction, FBCH will retain the services of all current SCBZ and SC Nominees employees in compliance with s16(1) of the Labour Act Chapter 28:01.

5. Rationale for and benefits of the Proposed Transaction

The benefits of the Proposed Transaction include, but are not limited to, the following:

 - Creation of a larger, diversified banking portfolio with a combined asset base, customer base and geographical reach that is more resilient and competitive in the face of industry wide challenges such as regulatory compliance and digitization;
 - Leveraging the two banking entities' respective strengths, capabilities and competences to create dynamic banking operations allowing the merged entity to enhance its loan underwriting capacity and enabling the Group to serve a broader range of customers across different market segments;
 - Enabling the Group to achieve economies of scale and operational efficiencies by consolidating back-office operations, systems and resources, reducing duplication, and enhancing productivity and profitability;
 - Creation of shareholder value through enhanced earnings and return on equity as well as envisaged improved liquidity of the FBCH shares on the ZSE due to enlarged operations;
 - Harnessing the competencies and capabilities of the SCBZ human capital base with exposure to international best standards into the existing FBCH culture thereby creating a dynamic team capable of meeting the diverse needs of the Group's clients;
 - Access to world class digital capabilities which will significantly enhance the Group's current digitization efforts resulting in seamless transactions for customers; and
 - In addition to the 20.68% shareholding in MHL, SCBZ comes with an impressive portfolio of investment properties that will augment FBCH's own vibrant portfolio.

6. Independent Financial Advisor's opinion

The Board appointed an independent professional expert, Corporate Excellence, to review the terms of the Proposed Transaction and provide it with its opinion as to whether the terms and conditions of the Proposed Transaction are fair and reasonable to the Shareholders of FBCH.

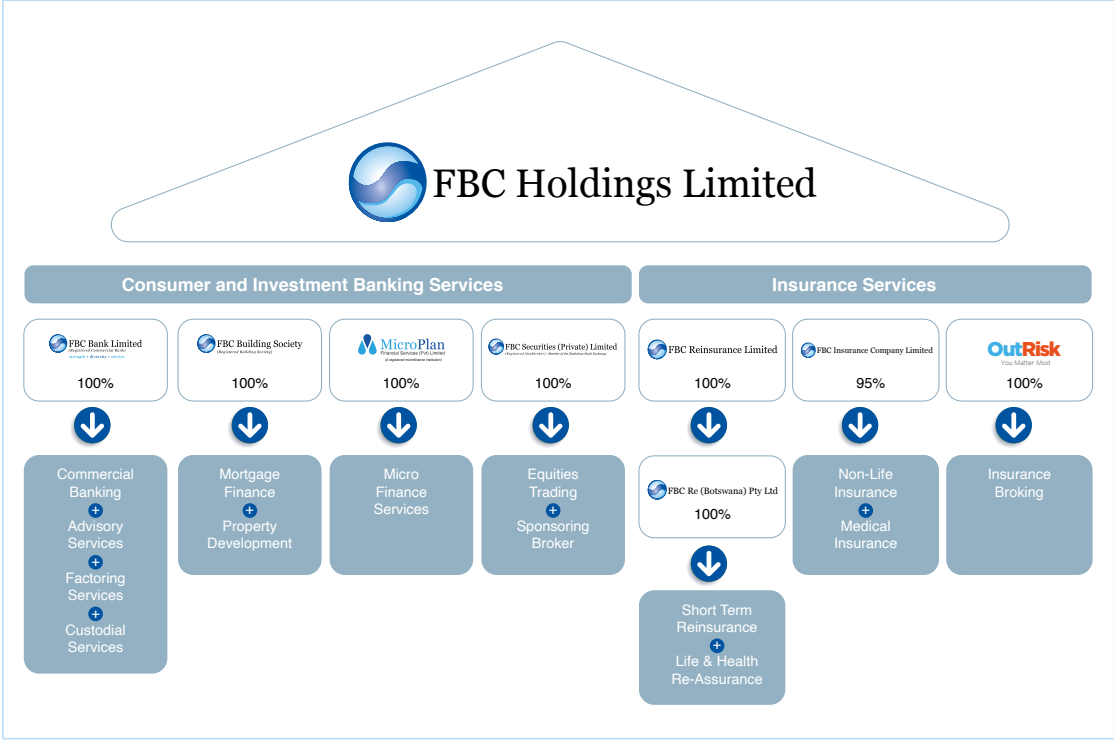
Having considered the details of the Proposed Transaction and based on conditions set out in the Independent Financial Advisors' Report on the Proposed Transaction, Corporate Excellence has concluded that they believe that the terms of the Proposed Transaction are fair and reasonable to the Group and its Shareholders.

The Fair and Reasonable Report by Corporate Excellence is reproduced in Appendix IV of the full Circular.

7. Effects of the Proposed Transaction

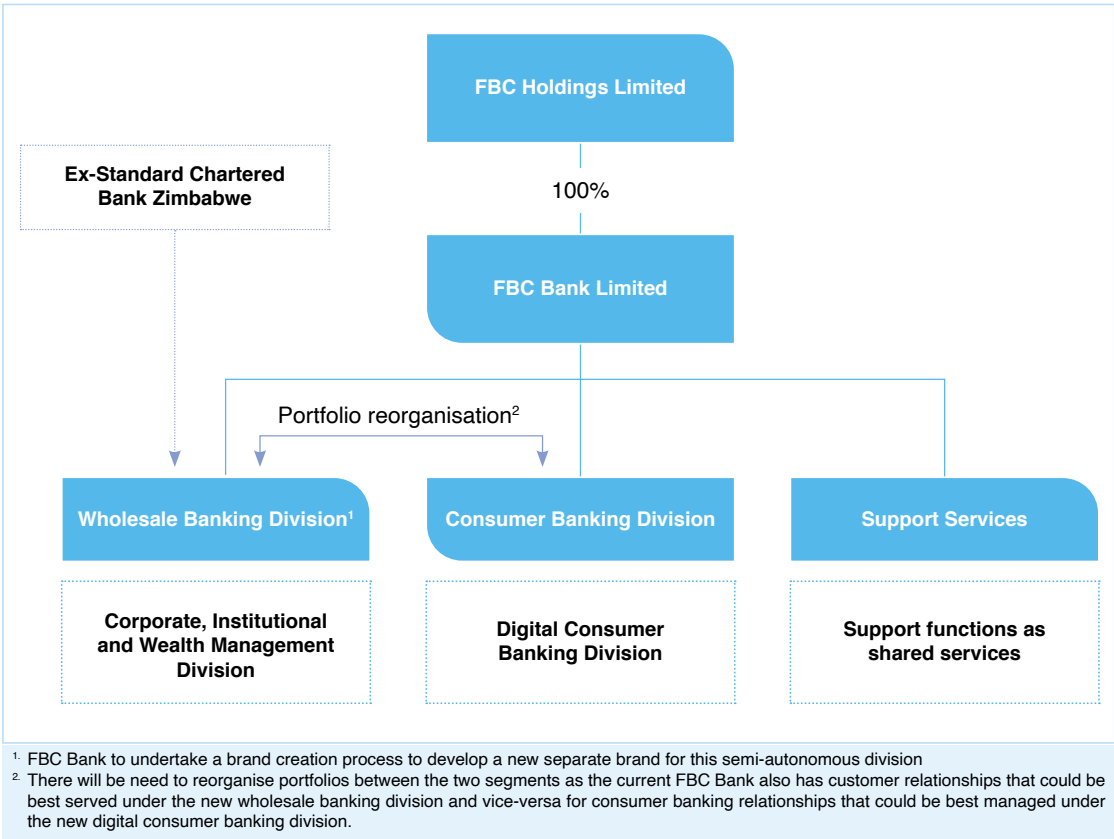
7.1. Group structure before and after the Proposed Transaction

7.1.1. FBC Group structure before the Proposed Transaction



7.1.2. FBC Group structure after the Proposed Transaction

The Group Structure provided under 7.1.1 is expected to be maintained post-completion. Under the Proposed Transaction, FBC Holdings Limited will neither retain the SCBZ brand nor ICT Systems as these are proprietary to SCB. The structural impact of the transaction will be centred on FBCH's commercial banking operations. As part of the post-acquisition plan, FBCH will optimise its commercial banking operations culminating into two major divisions in the form of Wholesale Banking Division (the ex-SCBZ business) and Consumer Banking Division. Group support functions will continue providing shared services to the two divisions. The envisaged commercial banking structure is provided below.



¹ FBC Bank to undertake a brand creation process to develop a new separate brand for this semi-autonomous division

² There will be need to reorganise portfolios between the two segments as the current FBC Bank also has customer relationships that could be best served under the new wholesale banking division and vice-versa for consumer banking relationships that could be best managed under the new digital consumer banking division.

7.2. Effects on FBCH'S share capital structure

The Proposed Transaction will not have any effect on the share capital structure of FBCH as it will be financed from internally generated resources. The table below shows the Group's share capital structure.

Share capital	
Authorised ordinary shares	800 000 000
Nominal value per share (ZWL)	0.00001
Total nominal value (ZWL)	8 000
Issued ordinary shares	671 949 927
Nominal value per share (ZWL)	0.00001
Total nominal value (ZWL)	6 719
Authorised but unissued ordinary shares	128 050 073
Total nominal value per share (ZWL)	0.00001
Total nominal value (ZWL)	1 281

7.3. Effects on FBCH shareholding

The Proposed Transaction will not have any impact on the shareholding structure of the Group. As of the Last Practicable Date, FBCH's top 10 Shareholders were as depicted in the table below.

Rank	Shareholder	Number of shares	% holding
1	National Pension Scheme	236 037 330	35.13%
2	Public Service Fund	74 055 573	11.02%
3	FBC Holdings Limited	54 335 823	8.09%
4	Tirent Investments (Private) Limited	45 778 925	6.81%
5	Cashgrant Investments (Private) Limited	27 619 523	4.11%
6	Strauss Zimbabwe (Private) Limited	17 125 561	2.55%
7	Stanbic Nominees (Private) Limited	13 552 041	2.02%
8	Vidryl International (Private) Limited	11 408 184	1.70%
9	Dinkrain Investments (Private) Limited	11 348 363	1.69%
10	Ketan Joshi	10 913 815	1.62%
	Sub-total	502 175 138	74.73%
	Other	169 774 789	25.27%
	Total	671 949 927	100.00%

Source: FTS

8. Financial impact of the Proposed Transaction

8.1. Impact on the financial position and NAV per share

Based on the pro-forma financial position of FBCH, net asset value per share will increase from ZWL100,000 to ZWL103,000 after the successful consummation of the Proposed Transaction as shown in the table below.

	Inflation Adjusted				
	Pre-Transaction			Transaction Adjustments	Post-Transaction
	FBCH	SCBZ	AENT		
	Audited 31-Dec-2022 ZWL' 000	Audited 31-Dec-2022 ZWL' 000	Audited 31-Dec-2022 ZWL' 000	31-Dec-2022 ZWL'000	31-Dec-2022 ZWL' 000
Total Assets	335 377 380	127 422 460	8 266 353	(31 881 426)	439 184 767
Total Liabilities	272 499 587	101 812 405	60 458	509 829	374 882 279
Shareholders' equity	62 768 927	25 610 055	8 205 894	(31 881 426)	64 703 450
Non Controlling Interest	108 866	-	-	-	108 866
Weighted Average Ordinary Shares	628 931	825	-	-	628 931
NAV Per Share	100	31 042	-	-	103

8.2. Impact on earnings per share

The Proposed Transaction will be earnings per share ("EPS") accretive to FBCH shareholders as it will result in an increase in the EPS from ZWL (cents)1,999,000 to ZWL (cents) 2,307,000 after the successful consummation of the Proposed Transaction as shown in the table below.

	Inflation Adjusted				
	Pre-Transaction			Transaction Adjustments	Post-Transaction
	FBCH	SCBZ	AENT		
	Audited 31-Dec-2022 ZWL' 000	Audited 31-Dec-2022 ZWL' 000	Audited 31-Dec-2022 ZWL' 000	31-Dec-2022 ZWL'000	31-Dec-2022 ZWL' 000
Total Income	119 055 596	27 933 381	4 293 907	(32 227 288)	119 055 596
Operating expenditure	(95 423 521)	(23 950 855)	(2 443 661)	28 329 039	(93 488 998)
Profit before Tax	23 632 075	3 982 526	1 850 246	(3 898 249)	25 566 598
Profit after Tax	12 571 777	1 446 063	1 832 530	(1 344 070)	14 506 300
Basic Earnings per Share (ZWL cents)	1 999	175 280	-	-	2 307

8.3. Unaudited consolidated pro-forma financial information of FBC Holdings Limited

Statements of financial position

Notes	Inflation Adjusted					Historical Cost*				
	FBC Holdings Limited Consolidated Audited 31 Dec 2022 ZWL' 000	Standard Chartered Bank Zimbabwe Audited 31 Dec 2022 ZWL' 000	Africa Enterprise Network Trust Audited 31 Dec 2022 ZWL' 000	Proforma Journals	Proforma Consolidated Position Unaudited 31 Dec 2022 ZWL' 000	FBC Holdings Limited Consolidated Position Unaudited 31 Dec 2022 ZWL' 000	Standard Chartered Bank Zimbabwe Unaudited 31 Dec 2022 ZWL' 000	Africa Enterprise Network Trust Unaudited 31 Dec 2022 ZWL' 000	Proforma Journals	Proforma Consolidated Position Unaudited 31 Dec 2022 ZWL' 000
ASSETS										
Non-current assets held for sale	-	720 400	-	-	720 400	-	720 400	-	-	720 400
Restricted balances due from the Central Bank	-	5 463 390	-	-	5 463 390	-	5 463 390	-	-	5 463 390
Balances with other banks and cash	1 83 802 420	84 371 976	47 578	(31 881 426)	136 340 548	83 802 420	84 371 976	47 578	(31 881 426)	136 340 548
Financial assets at amortised cost	8 078 817	-	-	-	8 078 817	8 078 817	-	-	-	8 078 817
Loans and advances to customers	149 660 349	10 672 906	-	-	160 333 255	149 659 682	10 672 906	-	-	160 332 588
Trade and other receivables including insurance receivables	5 323 096	-	-	-	5 323 096	4 859 643	-	-	-	4 859 643
Financial assets at fair value through profit or loss	14 599 436	-	3 227 404	-	17 826 840	14 987 164	-	3 227 404	-	18 214 567
Financial assets at fair value through other comprehensive income	212 026	4 182 406	-	-	4 394 432	212 026	4 182 406	-	-	4 394 432
Inventory	875 391	-	-	-	875 391	315 340	-	-	-	315 340
Prepayments and other assets	20 269 549	4 895 209	4 991 371	-	30 156 129	19 470 057	3 357 045	4 991 371	-	27 818 474
Current income tax asset	554 646	-	-	-	554 646	554 646	-	-	-	554 646
Deferred tax assets	2 264 276	-	-	-	2 264 276	2 094 242	-	-	-	2 094 242
Investment property	27 644 769	7 649 600	-	-	35 294 369	27 644 769	7 649 600	-	-	35 294 369
Intangible assets	423 993	-	-	-	423 993	66 490	-	-	-	66 490
Property and equipment	21 059 327	9 369 944	-	-	30 429 271	21 059 327	8 983 361	-	-	30 042 688
Right of use asset	609 285	96 629	-	-	705 914	149 280	11 576	-	-	160 856
Total assets	335 377 380	127 422 460	8 266 353	(31 881 426)	439 184 767	332 953 904	125 412 660	8 266 353	(31 881 426)	434 751 490
EQUITY AND LIABILITIES										
Liabilities										
Deposits from customers	110 579 907	94 155 713	-	-	204 735 620	110 579 907	94 155 713	-	-	204 735 620
Deposits from other banks	13 501 664	121 530	-	-	13 623 194	13 501 664	121 530	-	-	13 623 194
Borrowings	68 162 013	-	-	-	68 162 013	68 162 013	-	-	-	68 162 013
Insurance liabilities	5 469 140	-	-	-	5 469 140	4 524 170	-	-	-	4 524 170
Trade and other payables	62 248 476	6 411 027	12 047	509 829	69 181 379	59 987 860	6 383 468	12 047	509 829	66 893 204
Current income tax liability	357 618	406 853	-	-	764 471	357 618	406 853	-	-	764 471
Deferred tax liability	11 957 913	717 282	48 411	-	12 723 606	10 557 448	669 564	48 411	-	11 275 423
Lease liability	222 855	-	-	-	222 855	222 855	-	-	-	222 855
Total liabilities	272 499 587	101 812 405	60 458	509 829	374 882 279	267 893 535	101 737 128	60 458	509 829	370 200 950
Equity										
Capital and reserves attributable to equity holders of the parent entity										
Share capital and share premium	3 3 007 380	4 578 335	-	(4 578 335)	3 007 380	14 090	21 450	-	(21 450)	14 090
Other reserves	21 933 648	8 086 100	-	(8 086 100)	21 933 648	17 070 518	8 151 964	-	(8 151 964)	17 070 518
Retained profits	37 827 900	12 945 620	8 205 894	-	39 252 594	47 872 817	15 502 118	8 205 894	(24 217 841)	47 362 988
Total equity, excluding non controlling interest	62 768 927	25 610 055	8 205 894	(32 391 255)	64 193 621	64 957 425	23 675 532	8 205 894	(32 391 255)	64 447 596
Non controlling interest in equity	108 866	-	-	-	108 866	102 944	-	-	-	102 944
Total equity	62 877 793	25 610 055	8 205 894	(32 391 255)	64 302 487	65 060 369	23 675 532	8 205 894	(32 391 255)	64 550 540
Total equity and liabilities	335 377 380	127 422 460	8 266 353	(31 881 426)	439 184 767	332 953 904	125 412 660	8 266 353	(31 881 426)	434 751 490

*The historical amounts are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting for Hyperinflationary Economies. As a result the auditors have not expressed an opinion on this historical financial information.

ASSUMPTIONS TO THE UNAUDITED CONSOLIDATED PRO-FORMA INFLATION ADJUSTED FINANCIAL INFORMATION AS AT 31 DECEMBER 2022

As outlined in Section 3 of the circular, FBC Holdings Limited is proposing to acquire all of the issued ordinary shares of Standard Chartered Bank Zimbabwe Limited (SCBZ) and the entire beneficiary interest in Africa Enterprise Network Trust ("AENT" or "Trust Interest") as a single indivisible transaction for a cash consideration ("The Proposed Transaction"). Standard Chartered Bank Zimbabwe Limited owns 100% of Standard Chartered Nominees (Zimbabwe) Private Limited, a custodial business which is part of the SCBZ. On completion of the proposed acquisition, Standard Chartered Bank Zimbabwe Limited will become a wholly owned subsidiary of FBC Holdings Limited. FBC Holdings Limited will also own the entire Trust interest which is principally comprised of a 20.7% shareholding in Mashonaland Holdings Limited and a legacy debt receivable from the Ministry of Finance and Economic Development.

The proforma financial statements have been prepared to illustrate how the Proposed Transaction might have affected the consolidated financial position of FBC Holdings Limited ("the issuer") had the transaction been effected on 31 December 2022. Because of its nature it may not necessarily present the issuer's actual financial position, changes in equity, results of operations or cash flows. The effective date for this Proposed Transaction will be in the future when the last of the conditions precedent in respect of this Proposed Transaction has been fulfilled. The purchase consideration for the Proposed Transaction will be based on the combined net asset value ("NAV") to be determined through a Completion Balance Sheet mechanism. The Consolidated Completion Balance Sheet, which will combine the net assets of Standard Chartered Bank Zimbabwe Limited and the Africa Enterprise Network Trust balance sheets ("Completion Balance Sheet") will be computed by SCH by no later than 45 business days following the successful fulfilment or waiver of the last condition precedent and delivered to FBC Holdings Limited.

- The total illustrative purchase consideration, consistent with the Completion Balance Sheet Mechanism described, comprised of the net asset amounts as at 31st of December 2022 of Standard Chartered Bank Zimbabwe Limited and Africa Enterprise Network Trust is ZWL 31 881 426 000.00 representing the combined net asset values of the two entities, on the illustrative Completion Balance Sheet as at 31 December 2022.
- The transaction expenses of ZWL509 828 755.50 have been expensed against retained profits in line with International Financial Reporting Standard 3 paragraph 53, the acquirer shall account for acquisition related costs as expenses in the period in which the costs are incurred and the services are received. These transaction costs amount to US\$745 000.00 and have been translated at an exchange rate of 1:684.3339 which was in existence as at 31 December 2022 for purposes of the pro-forma financial information.



NOTES TO THE UNAUDITED CONSOLIDATED PRO-FORMA INFLATION ADJUSTED FINANCIAL INFORMATION
AS AT 31 DECEMBER 2022

Consistent with the above stated assumptions, the following explain the respective adjustments in deriving the unaudited consolidated proforma inflation adjusted financial information as at 31 December 2022:

Note 1: Cash and cash equivalents - (ZWL31 881 426 000.00)

Cash payment of purchase consideration based on illustrative combined net asset value as at 31 December 2022 based on historical financial statements of SCBZ (ZWL23 675 532 000.00) and AENT (ZWL8 205 894 000.00).

Note 2: Accrued transactional costs obligations of ZWL509 829 000.00.

Accrual of transactional costs payable as at 31 December 2022.

Note 3: Share capital and share premium - (ZWL4 578 335 000.00)

Elimination of share capital and share premium of Standard Chartered Bank Zimbabwe Limited (ZWL4 578 335 000.00) and Africa Enterprise Network Trust (ZWL Nil) on consolidation as at 31 December 2022.

Note 4: Other reserves - (ZWL8 086 100 000.00)

Elimination of other reserves of SCBZ (ZWL8 086 100 000.00) and AENT (ZWL Nil).

Note 5: Retained profits - (ZWL 19 726 820 000.00)

Elimination of retained profits on consolidation of Standard Chartered Bank Zimbabwe Limited (ZWL12 945 620 000.00) and Africa Enterprise Network Trust (ZWL8 205 894 000.00) net of transaction costs expensed (ZWL509 829 000.00) and effects of applying IAS 29 Financial Reporting in Hyperinflationary Economies (IAS 29) of ZWL1 934 523 000.00. The Proposed Transaction illustrative purchase consideration is based on the combined historical net asset value of ZWL31 881 426 000.00 and yet the combined inflation adjusted net asset value of ZWL33 815 949 000.00 as at 31 December 2022 is the primary position used for accounting in line with IAS 29 Financial Reporting in Hyperinflationary Economies. This results in a bargain gain, in terms of IAS 29, which is recognised in retained profits in line with International Financial Reporting Standard 3 paragraph 34.

9. Financial Highlights

The audited abridged financial information for FBCH for the years ended 31 December 2020 to 2022 are as follows:

Consolidated statement of profit and loss and other comprehensive income
for the years ending 31 December 2020 to 2022

	INFLATION ADJUSTED			HISTORICAL COST*		
	31-Dec-22 ZWL'000	31-Dec-21 ZWL'000	31-Dec-20 ZWL'000	31-Dec-22 ZWL'000	31-Dec-21 ZWL'000	31-Dec-20 ZWL'000
Interest income calculated using the effective interest method	42 913 440	22 318 646	14 403 407	32 152 045	5 251 560	1 762 266
Interest expense	(13 328 514)	(4 804 684)	(4 989 416)	(10 647 773)	(1 031 727)	(605 775)
Net interest income	29 584 926	17 513 962	9 413 990	21 504 271	4 219 834	1 156 491
Fee and commission income	17 504 339	11 625 455	6 839 674	12 618 022	2 739 394	849 279
Fee and commission expense	(268 663)	(81 882)	(95 135)	(211 705)	(18 802)	(10 623)
Net fee and commission income	17 235 676	11 543 574	6 744 539	12 406 317	2 720 592	838 656
Revenue	30 943	2 071 610	153 251	10 786	345 153	10 812
Cost of sales	(17 523)	(1 176 089)	(126 635)	(4 038)	(214 880)	(6 949)
Net income from property sales	13 420	895 521	26 616	6 748	130 273	3 864
Insurance premium revenue	9 989 180	8 968 093	6 680 908	6 618 929	1 899 844	749 283
Premium ceded to reinsurers and retrocessionaires	(1 892 223)	(2 857 964)	(2 014 255)	(1 338 478)	(633 154)	(280 131)
Net earned insurance premium	8 096 958	6 110 129	4 666 653	5 280 451	1 266 690	469 151
Revenue	54 930 980	36 063 185	20 851 797	39 197 788	8 337 388	2 468 162
Net foreign currency dealing and trading income	41 623 072	11 267 959	19 116 035	39 046 720	3 101 258	3 153 912
Net gain from financial assets at fair value through profit or loss	9 975 499	8 415 823	3 959 318	8 508 691	2 498 188	752 576
Other operating income	12 526 045	5 812 889	1 092 140	21 401 168	2 387 918	834 065
Total other income	64 124 616	25 496 671	24 167 493	68 956 579	7 987 364	4 740 552
Total net income	119 055 596	61 559 857	45 019 290	108 154 367	16 324 752	7 208 714
Credit impairment losses	(4 575 668)	(1 578 792)	(759 538)	(4 575 668)	(459 272)	(137 461)
Insurance commission expense	(1 635 872)	(957 770)	(1 534 213)	(1 102 643)	(190 458)	(171 382)
Insurance commission recovered from reinsurers	519 180	584 872	517 252	392 572	136 568	74 908
Insurance claims and loss adjustment expenses	(5 923 191)	(3 176 933)	(2 615 610)	(4 425 450)	(742 049)	(332 366)
Insurance claims and loss adjustment expenses recovered from reinsurers	1 046 155	329 405	580 988	886 562	67 257	72 639
Administrative expenses	(69 553 342)	(30 869 188)	(24 877 432)	(50 190 145)	(7 421 269)	(3 100 788)
Monetary loss	(15 300 784)	(8 870 714)	(7 516 199)	-	-	-
Profit before income tax	23 632 075	17 020 736	8 814 537	49 139 595	7 715 528	3 614 265
Income tax expense	(11 060 298)	(2 099 060)	(436 298)	(9 091 826)	(844 386)	(400 887)
Profit for the year	12 571 777	14 921 676	8 378 240	40 047 769	6 871 142	3 213 378
Other comprehensive income/(loss)						
Items that will not be reclassified to profit or loss						
Gains/(loss) on property revaluation	6 409 622	3 658 562	(962 458)	16 001 408	2 172 804	1 308 825
Related tax	(1 036 276)	(400 993)	362 417	(2 641 444)	(374 804)	(204 497)
Gain on financial assets at fair value through other comprehensive income	18 630	404 298	191 311	56 026	117 611	34 623
Related tax	(645)	(6 720)	(4 093)	(2 515)	(1 955)	(741)
	5 391 331	3 655 146	(412 822)	13 413 474	1 913 656	1 138 211
Items that may be subsequently reclassified to profit or loss						
Foreign operations – foreign currency translation differences	549 415	-	-	549 415	-	-
Related tax	-	-	-	-	-	-
	549 415	-	-	549 415	-	-
Total other comprehensive income/(loss), net income tax	5 940 745	3 655 146	(412 822)	13 962 889	1 913 656	1 138 211
Total comprehensive income for the year	18 512 522	18 576 822	7 965 418	54 010 658	8 784 798	4 351 588
Profit attributable to:						
Equity holders of the parent	12 555 216	14 914 793	8 368 579	40 018 318	6 867 850	3 211 693
Non - controlling interest	16 561	6 883	9 661	29 452	3 292	1 684
Profit for the year	12 571 777	14 921 676	8 378 240	40 047 769	6 871 142	3 213 378
Total comprehensive income attributable to:						
Equity holders of the parent	18 472 569	18 559 518	7 954 981	53 927 423	8 774 791	4 344 033
Non - controlling interest	39 953	17 304	10 437	83 236	10 006	7 555
	18 512 522	18 576 822	7 965 418	54 010 658	8 784 798	4 351 588
Earnings per share (ZWL cents)						
Basic earnings per share	1 996.28	2 369.27	1 347.39	6 362.91	1 090.98	517.10
Diluted earnings per share	1 996.28	2 369.27	1 347.39	6 362.91	1 090.98	517.10
Headline earnings per share	1 996.21	2 371.38	1 391.36	6 361.35	1 091.19	519.11
Diluted headline earnings per share	1 996.21	2 371.38	1 391.36	6 361.35	1 091.19	519.11

*The historical cost amounts are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting for Hyperinflationary Economies. As a result the auditors have not expressed an opinion on the historical cost financial information.

Consolidated statement of financial position
as at 31 December 2020, 2021 and 2022

	INFLATION ADJUSTED			HISTORICAL COST*		
	31-Dec-22 ZWL'000	31-Dec-21 ZWL'000	31-Dec-20 ZWL'000	31-Dec-22 ZWL'000	31-Dec-21 ZWL'000	31-Dec-20 ZWL'000
ASSETS						
Balances with other banks and cash	83 802 420	60 637 822	58 345 816	83 802 420	17 639 587	10 559 374
Financial assets at amortised cost	8 078 817	6 771 121	5 997 717	8 078 817	1 969 724	1 085 461
Loans and advances to customers	149 660 349	80 898 404	73 727 063	149 659 682	23 533 213	13 342 941
Trade and other receivables including insurance receivables	5 323 096	2 176 852	2 870 850	4 859 643	618 741	485 620
Bonds and debentures	-	23 856	2 617 315	-	6 940	473 679
Financial assets at fair value through profit or loss	14 599 436	12 516 965	4 264 294	14 987 164	3 724 820	808 233
Financial assets at fair value through other comprehensive income	212 026	536 267	212 123	212 026	156 000	38 390
Inventory	875 391	1 061 544	1 645 029	315 340	102 710	126 313
Prepayments and other assets	20 269 549	22 905 265	12 025 219	19 470 057	6 546 710	2 042 880
Current income tax asset	554 646	80 634	50 575	554 646	23 457	9 153
Deferred tax assets	2 264 276	657 413	553 956	2 094 242	149 384	101 657
Investment property	27 644 769	14 356 708	5 406 743	27 644 769	4 176 377	978 508
Intangible assets	423 993	446 534	531 217	66 490	16 479	9 074
Property and equipment	21 059 327	13 929 402	10 284 291	21 059 327	4 052 073	1 861 242
Right of use asset	609 285	592 414	504 120	149 280	75 027	36 749
Total assets	335 377 380	217 591 204	179 036 328	332 953 904	62 791 242	31 959 274
EQUITY AND LIABILITIES						
Liabilities						
Deposits from customers	110 579 907	89 235 478	60 572 805	110 579 907	25 958 666	10 962 413
Deposits from other banks	13 501 664	8 887 589	2 524 868	13 501 664	2 585 406	456 948
Borrowings	68 162 013	29 088 916	50 025 761	68 162 013	8 461 987	9 053 618
Insurance liabilities	5 469 140	2 681 472	2 705 744	4 524 170	681 083	402 455
Trade and other payables	62 248 476	34 442 314	29 841 192	59 987 860	9 635 885	5 353 987
Current income tax liability	357 618	1 329 469	754 729	357 618	386 743	136 590
Deferred tax liability	11 957 913	2 233 125	4 302 330	10 557 448	668 584	642 742
Lease liability	222 855	284 100	186 861	222 855	82 645	33 818
Total liabilities	272 499 587	168 182 462	150 914 290	267 893 535	48 460 999	27 042 571
Equity						
Capital and reserves attributable to equity holders of the parent entity						
Share capital and share premium	3 007 380	3 007 380	3 007 380	14 090	14 090	14 090
Other reserves	21 933 648	17 627 183	9 125 018	17 070 518	4 515 727	1 490 652
Retained profits	37 827 900	28 705 268	15 938 031	47 872 817	9 780 718	3 402 259
Total equity, excluding non controlling interest	62 768 927	49 339 830	28 070 429	64 957 425	14 310 535	4 907 001
Non controlling interest in equity	108 866	68 913	51 608	102 944	19 708	9 702
Total equity	62 877 793	49 408 742	28 122 037	65 060 369	14 330 243	4 916 703
Total equity and liabilities	335 377 380	217 591 204	179 036 328	332 953 904	62 791 242	31 959 274

Consolidated statement of cashflow
for the years ending 31 December 2020 to 2022

	INFLATION ADJUSTED			HISTORICAL COST*		
	31-Dec-22 ZWL'000	31-Dec-21 ZWL'000	31-Dec-20 ZWL'000	31-Dec-22 ZWL'000	31-Dec-21 ZWL'000	31-Dec-20 ZWL'000
Cash flow from operating activities						
Profit before income tax	23 632 075	17 020 736	8 814 537	49 139 595	7 715 528	3 614 265
Adjustments for non cash items:						
Monetary loss	15 300 784	8 870 714	7 516 199	-	-	-
Depreciation	1 239 369	894 807	889 096	603 449	182 408	59 591
Amortisation charge	98 345	127 965	312 672	7 608	3 227	2 535
Credit impairment losses	4 575 668	1 578 792	759 538	4 575 668	459 272	137 461
Fair value adjustment on investment property	(10 709 699)	(4 986 751)	(959 560)	(19 973 502)	(2 354 373)	(818 938)
Net unrealised exchange gains and losses	7 086 715	16 374 017	(19 004 963)	(35 911 521)	(1 650 253)	(3 966 691)
Fair value adjustment on financial assets at fair value through profit or loss	(9 975 499)	(8 415 823)	(3 959 318)	(8 508 691)	(2 498 188)	(752 576)
Profit/(loss) on disposal of property and equipment	(410)	13 318	273 110	(9 814)	1 328	12 494
Depreciation right of use asset	197 362	123 636	-	85 168	22 864	-
Interest on lease liability	466 277	189 435	50 026	272 768	43 846	(28 884)
Provisions*	12 809 247	3 629 276	2 907 810	10 685 011	982 536	526 253
Net cash generated before changes in operating assets and liabilities	44 720 233	35 420 122	(2 400 853)	965 739	2 908 195	(1 214 490)
Decrease/(increase) in financial assets at amortised cost	2 190 431	(494 779)	(1 270 163)	(2 610 966)	(803 210)	(894 731)
Decrease in loans and advances	33 794 091	2 070 648	34 299 789	(23 570 434)	(7 501 771)	(2 719 442)
(Increase)/decrease in trade and other receivables	(3 146 244)	708 372	(12 185)	(4 240 902)	(128 940)	(327 820)
Decrease in bonds and debentures	23 856	2 593 458	394 520	6 940	466 739	(352 169)
Decrease in financial assets at fair value through profit or loss	7 893 028	163 152	1 056 616	(2 753 653)	(418 399)	2 103
Decrease in financial assets at fair value through other comprehensive income	-	-	347 764	-	-	11 104
Decrease in inventory	186 153	583 484	(10 036)	(212 629)	23 602	(112 787)
Decrease/(increase) in prepayments and other assets	10 323 389	(10 476 648)	2 390 259	(5 362 919)	(4 380 772)	(746 553)
Increase in investment property	(2 584 067)	(3 963 214)	(646 351)	(2 241 598)	(843 496)	(15 342)
(Decrease)/increase in deposits from customers	(33 081 324)	17 126 987	(15 497 595)	30 195 487	11 640 514	4 253 679
(Decrease)/increase in deposits from other banks	(11 594 756)	6 138 048	(2 312 012)	(5 292 573)	2 063 100	261 807
Increase/(decrease) in insurance liabilities	2 787 669	(24 273)	211 420	3 843 087	278 628	351 122
Decrease in trade and other payables	(8 892 674)	(296 794)	(2 625 664)	15 777 375	2 930 313	2 560 951
	42 619 785	49 548 564	13 925 510	4 502 953	6 234 504	1 057 432
Income tax paid	(5 419 451)	(4 134 756)	(1 490 578)	(5 605 386)	(1 007 180)	(183 744)
Interest on lease liability paid	(466 277)	(189 435)	-	(265 368)	(43 846)	-
Net cash generated from operating activities	36 734 057	45 224 373	12 434 931	(1 375 201)	5 183 477	873 688
Cash flows from investing activities						
Purchase of intangible assets	(75 804)	(43 283)	(17 456)	(57 618)	(10 632)	(2 777)
Purchase of property and equipment	(2 224 047)	(923 463)	(1 136 867)	(1 721 316)	(215 415)	(162 835)
Proceeds from sale of property and equipment	43 654	13 769	6 452	27 949	3 574	1 089
Net cash used in investing activities	(2 256 196)	(952 978)	(1 147 871)	(1 750 986)	(222 473)	(164 524)
Cash flows from financing activities						
Lease liability principal repayment	(275 478)	(114 692)	(10 796)	(19 211)	(12 315)	25 844
Proceeds from borrowings	61 590 051	6 880 401	3 244 126	61 590 051	1 716 718	250 065
Repayment of borrowings	(74 327 065)	(34 168 400)	2 170 152	(53 700 136)	(4 155 905)	610 109
Dividend paid to the Company's shareholders	(3 432 584)	(2 147 557)	(1 631 602)	(1 926 219)	(489 392)	(212 941)
Purchase of treasury shares	(1 610 888)	(2 484 855)	(320 339)	(1 354 314)	(556 216)	(49 051)
Sale of treasury shares	-	7 342 295	259 066	-	1 674 350	20 801
Net cash used in financing activities	(18 055 964)	(24 692 808)	3 710 607	4 590 171	(1 822 759)	644 826
Net increase in cash and cash equivalents	16 421 897	19 578 587	14 997 668	1 463 984	3 138 245	1 353 990
Cash and cash equivalents at beginning of the year	60 637 822	58 345 816	47 290 505	17 639 587	10 559 374	1 907 907
Effect of changes in exchange rates	65 041 720	13 550 903	32 806 011	64 698 849	3 941 968	7 297 478
Effects of inflation on cash and cash equivalents	(58 299 020)	(30 837 484)	(36 748 368)	-	-	-
Cash and cash equivalents at the end of year	83 802 420	60 637 822	58 345 816	83 802 420	17 639 587	10 559 374

10. Tax implications

The Proposed Transaction has no immediate tax impact in the hands of Shareholders. The full tax impact to the Group will be assessed by a tax expert on completion of the Proposed Transaction. Applications will be made to ZIMRA and the Registrar of Companies in terms of a Scheme of Reconstruction for the deferment of tax liabilities.

11. Costs of the Proposed Transaction

The costs of implementing the Proposed Transaction are estimated to amount to US\$ 745 000 which relate to various advisory, accounting, regulatory as well as advertising, printing and postage charges. The transaction costs are broken down in the table below.

Description	Amount (US\$)
Legal fees for the Transaction	US\$401 938
Transfer Secretary	US\$10 000
Reporting Accountants	US\$63 250
Tax Consultant	US\$53 483
Independent Financial Advisor	US\$50 000
Sponsoring Broker	US\$10 000
Financial Advisor	US\$55 000
Regulatory Fees*	US\$61 000
Design, Print and Publication costs	US\$30 000
Other	US\$10 329
TOTAL	US\$ 745 000

* Indicative

12. Conditions Precedent

The Proposed Transaction is subject to fulfilment of the following Conditions Precedent:

- approval of the Reserve Bank in respect of FBCH acquiring a 100% interest in a banking institution, together with accompanying approvals;
- approval of the Minister of Finance in terms of Section 25 (1) (a) of the Banking Act (Chapter 24:20);
- approval of the Proposed Transaction by the Zimbabwe Stock Exchange and Securities and Exchange Commission of Zimbabwe;
- approval of the Securities and Exchange Commission in respect of FBCH acquiring a 100% interest of a custodial services business;
- approval of Proposed Transaction by the Insurance and Pensions Commission with respect to the treatment of the SCBZ's pension scheme;
- requisite approval of the Proposed Transaction by the Zimbabwe Revenue Authority;
- approval of the Proposed Transaction by the Competition and Tariff Commission of Zimbabwe; and
- any requisite approvals as may be necessary.

13. Regulatory issues

This Abridged Circular is issued in compliance with the ZSE Listings Requirements. The Listings Committee of the ZSE met and approved the Proposed Transaction on 05 September 2023 and granted approval for the publication of the Abridged Circular, Extraordinary General Meeting ("EGM") Notice and the distribution to Shareholders of this Abridged Circular in respect of the Proposed Transaction.

14. Working capital adequacy statement

The Directors, after considering the effects of the Proposed Transaction, are of the opinion that the working capital available to FBCH after the Proposed Transaction will be sufficient for FBCH's present requirements for at least the next 12 months from the date of issue of this Abridged Circular.

15. Litigation statement

As at the date of this Abridged Circular, FBCH is not involved in any material litigation, dispute, arbitration or administrative proceedings which may have or have had in the past twelve months preceding the date of this Abridged Circular, a significant effect on the financial position, assets or operations of the FBCH, nor is FBCH aware of any circumstances that may give rise to such material litigation, dispute, arbitration or administrative proceedings and have a material adverse effect on FBCH.

16. Material changes

The Directors confirm that between the date of the last published financial statements of FBCH, being 31 December 2022 and the date of this Abridged Circular; there have been no material changes in the assets and liabilities of the FBCH.

17. Expert consents

Dube, Manikai and Hwacha, KPMG, Corporate Excellence, FBC Securities, First Transfer Secretaries, FBCB and BDO have consented in writing to act in the capacities stated in this Abridged Circular and to their names and reports being stated and reproduced in this Abridged Circular and have not withdrawn their consents prior to the date of issue of this Abridged Circular.

FBCB and FBC Securities are both wholly owned subsidiaries of FBCH. The entities provided their professional services in the roles of Financial Advisors and Sponsoring Brokers respectively.

18. Documents available for inspection

The following documents, or copies thereof, will be available for inspection at the registered office of FBC Holdings Limited, (whose address details are provided in the "Corporate Information" section at the beginning of this Abridged Circular), during normal business hours until 6th September 2023:

- Memorandum and Articles of Association of FBC Holdings Limited;
- Memorandum and Articles of Association of FBC Bank Limited;
- Memorandum and Articles of Association of Standard Chartered Bank Zimbabwe Limited;
- Trust Deed of the Africa Enterprise Network Trust;
- Signed Sale and Purchase Agreement between Standard Chartered Holdings (Africa) B.V, FBC Holdings Limited and FBC Bank Limited;
- Disclosure letter in respect of the Sale and Purchase Agreement;
- Tax Covenant in respect of the Sale and Purchase Agreement;
- Audited annual reports of FBCH for the past five financial years ended 31 December 2018, 2019, 2020, 2021 and 2022;
- Audited financial statements of FBC Bank for the past five financial years ended 31 December 2018, 2019, 2020, 2021 and 2022;
- Audited financial statements of Standard Chartered Bank Zimbabwe Limited for the past five financial years ended 31 December 2018, 2019, 2020, 2021 and 2022;
- Report of the Reporting Accountants on the inflation adjusted financial information of FBC Holdings Limited, FBC Bank Limited and Standard Chartered Bank Zimbabwe Limited;
- Report of the Reporting Accountants on the unaudited pro forma consolidated financial information of FBC Holdings Limited;
- Fair and Reasonable Opinion by the Independent Financial Advisors on the Proposed Transaction; and
- Signed expert consent letters.

19. Important dates and times

The attention of FBCH Shareholders is drawn to the important events and dates of occurrence stated below:

Event	Date
Notice of FBCH EGM published	07 September 2023
Abridged Circular to FBCH shareholders published	07 September 2023
Circular to FBCH shareholders emailed	07 September 2023
Last day of lodging Forms of Proxy for the EGM (at 1230 hours)	26 September 2023
FBCH EGM (at 1230 hours)	28 September 2023
Publication of EGM resolution results	29 September 2023

20. Directors' recommendation

The Board has considered the terms and conditions of the Proposed Transaction and having also considered the fair and reasonable opinion by the Independent Financial Advisors in relation to the Proposed Transaction, is of the opinion that the terms and conditions thereof are fair and reasonable to FBCH Shareholders. Accordingly, the Board recommends to FBCH Shareholders that they vote in favour of the resolutions to be considered at the EGM giving effect to the Proposed Transaction.

The Directors will collectively vote in favour of the individual resolutions to approve the proposed Transactions at the EGM in respect of their own shareholdings.

21. Directors' responsibility statement

The Directors of FBCH, collectively and individually, accept full responsibility for the accuracy of the information provided in this Abridged as well as the Full Circular and certify that, to the best of their knowledge and belief, there are no other facts the omission of which make any statement in this Abridged as well as the Full Circular false or misleading, that they have made all reasonable inquiries to ascertain such facts (where applicable), and that this Abridged as well as the Full Circular contain all information required by law.

The Directors also confirm that this Abridged Circular includes all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) that investors and their professional advisors would require and reasonably expect to find for purposes of making informed assessment of the assets and liabilities, financial position, profits or losses and prospects of FBCH in order to vote at the EGM.

When the Acquisition proposal was placed for the Board's consideration at a meeting of the Directors, the Directors unanimously undertook as they hereby do, to recommend that all FBCH Shareholders exercise their rights in terms of the Proposed Transaction.

NOTICE OF EXTRAORDINARY GENERAL MEETING



FBC Holdings Limited
You Matter Most

(Incorporated in Zimbabwe on 7 November 2002, Registration Number 15583/2002)

Directors: Herbert Nkala (Chairman), Chipo Mtasa (Mrs) (Deputy Chair), Dr. John Mushayavanhu* (GCE), Aeneas Chuma, Canada Malunga, Charles Msipa, David Makwara, Franklin H. Kennedy, Gary Stephen Collins, Kleto Chiketsani*, Rutenhuro Moyo, Sifiso Ndlovu, Trynos Kufazvinei*, Vimbai Nyemba (Mrs), Webster Rusere*
*Executive

Address: FBC Centre, 45 N. Mandela Avenue, P. O. Box 1227, Harare, Zimbabwe

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("EGM") of the Shareholders of FBC Holdings Limited is to be held physically in the Kariba Room, Holiday Inn Harare, Samora Machel Avenue and Fifth Street and virtually via the link, <https://polling.fts-net.com/> on 28 September 2023, at 1230 hours, for the purpose of transacting the following business: -

TO CONSIDER and, if deemed fit, to pass, with or without modification, the following Resolutions:

- As an Ordinary Resolution – Approval for acquisition of Standard Chartered Bank (Zimbabwe) Limited and the entire beneficial interest in Africa Enterprise Network Trust by FBC Holdings Limited.

That, the sale and purchase agreement for the acquisition of the whole of the business of Standard Chartered Bank (Zimbabwe) Limited and cession of the beneficial interest in Africa Enterprise Network Trust, concluded between the Company and Standard Chartered Holdings (Africa) B.V. ("Sale and Purchase Agreement"), be and is hereby approved, as a single indivisible transaction to acquire (i) all the issued shares and the outstanding shares in the capital of Standard Chartered Bank (Zimbabwe) Limited, and (ii) the economic interest in and receive all rights and beneficial interest in the Africa Enterprise Network Trust, in accordance with the Sale and Purchase Agreement and/ or ancillary documentation under the Sale and Purchase Agreement dated 8 June 2023.

- As an Ordinary Resolution – Approval for transfer of undertaking of Standard Chartered Bank (Zimbabwe) Limited to FBC Bank Limited.

That, pursuant to the resolution number 1, the directors of the Company be and are hereby authorized and empowered, in terms of section 214 (1) (b) of the Companies and Other Business Entities Act, Chapter 24:31, to acquire the business, assets and liabilities of the Standard Chartered Bank (Zimbabwe) Limited and transfer these to FBC Bank Limited, as a going concern, such that Standard Chartered Bank (Zimbabwe) Limited would be amalgamated with FBC Bank Limited.

- As an Ordinary Resolution – Directors authorized to give effect to Resolutions

That the directors of the Company be and are hereby authorized to do any and all such things as may be necessary to give effect to the above resolutions.

BY ORDER OF THE BOARD

GROUP COMPANY SECRETARY

Registered Office

FBC Centre, 45 N. Mandela Avenue, P. O. Box 1227, Harare, Zimbabwe.

FORM OF PROXY

A form of proxy, in which are set out the relevant instructions for its completion, is attached hereto, for use by such shareholder of the Company who is unable to attend the EGM but who wishes to be represented thereat. Completion of a form of proxy will not preclude such shareholder of the Company from attending and voting (in preference to the appointed proxy) at the EGM.

The instrument appointing a proxy and the authority (if any) under which it is signed must be received by the Company's transfer secretaries or at the Company's Registered Offices (Attention the Company Secretary) no later than 48 (Forty-eight hours) before the time appointed for the holding of the EGM.



FBC Holdings Limited
You Matter Most

(Incorporated in Zimbabwe on 7 November 2002, Registration Number 15583/2002)

Directors: Herbert Nkala (Chairman), Chipo Mtasa (Mrs) (Deputy Chair), Dr. John Mushayavanhu* (GCE), Aeneas Chuma, Canada Malunga, Charles Msipa, David Makwara, Franklin H. Kennedy, Gary Stephen Collins, Kleto Chiketsani*, Rutenhuro Moyo, Sifiso Ndlovu, Trynos Kufazvinei*, Vimbai Nyemba (Mrs), Webster Rusere*
*Executive

Address: FBC Centre, 45 N. Mandela Avenue, P. O. Box 1227, Harare, Zimbabwe

For use by Shareholders at the Company's EGM to be held on 28 September 2023 at 1230 hours.

Each member entitled to attend and vote at the EGM is entitled to appoint one person as his proxy, who need not be a member of the Company, to attend, speak and vote in his/her stead at the EGM.

I / We
Of.....

Being member/members of the above Company, hereby appoint:

Mr. / Mrs. / Ms. / Dr
Or failing him or her/ Mr. /Mrs / Ms / Dr.....

As my/our proxy to vote for me/us on my/our behalf at the EGM of the Company to be held on [,] at [,] hours and at any adjournment thereof, for the purpose of considering and, if deemed fit passing, with or without modification, the resolutions to be proposed thereat in accordance with the following instructions:

Ordinary Resolutions	For	Against	Abstain
ORDINARY RESOLUTION 1 – APPROVAL FOR ACQUISITION OF STANDARD CHARTERED BANK (ZIMBABWE) LIMITED AND THE ENTIRE BENEFICIAL INTEREST IN AFRICA ENTERPRISE NETWORK TRUST BY FBC HOLDINGS LIMITED. "THAT, the sale and purchase agreement for the acquisition of the whole of the business of Standard Chartered Bank (Zimbabwe) Limited and cession of the beneficial interest in Africa Enterprise Network Trust, concluded between the Company and Standard Chartered Holdings (Africa) B.V. ("Sale and Purchase Agreement"), be and is hereby approved, as a single indivisible transaction to acquire (i) all the issued shares and the outstanding shares in the capital of Standard Chartered Bank (Zimbabwe) Limited, and (ii) the economic interest in and receive all rights and beneficial interest in the Africa Enterprise Network Trust, in accordance with the Sale and Purchase Agreement and/ or ancillary documentation under the Sale and Purchase Agreement dated 8 June 2023."			
ORDINARY RESOLUTION 2 – APPROVAL FOR TRANSFER OF UNDERTAKING OF STANDARD CHARTERED BANK (ZIMBABWE) LIMITED TO FBC BANK LIMITED. "THAT, pursuant to the resolution number 1, the directors of the Company be and are hereby authorized and empowered, in terms of section 214 (1) (b) of the Companies and Other Business Entities Act, Chapter 24:31, to acquire the business, assets and liabilities of the Standard Chartered Bank (Zimbabwe) Limited and transfer these to FBC Bank Limited, as a going concern, such that Standard Chartered Bank (Zimbabwe) Limited would be amalgamated with FBC Bank Limited."			
ORDINARY RESOLUTION 3 – DIRECTORS AUTHORISED TO GIVE EFFECT TO RESOLUTIONS "THAT the directors be and are hereby authorised to do any and all such things as may be necessary or desirable to give effect to the above resolutions."			

Signed this..... day of.....2023

Signature(s) of member.....

NOTE

- In terms of Section 171 of the Companies and Other Business Entities Act (Chapter 24:31), members are entitled to appoint one or more proxies to act in the alternative and to attend and vote and speak in their place. A proxy need not also be a member of the Company.
- Regulation 74 of the Company's Articles of Association provides that the instrument appointing a proxy shall be deposited at the office of the Company not less than 48 hours before the time appointed for holding the meeting.
- Shareholders in the form of a corporate body must provide documentary evidence establishing the authority of a person signing the Form of Proxy in a representative capacity; this authority must take the form of a resolution of the corporate body.

FOR OFFICIAL USE NUMBER OF SHARES HELD	
---	--

INSTRUCTIONS FOR SIGNING AND LODGING THIS FORM OF PROXY

- A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space provided, but any deletion must be initialled by the Shareholder. The person whose name appears first on the form of proxy will, unless his/her name has been deleted, be entitled to act as a proxy to the exclusion of those whose names follow.
- A Shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space/s provided as well as by means of a cross whether the shareholder wishes to vote, for, against or abstain from the resolutions. Failure to comply with the above will be deemed to authorize the proxy to vote or abstain from voting at the EGM as he/she deems fit in respect of all the Shareholder's votes exercisable thereat. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or by his/her proxy or cast them in the same way.
- Deletion of any printed matter and the completion of any blank spaces need not be signed or initialled. Any alteration or correction must be initialled by the signatory or signatories.
- The Chairman shall be entitled to decline to accept the authority of a person signing the proxy form:
 - under a power of attorney
 - on behalf of a company unless that person's power of attorney or authority is deposited at the offices of the Company's transfer secretaries, or the registered office of the Company, not less than 48 hours before the meeting.
- If two or more proxies attend the meeting, then that person attending the meeting whose name appears first on the proxy form and whose name is not deleted shall be regarded as the validly appointed proxy.
- When there are joint holders of shares, any one holder may sign the form of proxy. In the case of joint holders, the senior who tenders a vote will be accepted to the exclusion of other joint holders. Seniority will be determined by the order in which names stand in the register of members.
- The completion and lodging of this form of proxy will not preclude the member who grants this proxy form from attending the EGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such member wish to do so.
- In order to be effective, completed proxy forms must reach the Company's Transfer Secretaries or the registered office of the Company not less than 48 hours before the time appointed for the holding of the EGM.
- Please ensure that name(s) of the member(s) on the form of proxy and the voting form are the same as those on the share register.

OFFICE OF THE TRANSFER SECRETARY	COMPANY REGISTERED OFFICE
Transfer Secretaries First Transfer Secretaries 1 Armagh Avenue Eastlea Harare Email: zmazhandu@fts-net.com	Tichaona Mabeza - The Company Secretary FBC Centre 45 N. Mandela Avenue P. O. Box 1227 Harare, Zimbabwe Email: Tichaona.Mabeza@fbc.co.zw