

### Operating Environment

Global economic growth is forecast to stabilise at 3.2% into 2025 according to the International Monetary Fund's World Economic Output Report issued in October 2024. This stability reflects reduced headline inflation, expected to decline to 3.5% by the end of 2025, with many economies approaching their central bank inflation targets. Despite facing several global and domestic challenges, Zimbabwe's economy continues to demonstrate resilience. Zimbabwe's 2024 mid-term budget revised local economic growth from 3.5% to 2% primarily due to the severe El Niño-induced drought. Higher import bills are also negatively affecting the balance-of-payments outlook and demand for foreign currency continues to exert pressure on the base currency with a devaluation recorded and subsequent monetary interventions. However, growth is expected to recover strongly to around 6% in 2025, supported by a rebound in agriculture and ongoing capital projects in manufacturing.

### Performance Review

Financial Highlights			
	Q3, 2024	Q3, 2023	Y.o.Y
Operating Income incl. Net Open Position Gains	ZWG 785.6m	ZWG 617.8m	+28%
Deposits	ZWG 3,933.6m	ZWG1,671.8 m	+136%
Loans	ZWG 2,780.3m	ZWG1,224.1 m	+128%
NPL Ratio	2.7%	13.3%	Down 10.6%

The bank's asset base grew by 124% in the first nine months, driven by an increase in foreign currency holdings. Regulatory Capital increased by 115% in the nine months to September 30, 2024, resulting in a capital adequacy ratio of 30%, well above the regulatory minimum of 12%. Core Capital and liquidity ratios also remained comfortably above their respective thresholds of ZWG 746.5 million and 30%.

Business realignment, strengthening of the control environment and cost rationalisation continued during the quarter under review, with a restructuring exercise in the current quarter aimed at optimising the operating model.

### Dividends

No dividend was declared for the quarter under review.

### Outlook

The Monetary Policy Committee of the Reserve Bank of Zimbabwe implemented several measures on 27 September 2024, expected to alleviate inflationary and exchange rate pressures. Increased statutory reserve ratios and the Bank Policy rate are anticipated to limit the bank's lending capacity and loan book growth. Therefore, continued expansion in lines of credit will remain key in 2025.

Post the business realignment, the Bank's Board and Management are confident in the Bank's ability to deliver solutions for its clients, expanding its sectoral base to support the growth of key sectors within the Zimbabwean economy, including mining, agriculture, tourism, and manufacturing.

## Supplementary

The following supplementary information comprising of USD denominated key performance metrics has been provided to comply with the requirements of the Victoria Falls Stock Exchange listing requirement to publish financial information in USD.

Financial Highlights			
	Q3, 2024	Q3, 2023	Y.o.Y
Operating Income incl. Net Open Position Gains	US\$57.0m	US\$45.6m	+25%
Deposits	US\$158.1m	US\$122.0m	+30%
Loans	US\$112.4m	US\$89.3m	+26%
NPL Ratio	2.7%	13.3%	Down 10.6%

The bank's asset base grew by 23% in the first nine months, driven by an increase in foreign currency holdings. Regulatory Capital increased by 20% in the nine months to September 30, 2024, resulting in a capital adequacy ratio of 30%, well above the regulatory minimum of 12%. Core Capital and liquidity ratios also remained comfortably above their respective thresholds of US\$30 million and 30%.

By order of the Board



Sarudzai Binha

Company Secretary

19 November 2024

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