

**Consolidated statement of changes in equity**

for the six-month period ended 30 June 2016

USD'000s	Attributable to owners of the parent					Total	Non-controlling interest	Total equity
	Stated Capital	Foreign currency translation reserve	Capital reserves	Available for sale reserves	Distributable reserves			
<b>Balance as at 1 January 2015</b>	<b>82 164</b>	<b>(15 326)</b>	<b>30 560</b>	<b>13</b>	<b>7 700</b>	<b>105 111</b>	<b>(4 851)</b>	<b>100 260</b>
<b>Comprehensive income:</b>								
Profit/(loss) for the period	-	-	-	-	43	43	(658)	(615)
<b>Other comprehensive income:</b>								
Foreign currency translation differences	(3 046)	(775)	-	-	283	(3 538)	1 270	(2 268)
Net loss on hedge of the net investment in foreign operations	-	(3 496)	-	-	-	(3 496)	-	(3 496)
Movement in available for sale reserves	-	-	-	12	-	12	-	12
Investment in associates – OCI	-	-	(179)	-	-	(179)	-	(179)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(3 046)</b>	<b>(4 271)</b>	<b>(179)</b>	<b>12</b>	<b>326</b>	<b>(7 158)</b>	<b>612</b>	<b>(6 546)</b>
<b>Transfers within equity</b>								
Movement in general credit risk reserve	-	-	(8 920)	-	(763)	(9 683)	-	(9 683)
Share of reserves in associate companies	-	-	-	-	-	-	-	-
<b>Total transfers within equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 30 June 2015</b>	<b>79 118</b>	<b>(19 597)</b>	<b>21 461</b>	<b>25</b>	<b>7 263</b>	<b>88 270</b>	<b>(4 239)</b>	<b>84 031</b>
<b>Balance as at 1 January 2016</b>	<b>129 118</b>	<b>(50 577)</b>	<b>48 989</b>	<b>325</b>	<b>(7 423)</b>	<b>120 432</b>	<b>(4 684)</b>	<b>115 748</b>
<b>Comprehensive income:</b>								
Profit/(loss) for the period	-	-	-	-	(2 763)	(2 763)	(392)	(3 155)
<b>Other comprehensive income:</b>								
Foreign currency translation differences	-	2 399	(31)	-	-	2 368	2 292	4 660
Movement in available for sale reserves	-	-	-	715	-	715	-	715
Investment in associates – OCI	-	-	-	-	(98)	(98)	77	(21)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>-</b>	<b>2 399</b>	<b>(31)</b>	<b>715</b>	<b>(2 861)</b>	<b>222</b>	<b>1 977</b>	<b>2 199</b>
<b>Transfers within equity</b>								
Movement in general credit risk reserve	-	-	2 301	-	(2 301)	-	-	-
<b>Total transfers within equity</b>	<b>-</b>	<b>-</b>	<b>2 301</b>	<b>-</b>	<b>(2 301)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 30 June 2016</b>	<b>129 118</b>	<b>(48 178)</b>	<b>51 259</b>	<b>1 040</b>	<b>(12 585)</b>	<b>120 654</b>	<b>(2 707)</b>	<b>117 947</b>

**Notes to the financial statements (continued)**

**9. Business combinations**

On 30 June 2016 BancABC Zambia acquired 100% of Finance Bank Zambia for a total purchase consideration of US\$77.5 million which comprises cash consideration of US\$69.8 million and non-cash consideration in the form of Atlas Mara, the parent company's, shares.

The provisional fair value of the assets acquired is \$328.9 million and the fair value of the liabilities US\$241.5 million, resulting in a provisional net assets acquired of US\$77.5 million and a provisional gain on the acquisition, accounted for in non-interest income of US\$1 million.

As per the requirements of IFRS 3.45 the fair values presented for FBZ is considered to be incomplete due to the following key factors:

- The valuation of certain loans and advances have not been completed. This is due to the fact that management believes there may be facts and circumstances that existed at the acquisition date that have not been factored into the impairment calculations of these loans.
- The assessment of the recoverability of certain deferred tax assets that have been recognised in the Group.
- The valuation of property and equipment.
- The valuation of certain intangible assets related to historical transactions between entities in the FBZ Group.
- The valuation of acquisition related intangible assets. The valuation is subject to change following finalisation of the above mentioned items and the potential impact on working capital.

**10. Fair value of assets and liabilities**

	Unaudited 30 June 2016			Unaudited 30 June 2015			Audited 31 December 2015		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>									
<b>Financial assets held for trading</b>									
Government bonds	-	11 485	4 323	-	27 508	-	-	36 461	-
Corporate bonds	-	675	-	-	7 142	-	-	5 907	-
Treasury bills	-	105 693	24 598	-	163 359	-	-	147 962	-
<b>Designated at fair value</b>									
Listed equities	1 125	-	-	1 330	-	-	798	-	-
Unlisted equities	-	-	12 460	-	-	10 409	-	-	12 545
Unlisted debentures	-	9 367	-	-	10 463	-	-	8 059	-
Property units	-	-	10	-	-	-	-	-	-
<b>Derivative financial instruments</b>									
Cross-currency swap	-	5 121	-	-	2	-	-	502	-
Forward foreign exchange contracts – held for trading	-	-	-	-	-	-	-	1 137	-
<b>Available-for-sale investments</b>									
Government bonds	-	2 026	-	-	-	-	-	-	-
Listed equities	-	11 925	-	-	617	-	-	-	-
Unlisted equities	-	182	456	-	610	-	-	-	-
Unlisted investment	-	118	-	-	227	-	-	-	-
<b>Held-to-maturity investments</b>									
Treasury bills	-	75 747	-	-	-	-	-	-	-
Corporate bonds	-	4 997	-	-	-	-	-	-	-
Government bonds	-	35 875	-	-	5 573	-	-	5 012	-
<b>Financial liabilities measured at fair value</b>									
<b>Derivative financial instruments</b>									
Forward foreign exchange contracts – held for trading	-	962	8	-	2 080	-	-	62	-
Equity derivative	-	-	4 440	-	-	2 450	-	4 455	-
Cross-currency swap	-	5 121	-	-	1 058	-	-	674	-