

Summary consolidated and separate financial statements

as at 30 June 2019



Belief comes first

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Summary Statements of Profit or Loss and Other Comprehensive Income

In millions of Malawi Kwacha	Consolidated			Separate		
	6 months to 30-Jun-19 Unaudited	30-Jun-18 Unaudited	12 months to 31-Dec-18 Audited	6 months to 30-Jun-19 Unaudited	30-Jun-18 Unaudited	12 months to 31-Dec-18 Audited
Interest income	15 314	22 714	44 168	10 942	11 498	22 338
Interest expense on deposits and other accounts	(4 515)	(8 200)	(14 590)	(2 794)	(4 351)	(7 713)
Net interest income	10 799	14 514	29 578	8 147	7 147	14 625
Fees and commissions	5 107	6 724	13 400	4 084	4 434	8 537
Income from investments	167	718	438	167	718	438
Gain on foreign exchange transactions	2 437	3 206	7 557	1 326	1 190	2 396
	7 711	10 648	21 395	5 578	6 342	11 371
Total operating income	18 510	25 162	50 973	13 725	13 489	25 996
Staff and training costs	5 221	7 969	16 261	3 383	4 076	8 151
Premises and equipment costs	1 456	2 383	4 738	905	1 253	2 445
Depreciation expense	1 207	1 577	3 274	970	964	1 975
Other expenses	3 969	3 745	10 233	2 692	1 754	4 759
Impairment loss on financial assets	896	650	1 236	677	(301)	(859)
Total expenses	12 749	16 324	35 743	8 627	7 747	16 472
Profit before income tax expense	5 761	8 838	15 230	5 098	5 743	9 524
Income tax expense	(1 608)	(2 258)	(4 456)	(1 538)	(1 400)	(2 869)
Profit for the period	4 153	6 580	10 774	3 560	4 343	6 655
Other comprehensive income						
Items that will never be classified to profit or loss						
Revaluation surplus on property	–	–	2 499	–	–	2 487
Deferred tax on revalued property	–	–	(754)	–	–	(751)
	–	–	1 745	–	–	1 736
Items that are or may be classified to profit or loss						
Translation difference for foreign operations	–	(879)	(1 185)	–	–	–
Total other comprehensive income for the period	–	(879)	560	–	–	1 736
Total comprehensive income for the period	4 153	5 701	11 334	3 560	4 343	8 391
Profit attributable to:						
Owners of the parent	3 954	5 273	8 496	3 560	4 343	6 655
Non-controlling interest	199	1 307	2 279	–	–	–
Profit for the period	4 153	6 580	10 774	3 560	4 343	6 655
Total comprehensive income attributable to:						
Owners of the parent	3 954	4 918	9 676	3 560	4 343	8 391
Non-controlling interest	199	783	1 659	–	–	–
Total comprehensive income for the period	4 153	5 701	11 334	3 560	4 343	8 391
<i>Basic and diluted earnings per share (Tambala)</i>	<i>169</i>	<i>226</i>	<i>364</i>			

Summary Statements of Cash Flow

In millions of Malawi Kwacha	Consolidated			Separate		
	6 months to 30-Jun-19 Unaudited	30-Jun-18 Unaudited	12 months to 31-Dec-18 Audited	6 months to 30-Jun-19 Unaudited	30-Jun-18 Unaudited	12 months to 31-Dec-18 Audited
Cash flows from operating activities						
Interest and fees received	22 677	32 464	56 092	16 358	17 121	33 803
Interest paid	(4 515)	(8 200)	(14 589)	(2 794)	(4 351)	(7 713)
Cash paid to suppliers and employees	(2 783)	(18 823)	(31 381)	11 933	(13 682)	(22 915)
	15 379	5 441	10 122	25 496	(912)	3 175
(Decrease)/Increase in net customer balances	(11 924)	(13 531)	6 731	(8 530)	(33 063)	(7 242)
Cash generated from operations	3 455	(8 090)	16 853	16 967	(33 975)	(4 067)
Dividend received net of tax	–	21	50	–	21	50
Income taxes paid	257	(1 894)	(3 192)	(805)	(913)	(1 010)
Cash flows from operating activities	3 712	(9 963)	13 711	16 162	(34 867)	(5 027)
Cash flows from investing activities						
(Purchases)/maturities of investment securities	(118)	19 733	31 667	(9 010)	18 287	13 623
(Purchases)/maturities of Repos	(6 820)	12 949	3 343	(6 820)	12 949	3 343
Disposal of a subsidiary	(84 911)	–	–	–	–	–
Proceeds from sale of equipment	–	–	14	–	–	13
Acquisition of property and equipment	(858)	(2 705)	(7 822)	(1 249)	(2 011)	(3 591)
Cash outflows applied to investing activities	(92 707)	29 977	27 202	(17 079)	29 225	13 388
Cash flows from financing activities						
Dividend paid to shareholders of the parent	–	(4 500)	(4 500)	(10 089)	(4 500)	(4 500)
Proceeds from issuance of preference shares	–	–	1 432	–	–	–
Proceeds/(Repayment) of long term borrowings	103	–	(3 525)	–	–	(6 111)
Cash flows from financing activities	103	(4 500)	(6 593)	(10 089)	(4 500)	(10 611)
Net (decrease)/increase in cash and cash equivalents	(88 892)	15 514	34 320	(11 006)	(10 142)	(2 249)
Cash and cash equivalents at 1 January	112 650	79 515	79 515	34 765	37 631	37 631
Effect of changes in exchange rates	–	(879)	(1 185)	–	–	(617)
Cash and cash equivalents at period end	23 758	94 150	112 650	23 759	27 489	34 765

Summary Statements of Financial Position

In millions of Malawi Kwacha	Consolidated			Separate		
	6 months to 30-Jun-19 Unaudited	30-Jun-18 Unaudited	12 months to 31-Dec-18 Audited	6 months to 30-Jun-19 Unaudited	30-Jun-18 Unaudited	12 months to 31-Dec-18 Audited
Assets						
Cash and cash equivalents	23 758	94 150	112 650	23 758	27 489	34 765
Money market investments	76 578	96 713	84 456	76 578	63 206	67 569
Loans and advances to customers	72 127	187 495	178 897	72 127	53 406	62 137
Finance lease receivables	1 012	3 359	1 625	1 012	3 359	1 625
Amounts due from related parties	264	–	253	508	139	568
Repurchase agreements	28 671	12 245	21 851	28 671	12 245	21 851
Current tax asset	243	2 392	2 367	197	1 343	1 008
Financial assets at FVOCI	–	33	32	–	–	–
Investments at fair value through profit or loss	5 756	5 901	5 589	5 756	5 901	5 589
Investment in subsidiary companies	–	–	–	209	13 692	10 298
Investment property	–	866	–	–	–	–
Intangible assets	3 724	5 322	4 579	3 724	4 106	3 880
Property and equipment	17 999	18 316	23 578	17 998	14 342	17 562
Assets held for sale	212	218	218	212	218	218
Other assets	3 989	5 968	3 245	3 962	2 288	2 327
Total assets	234 334	432 977	439 341	234 713	201 736	229 397
Liabilities and Equity						
Liabilities						
Balances due to other banks	49 651	26 789	26 114	49 651	23 729	37 050
Customer deposits	128 130	330 596	335 771	128 445	126 655	139 582
Other payables	13	504	744	–	–	–
Provisions	16 547	11 357	12 549	16 977	7 683	6 594
Subordinated debt	677	75	601	677	75	601
Redeemable Preference shares	7 000	10 119	12 887	7 000	7 000	7 000
Deferred tax liabilities	–	–	1 432	–	–	–
Deferred tax liabilities	2 263	1 050	1 813	2 267	1 187	2 345
Total liabilities	204 281	380 489	391 911	205 016	166 329	193 171
Equity						
Share capital	117	117	117	117	117	117
Share premium	1 565	1 565	1 565	1 565	1 565	1 565
Property revaluation reserve	5 197	3 459	5 198	5 197	3 461	5 197
Loan loss reserve	521	3 022	1 086	814	964	823
Translation reserve	–	2 235	1 218	–	–	–
Retained earnings	22 653	27 660	28 515	22 003	29 299	28 523
Equity attributable to equity holders of the company	30 054	38 058	37 700	29 697	35 406	36 226
Non-controlling interest	–	14 430	9 730	–	–	–
Total equity	30 054	52 488	47 430	29 697	35 406	36 226
Total equity and liabilities	234 334	432 977	439 341	234 713	201 736	229 397

Summary Statements of Changes in Equity

In millions of Malawi Kwacha	Consolidated			Separate		
	6 months to 30-Jun-19 Unaudited	30-Jun-18 Unaudited	12 months to 31-Dec-18 Audited	6 months to 30-Jun-19 Unaudited	30-Jun-18 Unaudited	12 months to 31-Dec-18 Audited
As at the beginning of the period	47 430	53 546	53 546	36 226	36 584	36 584
Net profit for the period	4 153	6 580	10 774	3 560	4 343	6 655
IFRS 9 Transition adjustment (net of tax)	–	(2 259)	(1 800)	–	(1 020)	(856)
Other comprehensive income	–	(879)	560	–	–	1 736
Comprehensive Income attributable to owners	51 583	56 988	63 080	39 786	39 907	44 119
Dividends paid	(10 089)	(4 500)	(7 893)	(10 089)	(4 500)	(7 893)
Other transactions with owners	(11 440)	–	(7 757)	–	–	–
Balance at the end of the period	30 054	52 488	47 430	29 697	35 407	36 226

Impairment Losses/Non Performing Credit Facilities And Provisions For Losses By Industry (First Capital Bank Malawi only)

Industry Sector (MK'000)	Jun-19			Jun-18		
	Outstanding Amount	Impaired Amount	Specific Provision	Outstanding Amount	Impaired Amount	Specific Provision
Agriculture	14 454 291	49 265	26 489	10 938 823	107 982	6 946
Mining	81 390	–	–	27 819	–	–
Financial Services	873 509	193	193	1 831 227	24 776	20 192
Construction	3 762 327	276 084	121 217	2 020 760	143 341	20 023
Energy/Electricity/Gas /Water	1 697 549	108 173	–	4 172 300	175 103	28 746
Manufacturing	18 068 102	190 449	–	11 601 726	14 878	12 219
Wholesale and Retail	22 722 468	1 980 653	1 259 582	18 686 761	2 952 734	1 143 495
Individual/Households/Community/Social/Personal	2 832 493	214 818	94 732	1 300 484	228 933	100 602
Real Estate	311 166	–	–	143 610	–	–
Tourism & Leisure	2 623 946	42 304	283	1 103 814	21 838	18 722
Transport & Communication	4 008 394	157 414	9 494	4 866 585	173 412	519
Others	3 814 323	353 813	114 622	4 901 378	1 541 413	914 169
	75 249 958	3 373 166	1 626 611	61 595 287	5 384 410	2 265 633

Credit Concentrations

Sector of Borrower (MK'000)	30-Jun-19		30-Jun-18	
	30-Jun-19	% of Core Capital	30-Jun-18	% of Core Capital
Agriculture	14 454 290	65.30%	10 938 823	50.00%
Manufacturing	18 067 101	81.70%	11 601 726	53.00%
Wholesale and Retail	22 722 468	102.70%	18 686 761	86.00%

Note: Credit concentration represents total credit facilities including guarantees, acceptances, and other similar commitments extended to any one customer or group of related customers where amounts exceed 25% of core capital

Loans to directors, senior management and other related parties

MK'000	30-Jun-19	30-Jun-18
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