

## SUMMARY OF UNAUDITED CONSOLIDATED AND SEPARATE RESULTS

for the six months ended 30 June 2023

We hereby publish summary financial results for First Capital Bank plc for the six months ended 30 June 2023. The summary consolidated and separate financial statements have been prepared to meet the requirements of the Financial Services Act, 2010.

The amounts in the summary consolidated and separate financial statements are prepared in accordance with the

framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRSs).

By order of the Board,  
**Agness Jazza**  
**Michael Kadumbo**  
**Hitesh Anadkat**

Chief Executive Officer  
 Chief Finance Officer  
 Director

### SUMMARY STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	CONSOLIDATED			SEPARATE		
	30-Jun-23 Unaudited	30-Jun-22 Unaudited	31-Dec-22 Audited	30-Jun-23 Unaudited	30-Jun-22 Unaudited	31-Dec-22 Audited
<i>In millions of Malawi Kwacha</i>						
Interest income	25,658	17,837	39,352	25,658	17,837	39,352
Interest expense	(5,515)	(4,160)	(8,055)	(5,515)	(4,160)	(8,055)
<b>Net interest income</b>	<b>20,143</b>	<b>13,677</b>	<b>31,297</b>	<b>20,143</b>	<b>13,677</b>	<b>31,297</b>
Fees and commissions	14,958	8,267	14,958	14,958	8,267	14,958
Income from investments	5,242	724	3,834	5,242	724	3,834
	<b>20,200</b>	<b>8,991</b>	<b>20,029</b>	<b>20,200</b>	<b>8,991</b>	<b>20,029</b>
<b>Total operating income</b>	<b>40,343</b>	<b>22,668</b>	<b>51,326</b>	<b>40,343</b>	<b>22,668</b>	<b>51,326</b>
Staff and training costs	6,338	4,643	10,707	6,338	4,643	10,707
Premises and equipment costs	2,921	1,855	3,908	2,921	1,855	3,908
Depreciation expense	1,237	1,115	2,237	1,237	1,115	2,237
Other expenses	5,879	4,759	9,428	5,879	4,759	9,428
Impairment loss on financial assets	973	(56)	262	973	(56)	262
<b>Total expenses</b>	<b>17,348</b>	<b>12,316</b>	<b>26,542</b>	<b>17,348</b>	<b>12,316</b>	<b>26,542</b>
<b>Profit before income tax expense</b>	<b>22,995</b>	<b>10,352</b>	<b>24,784</b>	<b>22,995</b>	<b>10,352</b>	<b>24,784</b>
Income tax expense	(6,208)	(2,992)	(6,514)	(6,208)	(2,992)	(6,514)
<b>Profit for the period</b>	<b>16,787</b>	<b>7,360</b>	<b>18,270</b>	<b>16,787</b>	<b>7,360</b>	<b>18,270</b>
<b>Other comprehensive income</b>	<b>1</b>	<b>–</b>	<b>3,853</b>	<b>1</b>	<b>–</b>	<b>3,853</b>
<b>Total comprehensive income for the period</b>	<b>16,788</b>	<b>7,360</b>	<b>22,123</b>	<b>16,788</b>	<b>7,360</b>	<b>22,123</b>

### SUMMARY STATEMENTS OF FINANCIAL POSITION

	CONSOLIDATED			SEPARATE		
	30-Jun-23 Unaudited	30-Jun-22 Unaudited	31-Dec-22 Audited	30-Jun-23 Unaudited	30-Jun-22 Unaudited	31-Dec-22 Audited
<i>In millions of Malawi Kwacha</i>						
<b>Assets</b>						
Cash and cash equivalents	54,792	48,685	56,233	54,792	48,685	56,233
Money market investments	169,253	105,532	91,766	169,253	105,532	91,766
Loans and advances to customers	138,524	121,669	127,332	138,524	121,669	127,332
Repurchase agreements	5,261	29,577	5,128	5,261	29,577	5,128
Investments at fair value through profit or loss	9,847	3,483	4,731	9,847	3,483	4,731
Investment in subsidiary companies	–	–	–	209	209	209
Intangible assets	1,774	2,402	2,048	1,774	2,402	2,048
Property and equipment	24,377	19,367	23,619	24,378	19,367	23,619
Other assets	4,040	3,919	4,106	4,030	3,848	4,031
<b>Total assets</b>	<b>407,868</b>	<b>334,634</b>	<b>314,963</b>	<b>408,068</b>	<b>334,772</b>	<b>315,097</b>
<b>Liabilities and Equity</b>						
<b>Liabilities</b>						
Balances due to other banks	10,251	66,144	8,289	10,251	66,144	8,289
Customer deposits	307,644	204,134	229,815	307,962	204,452	230,132
Income tax payable	2,188	1,516	2,647	2,188	1,505	2,637
Other payables	14,532	11,979	12,394	14,748	12,163	12,574
Lease liabilities	575	580	454	575	580	454
<b>Total liabilities</b>	<b>335,190</b>	<b>284,353</b>	<b>253,599</b>	<b>335,724</b>	<b>284,844</b>	<b>254,086</b>
<b>Equity</b>						
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	11,571	7,717	11,570	11,571	7,717	11,570
Loan loss reserve	899	737	960	899	737	960
Retained earnings	58,526	40,145	47,152	58,192	39,792	46,799
<b>Total equity</b>	<b>72,678</b>	<b>50,281</b>	<b>61,364</b>	<b>72,344</b>	<b>49,928</b>	<b>61,011</b>
<b>Total equity and liabilities</b>	<b>407,868</b>	<b>334,634</b>	<b>314,963</b>	<b>408,068</b>	<b>334,772</b>	<b>315,097</b>

### SUMMARY STATEMENTS OF CHANGES IN EQUITY

	CONSOLIDATED			SEPARATE		
	30-Jun-23 Unaudited	30-Jun-22 Unaudited	31-Dec-22 Audited	30-Jun-23 Unaudited	30-Jun-22 Unaudited	31-Dec-22 Audited
<i>In millions of Malawi Kwacha</i>						
<b>As at the beginning of the period</b>	<b>61,364</b>	<b>47,721</b>	<b>47,721</b>	<b>61,011</b>	<b>47,368</b>	<b>47,368</b>
Net profit for the period	16,787	7,360	18,270	16,787	7,360	18,270
Other comprehensive income	1	–	3,853	1	–	3,853
<b>Comprehensive income attributable to owners</b>	<b>78,152</b>	<b>55,081</b>	<b>69,844</b>	<b>77,799</b>	<b>54,728</b>	<b>69,491</b>
Dividends paid	(5,455)	(4,800)	(8,480)	(5,455)	(4,800)	(8,480)
Other transactions with owners	(19)	–	–	–	–	–
<b>Balance at the end of the period</b>	<b>72,678</b>	<b>50,281</b>	<b>61,364</b>	<b>72,344</b>	<b>49,928</b>	<b>61,011</b>

### SUMMARY STATEMENTS OF CASH FLOWS

	CONSOLIDATED			SEPARATE		
	30-Jun-23 Unaudited	30-Jun-22 Unaudited	31-Dec-22 Audited	30-Jun-23 Unaudited	30-Jun-22 Unaudited	31-Dec-22 Audited
<i>In millions of Malawi Kwacha</i>						
<b>Cash flows from operating activities</b>						
Interest and fees received	39,881	26,276	55,092	39,881	26,276	55,092
Interest paid	(5,633)	(4,160)	(8,199)	(5,633)	(4,160)	(8,199)
Cash paid to suppliers and employees	(13,115)	(10,209)	(21,621)	(13,080)	(10,209)	(21,621)
	<b>21,133</b>	<b>11,907</b>	<b>25,272</b>	<b>21,168</b>	<b>11,907</b>	<b>25,272</b>
Increase in net customer balances	65,812	(44,662)	30,162	65,813	(44,662)	30,162
<b>Cash generated from operations</b>	<b>86,945</b>	<b>(32,755)</b>	<b>55,434</b>	<b>86,981</b>	<b>(32,755)</b>	<b>55,434</b>
Dividend received net of tax	127	47	228	127	47	228
Income taxes paid	(5,977)	(4,276)	(7,378)	(6,012)	(4,276)	(7,378)
<b>Cash flows from operating activities</b>	<b>81,095</b>	<b>(36,984)</b>	<b>48,284</b>	<b>81,096</b>	<b>(36,984)</b>	<b>48,284</b>
<b>Cash flows from investing activities</b>						
(Purchases)/Maturities of investment securities	(77,741)	29,283	43,328	(77,741)	29,283	43,328
(Purchases)/Maturities of repurchase agreements	(137)	15,552	39,999	(137)	15,552	39,999
Proceeds from sale of equipment	10	–	43	10	–	43
Sale of shares in listed companies	–	2,581	4,261	–	2,581	4,261
Acquisition of property and equipment	(1,720)	(863)	(2,681)	(1,721)	(863)	(2,681)
<b>Cash out flows applied to investing activities</b>	<b>(79,588)</b>	<b>46,553</b>	<b>84,950</b>	<b>(79,589)</b>	<b>46,553</b>	<b>84,950</b>
<b>Cash flows from financing activities</b>						
Dividend paid to shareholders of the parent	(5,455)	(4,800)	(8,480)	(5,455)	(4,800)	(8,480)
Proceeds/(Repayment) of long-term borrowings	1,921	(174)	(114,879)	1,921	(174)	(114,879)
Payment of lease liabilities	(179)	(2,037)	(353)	(179)	(2,037)	(353)
<b>Cash flows from financing activities</b>	<b>(3,713)</b>	<b>(7,011)</b>	<b>(123,712)</b>	<b>(3,713)</b>	<b>(7,011)</b>	<b>(123,712)</b>
<b>Net changes in cash and cash equivalents</b>	<b>(2,206)</b>	<b>2,558</b>	<b>9,522</b>	<b>(2,206)</b>	<b>2,558</b>	<b>9,522</b>
Cash and cash equivalents at 1 January	56,233	46,300	46,300	56,233	46,300	46,300
Effect of changes in exchange rates	765	(173)	411	765	(173)	411
<b>Cash and cash equivalents at the end of the period</b>	<b>54,792</b>	<b>48,685</b>	<b>56,233</b>	<b>54,792</b>	<b>48,685</b>	<b>56,233</b>

### IMPAIRMENT LOSSES/NON-PERFORMING CREDIT FACILITIES AND PROVISIONS FOR LOSSES BY INDUSTRY

	30-Jun-23			30-Jun-22		
	Outstanding amount	Impaired amount	Specific provision	Outstanding amount	Impaired amount	Specific provision
<i>In millions of Malawi Kwacha</i>						
<b>Industry Sector</b>						
Agriculture	30,204	618	260	26,985	510	131
Mining	37	–	–	21	–	–
Financial Services	671	1	–	338	39	16
Construction	11,165	94	40	7,004	313	18
Energy/Electricity/Gas/Water	9,737	–	1	6,512	–	–
Manufacturing	26,766	2,021	850	29,219	–	–
Wholesale and Retail	32,321	2,942	1,238	30,066	2,836	2,032
Individual/Households	22,500	396	165	17,998	468	334
Real Estate	34	–	–	274	–	–
Tourism & Leisure	2,643	316	133	3,082	319	17
Transport & Communication	6,074	38	16	3,506	52	15
	<b>142,152</b>	<b>6,426</b>	<b>2,703</b>	<b>125,005</b>	<b>4,537</b>	<b>2,563</b>

### CREDIT CONCENTRATIONS

<i>In thousands of Malawi Kwacha</i>	30-Jun-23	% of Core Capital	30-Jun-22	% of Core Capital
Construction	14,982,770	28.40%	–	–
Wholesale and Retail	13,905,000	26.35%	8,758,556	31.78%
Agriculture	–	–	20,099,701	64.54%
Transport & Communication	–	–	10,260,901	26.72%

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

<i>In thousands of Malawi Kwacha</i>	30-Jun-23	30-Jun-22	31-Dec-22
<b>Corporate bodies directly or indirectly related to directors:</b>			
Balance at the beginning of the period	2,929,524	1,902,029	1,902,029
Loans granted during the period	–	–	1,027,495
Repayments	(896,909)	(6,869)	–
<b>Balance at the end of the period</b>	<b>2,032,615</b>	<b>1,895,160</b>	<b>2,929,524</b>
<b>Senior management</b>			
Balance at the beginning of the period	979,394	316,004	316,004
Loans granted during the period	60,437	59,395	730,836
Repayments	(112,115)	(78,761)	(67,446)
<b>Balance at the end of the period</b>	<b>927,716</b>	<b>296,638</b>	<b>979,394</b>

All loans to bodies directly or indirectly linked to directors were made on arm's length commercial terms.

### INVESTMENT IN SUBSIDIARY COMPANIES

Institution	Shares ('000)	Holding	2023 ('000)	2022 ('000)
ICB Malawi Limited	7,149	100.0%	148,791	148,791
FMB Capital Markets Limited	500	100.0%	50,000	50,000
FMB Forex Bureau	10,000	100.0%	10,000	10,000
			<b>208,791</b>	<b>208,791</b>

### BASE LENDING RATE

	30-Jun-23	30-Jun-22	31-Dec-22
Base lending rate (local currency loans)	21.00%	13.80%	13.80%
Maximum applicable range (percentage points)	11.10%	11.10%	11.10%
Base lending rate (foreign currency loans)	0.00	0.00	0.00
Maximum applicable range (percentage points)	9.50	9.50	9.50
Reference rate	21.00%	13.80%	13.80%

### DEPOSIT RATES

	30-Jun-23	30-Jun-22	31-Dec-22
Savings Accounts (Balances above K10,000)	4.00%	4.00%	4.00%
Fast Accounts (Balances above K10,000)	2.00%	2.00%	2.00%
<b>Call Accounts</b>			
7-day call	3.00%	3.00%	3.00%
30-day call	3.00%	3.00%	3.00%
<b>Fixed Deposits (Minimum deposit K25,000)</b>			
1 Month	3.50%	3.50%	3.50%
2 Months	5.50%	5.50%	5.50%
3 Months	5.00%	5.00%	5.00%
Above 3 Months	Negotiable	Negotiable	Negotiable