

SUMMARY CONSOLIDATED AND SEPERATE FINANCIAL RESULTS

FOR THE YEAR ENDED 31ST DECEMBER 2024

Growth Highlights

Revenue

K195
Billion

Up by **90%**

Profit After Tax

K74
Billion

Up by **108%**

Deposits

K883
Billion

Up by **99%**

Total Assets

K1.2
Trillion

Up by **119%**

Share Price

K148.23
Per Share as at 31 Dec 2024

Up by **118.75%**

Net Interest Income

K141
Billion

Up by **136%**

Dividend Paid

K35.1
Billion

Up by **79%**

K5.09
Per Share

Performance

Delivered a strong performance in 2024 with record Revenue of K195bn from K103bn in 2023.

Growth Trajectory

Sustained growth trajectory with 108% growth in PAT to K74bn from K36bn in 2023 and a Return on Equity of 76% from 61% in 2023.

Growth Prospects

Prospects for regional growth, which will widen and diversify the revenue base and the future earnings are expected to increase in the long run.

The Directors present the summary audited consolidated and separate financial statements of FDH Bank Plc for the year ended 31st December 2024.

PERFORMANCE

The Bank registered a Profit After Tax of MK74.063 billion 108% up from MK35.647billion profit achieved over a similar period in 2023. Net Interest Income increased by 136% on the back of the increase in interest-bearing assets, mainly the loan book, government securities and placements. The increase in Net Interest Income was partly offset by the increase in interest expense as a result of the significant growth in customer deposits the Bank registered in 2025. Commissions and other fee income increased by 25% as a result of increase in customer transactions and growth of digital revenue. However, there was subdued growth on the international trade and trade finance due to low availability of foreign currency. The increase in net interest income and non-interest income resulted in total income growth of 90%.

Operating expenses grew by 42% when compared to the same period last year as a result increase in investment in staff development and investment in delivery channels as the Bank focuses on continuous innovation to meet customer needs. The growth in expenses was also influenced by high inflation during the year which averaged 32.2%. Notwithstanding the increase in expenses, the cost to income ratio went down to 34% from 45% in prior year. The Bank continues to improve its operational efficiencies to contain costs.

There was an increase in net impairment charges due to the increase in expected credit losses resulting from customers whose businesses were affected by the challenging economic environment and low availability of foreign currency; however, recovery efforts are in progress to minimise the loss.

Total assets increased by 119% from December 2023 mainly emanating from increase in Loans by 56%, Government Securities by 101% and placements by 176% as part of the Bank's strategy to grow the interest earning assets. This growth was supported by growth in customer deposits which increased by 99% from MK444 billion in 2023 to MK883 billion to 2024

DIVIDEND

The Bank paid out dividends amounting to K35.126 billion (representing K5.09 per share) during the year ended December 2024 including a dividend of K7.039 billion (K1.02 per share) in respect of 2023 profits which was approved at the Bank's Annual General Meeting on 24th May 2024. On 1st August 2024, the Directors of the Bank approved a first interim dividend of K13.043 billion (K1.89 per share) in respect of 2024 profits, the dividend was paid on 22nd August 2024. On, 22nd November 2024, the Directors approved a second interim dividend of K15.044 billion (K2.18 per share) in respect of 2024 profits, this dividend was paid on 19th December 2024.

A final dividend of K4.555 billion (K0.66 per share) for the year ended 31 December 2024 was recommended by the Board on 24th February 2025 and this is will be presented to the shareholders for declaration at the Bank's 18th Annual General Meeting which will be held at a date to be communicated.

REGIONAL GROWTH

In line with the strategy to pursue regional growth, FDH Bank Plc is prospecting to acquire a controlling stake in a bank within the African region and negotiations are underway and we expect the outcome to be known in the course of the year 2025.

Shareholders are advised to exercise caution and should consult their professional advisors before dealing in the shares of the Company until such a time when the outcome of such negotiations is known.

OUTLOOK

Looking ahead, the local economic environment is expected to remain challenging in 2025 with the country facing continued foreign currency shortages from the widening trade deficit gap and slow GDP growth. However, the Malawi economy is expected to recover and grow by at 4.0% in 2025, from 1.8% in 2024, mainly driven by key sectors of agriculture, mining, tourism, construction, information and communication. Annual inflation rate is anticipated to slow down in 2025 to average 29.2%. (2024: 32.2%).

The Bank will continue to implement the strategic objectives running from 2024 to 2026, focusing on meeting the customer needs while operating efficiently, leveraging on our vibrant staff complement and continuous innovation. The Bank remains committed to creating value for our customers, shareholders and other stakeholders by focusing on sustainable growth.

APPRECIATION

We would like to thank all stakeholders of FDH Bank Plc, including our valued customers, the shareholders, the Government of Malawi, the Reserve Bank of Malawi, the Malawi Stock Exchange, correspondent banks and other business partners, who rendered their support to the Bank during the year which inspired the good performance of the Bank.

BASIS OF PREPARATION

The Directors have prepared the summary consolidated and separate financial statements to meet the requirements of the Financial Services Act, 2010 and the Malawi Stock Exchange. The Directors have considered the requirements of the Financial Services Act, 2010 and the Malawi Stock Exchange and believe that the summary consolidated and separate statements of financial position, comprehensive income, changes in equity and cash flows are sufficient to meet the requirements of the users of the summary consolidated and separate financial statements. 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. The summary consolidated and separate financial statements have been derived from the financial statements which were approved by the Board of Directors on 24 February 2025, and are available at the registered office of the Bank.

By order of the Board.
FDH Bank Plc

Mrs. Charity Mseka
Board Chairperson

Dr. Ulemu Katunga
Chairperson, Finance and Audit Committee

Mr. Noel Mkulichi
Managing Director

Mr. Richard M. Chipezaani
Head of Finance

27th March 2025



FDH BANK PLC SUMMARY AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2024

1. STATEMENT OF COMPREHENSIVE INCOME

	Group	Group	Bank	Bank
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	audited	audited	audited	audited
	K'000	K'000	K'000	K'000
Interest income	181,628,711	73,424,273	181,628,711	73,424,273
Interest expenses	(40,285,646)	(13,574,907)	(40,285,646)	(13,574,907)
Net interest income	141,343,065	59,849,366	141,343,065	59,849,366
Non-interest income	53,855,742	43,155,760	53,424,938	42,980,820
Total income	195,198,807	103,005,126	194,768,003	102,830,186
Operating expenses	(65,428,892)	(46,160,184)	(66,035,527)	(46,750,783)
Profit before provision for impaired loans and advances	129,769,915	56,844,942	128,732,476	56,079,402
Net charge on impaired loans and advances	(7,863,181)	(1,388,820)	(7,863,181)	(1,388,820)
Profit before tax	121,906,734	55,456,122	120,869,295	54,690,582
Taxation	(47,843,732)	(19,809,193)	(47,532,501)	(21,140,070)
Profit after tax	74,063,002	35,646,929	73,336,794	33,550,512
Other comprehensive income				
Revaluation Surplus	2,191,000	1,149,950	-	-
Deferred tax on revaluation surplus	(2,422,778)	(344,985)	-	-
Total other income net of tax	(231,778)	804,965	-	-
Total comprehensive income for the year	73,831,224	36,451,894	73,336,794	33,550,512

2. STATEMENT OF FINANCIAL POSITION

Liabilities, Capital and Reserves				
Liabilities				
Long Term Loan	44,469,729	24,910,193	44,469,729	24,910,193
Liabilities to customers	882,518,141	443,962,688	882,522,407	443,983,299
Liabilities to other banks	157,297,966	-	157,297,966	-
Payables and accruals	20,310,421	23,682,699	19,837,137	22,736,530
Provisions	14,889,800	6,473,932	14,889,800	6,473,932
Lease liabilities	2,533,725	821,540	5,505,925	2,016,495
Income tax payable	21,669,431	7,511,661	21,355,190	7,278,989
Total liabilities	1,143,689,213	507,362,713	1,145,878,154	507,399,438
Capital and Reserves	97,406,923	58,701,948	91,901,175	53,690,630
Total liabilities, capital and reserves	1,241,096,136	566,064,661	1,237,779,329	561,090,068

Assets				
Cash and funds with Reserve Bank of Malawi	168,904,694	33,751,398	168,904,694	33,751,398
Placements with other banks	303,166,969	109,927,257	303,166,969	109,927,257
Malawi Government Treasury Bills	460,298,357	229,093,865	458,821,690	227,902,663
Loans and advances to customers	211,325,375	135,796,264	211,325,375	135,796,264
Investments	146,232	146,232	7,066,465	7,066,465
Other assets	54,873,787	22,696,528	53,824,966	21,418,700
Property plant and equipment	35,113,031	28,350,112	24,429,279	20,152,138
Right of use assets	2,133,571	1,331,058	5,105,771	2,526,013
Deferred tax asset	5,134,120	4,971,948	5,134,120	2,549,170
Total assets	1,241,096,136	566,064,661	1,237,779,329	561,090,068

3. STATEMENT OF CHANGES IN EQUITY

At the beginning of the period	58,701,948	41,846,054	53,690,630	39,736,119
Total comprehensive (loss)/income for the year	73,831,224	36,451,894	73,336,794	33,550,511
Dividends paid	(35,126,249)	(19,596,000)	(35,126,249)	(19,596,000)
At the end of the period	97,406,923	58,701,948	91,901,175	53,690,630

4. STATEMENT OF CASHFLOWS

	Group	Group	Bank	Bank
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	audited	audited	audited	audited
	K'000	K'000	K'000	K'000
Cash generated from operations before taxation	556,390,635	136,568,227	556,831,538	137,283,388
Income tax paid	(36,270,912)	(19,326,393)	(36,041,250)	(19,301,412)
Cash flows generated from operating activities	520,119,723	117,241,834	520,790,288	117,981,976
Net cash used in investing activities	(172,473,479)	(26,084,209)	(172,880,223)	(25,975,459)
Net cash generated from/ (used in) in financing activities	(19,253,236)	(34,083,599)	(19,517,017)	(34,932,489)
Net increase/ (decrease) in cash and cash equivalents	328,393,008	57,074,027	328,393,008	57,074,027
Cash and cash equivalents at the beginning of the period	143,678,655	86,604,628	143,678,655	86,604,628
Cash and cash equivalents at the end of the period	472,071,663	143,678,655	472,071,663	143,678,655

5. IMPAIRMENT LOSSES/NON-PERFORMING CREDIT FACILITIES AND PROVISIONS FOR LOSS-ES BY INDUSTRY SECTOR

	31 Dec 2024			31 Dec 2023		
	Outstanding Amount	Impaired Amount	Expected Credit Loss	Outstanding Amount	Impaired Amount	Expected Credit Loss
	MK'000	MK'000	MK'000	MK'000	MK'000	MK'000
1. Agriculture, forestry, fishing and hunting	27,559,870	755,725	755,725	15,075,955	361,629	361,629
2. Mining and quarrying	19,429	19,429	19,429	26,988	1,479	1,479
3. Manufacturing	17,187,870	7,736	7,736	20,088,336	20,858	20,858
4. Electricity, gas, water and energy	41,918,067	10,662	10,662	2,492,320	3,816	3,816
5. Construction	12,226,425	128,986	128,986	14,430,266	97,316	97,316
6. Wholesale and retail trade	50,620,994	5,934,867	5,634,390	43,865,947	321,542	302,420
7. Restaurants and hotels	141,838	13,192	13,192	477,417	1,566	1,566
8. Transport, storage and communications	2,258,941	60,433	60,433	2,577,449	40,946	40,946
9. Financial services	6,738,542	84,102	84,102	6,588,072	17,008	17,008
10. Community, social and personal services	62,889,335	3,521,280	3,521,280	32,211,009	1,190,458	1,190,458
TOTAL	221,561,311	10,536,412	10,235,935	137,833,759	2,056,618	2,037,496

6. CREDIT CONCENTRATION

Total credit facilities (including guarantees, acceptances and other similar commitments) extended to any one customer or group

	31-Dec-24		31-Dec-23	
	K'000	% of Core Capital	K'000	% of Core Capital
Sector of Borrower				
Electricity, gas, water and energy *	67,752,324	117.8%	41,269,702	107.1%
* These are non-funded facilities which are fully cash covered				

7. LOANS TO DIRECTORS, SENIOR MANAGEMENT AND OTHER RELATED PARTIES

	31-Dec-24	31-Dec-23
	K'000	K'000
Directors		
Balance at the beginning of the year	223,669	87,990
Loans granted during the year	545,772	149,533
Repayments	(190,218)	(13,854)
Balance at the end of the year	579,223	223,669

Other related parties		
Balance at the beginning of the year	5,489,535	4,083,289
Loans granted during the year	8,009,020	1,941,580
Repayments	(5,724,374)	(535,334)
Balance at the end of the year	7,774,181	5,489,535

Senior Management Officials		
Balance at the beginning of the year	1,394,479	1,398,559
Loans granted during the year	543,476	777,616
Repayments	(788,484)	(781,696)
Balance at the end of the year	1,149,471	1,394,479

8. BASE LENDING RATES

Base Lending Rate	25.3%	23.6%
Maximum Applicable Range (basis points)	11.1%	11.1%
Base Lending Rate (Foreign)	N/A	N/A
RBM Bank Rate	26.0%	24.0%

9. DIRECTORS REMUNERATION, BONUSES AND MANAGEMENT FEES

Directors' fees	591,651	533,688
Other directors' expenses	173,358	173,228
Staff Bonus Provision	9,493,878	3,585,035

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

OPINION

The summary consolidated and separate financial statements, which comprise the summary statements of financial position as at 31 December 2024, the summary statements of profit or loss and other comprehensive income, summary statements of changes in equity and summary statements of cash flows for the year then ended and related notes, are derived from the audited consolidated and separate financial statements of FDH Bank Plc for the year ended 31 December 2024.

In our opinion, the accompanying summary consolidated and separate financial statements are consistent in all material respects, with the audited consolidated and separate financial statements, in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board (IASB), IAS 29 Directive as issued by the Institute of Chartered Accountants In Malawi (ICAM) and the requirements of the Companies Act 2013.

SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The summary consolidated and separate financial statements do not contain all the disclosures required by IFRS Accounting Standards as issued by International Accounting Standards Board, as issued by the Institute of Chartered Accountants In Malawi (ICAM) and the requirements of the Companies Act 2013". Reading the summary consolidated and separate financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements and the auditor's report thereon. The summary consolidated and separate financial statements and the audited consolidated and separate financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated and separate financial statements.

THE AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 27 March 2025. That report also includes communication of other key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period.

DIRECTORS' RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Directors are responsible for the preparation of the summary consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board, IAS 29 Directive as issued by the Institute of Chartered Accountants In Malawi (ICAM) and the requirements of the Companies Act 2013"; and for such internal control as the directors determine is necessary to enable the preparation of the summary consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing ISA 810 (Revised), *Engagements to Report on Summary Financial Statements*.



Chartered Accountants (Malawi)
Chiwemi Chihana

Registered Practicing Accountant
27th March 2025

Our Bank. Our Future. Grow With Us

