FDH Bank Plc

Growth Highlights

Revenue
K333 Billion
Up by **71%**

Profit After Tax
K148 Billion
Up by **100%**

Deposits
K1.1 Trillion
Up by **27%**

Total Assets
K1.6 Trillion
Up by **31%**

Net Interest Income
K257 Billion
Up by **82%**

Performance

Profit after tax increased by 100%, driven by higher interest and non-interest income growth.

Growth Trajectory

Acquisition of Ecobank Mozambique established regional presence, supporting market expansion, revenue diversification, and operational synergies across geographies.

Growth Prospects

Economic outlook remains challenging; the Bank will drive growth through strategy execution, digital capability, operating efficiency improvements, and sustainable value creation.

SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL RESULTS

FOR THE YEAR ENDED 31ST DECEMBER 2025

The Directors present the audited consolidated and separate summarized financial statements of FDH Bank Plc for the year ended 31 December 2025.

PERFORMANCE

The Group registered a Profit after Tax of MK147.795 billion (Bank separate MK149.370) up from MK74.063 billion (Bank separate MK73.337) achieved over a similar period in 2024, representing a 100% increase (Bank separate 104% increase).

Net Interest Income increased by 82% driven by growth in the loan book, Government Securities and other interest-bearing assets. Total assets increased by 31% from December 2024 primarily emanating from the increase in the loan book by 65% and Government Securities by 49%.

Interest expense increased by 35% reflecting growth in customer deposits as well as increased utilisation of long-term loans funding. Customer deposits increased by 27% from MK883 billion to MK1.125 trillion.

Non-interest income increased by 43% mainly driven by higher fees and commission income. This was further supported by increased international trade and domestic transaction volumes, reflecting improved trading activity with key partner countries.

As a result, total income grew by 71%, supported by strong growth in both interest and non-interest income streams.

Operating expenses grew by 21% compared to the prior year, largely due to inflationary pressures and increased cost of doing business. The Bank continues to prioritise cost optimisation initiatives aimed at improving the cost to income ratio.

Challenging macroeconomic conditions adversely affected impairment indicators on interest-earning assets. Consequently, Expected Credit Losses (ECL) increased by MK8.4 billion in 2025, partially offset by recoveries of MK1.8 billion. The Bank continue to strengthen its credit risk management processes to reduce net impairment charges going forward.

REGIONAL GROWTH

On 5 September 2025, FDH Bank Plc successfully completed the acquisition of a 98.87% controlling stake in Ecobank Mozambique SA (EMZ) from Ecobank Transnational Incorporated (ETI). The remaining 1.13% minority shareholding continues to be held by Fundo Para O Fomento De Habitação (FFH), a Housing Development Fund of the Republic of Mozambique.

This acquisition marks a major milestone in FDH Bank Plc's regional expansion strategy and establishes the Bank's presence in the Southern African market. The transaction is expected to generate significant strategic benefits, including:

- Market expansion through entry into a high-growth financial services market.
- Revenue diversification across multiple geographies.
- Operational synergies through integration of systems, processes, and group capabilities.
- Long-term value creation for shareholders and other stakeholders.

In accordance with IFRS 3 Business Combinations, the 2025 consolidated financial statements include assets, liabilities, and financial results of EMZ. The Statement of Comprehensive Income reflects the post-acquisition performance of the Mozambique subsidiary from the acquisition date to the end of the reporting period.

DIVIDEND

During the year ended 31 December 2025, the Bank declared and paid total dividends of MK11.6 billion (MK1.68 per share). This comprised a final dividend in respect of 2024 profits of MK4.55 billion (MK0.66 per share), declared on 30 May 2025 and paid on 26 June 2025, and a first interim dividend in respect of 2025 profits of MK7.04 billion (MK1.02 per share), declared on 4 August 2025 and paid on 4 September 2025. The comparable first interim dividend in 2024 amounted to MK13.04 billion (MK1.89 per share).

Subsequent to the year end, on 14 January 2026, the Bank declared a second interim dividend in respect of 2025 profits of MK50.03 billion (MK7.25 per share), which was paid on 12 February 2026. The comparable second interim dividend in 2024 amounted to MK15.04 billion (MK2.18 per share).

OUTLOOK

The domestic economic outlook for 2026 is expected to improve modestly, despite ongoing challenges including foreign currency shortages and subdued growth. Economic growth is projected at 3.8%, with inflation expected to average 24%. Planned fiscal consolidation and potential reductions in policy and interest rates may impact future interest income.

The Bank will continue to execute its 2024–2026 strategic objectives, leveraging its strong market position, extensive distribution network, robust digital platform, established brand equity, and solid financial performance, supported by a vibrant and capable workforce to deliver sustainable value to stakeholders. The Bank remains committed to delivering sustained value to its customers, shareholders and other stakeholders by growing revenue and market share, improving operating efficiency to enhance sustainable performance and profitability, fostering a highly engaged workforce, and contributing meaningfully to an inclusive, diverse and sustainable society.

APPRECIATION

The Board extends its appreciation to all stakeholders of FDH Bank Plc, including our valued clients, shareholders, the Government of Malawi, the Reserve Bank of Malawi, the Malawi Stock Exchange, correspondent banks and business partners, for their continued support, which contributed to the Bank's strong performance.

BASIS OF PREPARATION

The summary consolidated and separate financial statements have been prepared in accordance with the Financial Services Act, 2010, and the requirements of the Malawi Stock Exchange. The Directors believe that the summarized statements of financial position, comprehensive income, changes in equity and cash flows adequately meet the needs of the users. The financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards. They are derived from the consolidated and separate financial statements approved by the Board of Directors on 24 February 2026 and are available at the Bank's registered office.

By order of the Board.
FDH Bank Plc

Mrs. Charity Mseka
Board Chairperson

Mr. Noel Mkulichi
Managing Director

Dr. Ulemu Katunga
Chairperson, Finance and Audit Committee

Mr. Richard M. Chipezaani
Head of Finance

30th March 2026

FDH Bank Plc

SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL RESULTS

FOR THE YEAR ENDED 31ST DECEMBER 2025

1. SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group	Group	Bank	Bank
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	audited	audited	audited	audited
	K'000	K'000	K'000	K'000
Interest income	310,883,072	181,628,711	310,394,946	181,628,711
Interest expenses	(54,331,913)	(40,285,646)	(54,253,401)	(40,285,646)
Net interest income	**256,551,159**	**141,343,065**	**256,141,545**	**141,343,065**
Non-interest income	76,850,372	53,855,742	75,220,943	53,424,938
Total income	**333,401,531**	**195,198,807**	**331,362,488**	**194,768,003**
Operating expenses	(79,339,987)	(65,428,892)	(76,184,894)	(66,035,527)
Profit before provision for impaired loans and advances	**254,061,544**	**129,769,915**	**255,177,594**	**128,732,476**
Net charge on impaired loans and advances	(6,616,712)	(7,863,181)	(6,628,914)	(7,863,181)
Profit before tax	**247,444,832**	**121,906,734**	**248,548,680**	**120,869,295**
Taxation	(99,649,169)	(47,843,732)	(99,178,579)	(47,532,501)
Profit after tax	**147,795,661**	**74,063,002**	**149,370,101**	**73,336,794**
Attributable to:				
Equity holders of the parent	147,798,137	74,063,002	149,370,101	73,336,794
Non-controlling interests	(2,476)	-	-	-
	147,795,661	**74,063,002**	**149,370,101**	**73,336,794**
Other comprehensive income				
Revaluation surplus	8,097,539	2,191,000	-	-
Deferred tax	(2,813,117)	(2,422,778)		
Foreign Currency Translation Differences	6,301	-	-	-
Total other income net of tax	**5,290,724**	**(231,778)**	**-**	**-**
Total comprehensive (loss)/income for the year	**153,086,385**	**73,831,224**	**149,370,101**	**73,336,794**

2. SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

	Group 31-Dec-25	Group 31-Dec-24	Bank 31-Dec-25	Bank 31-Dec-24
Liabilities, Capital and Reserves				
Liabilities				
Long Term Loan	83,668,134	44,469,729	83,668,134	44,469,729
Liabilities to customers	1,125,008,424	882,518,141	1,021,977,925	882,522,407
Liabilities to other banks	100,587,645	157,297,966	91,299,825	157,297,966
Payables and accruals	21,385,158	20,310,421	18,217,822	19,837,137
Provisions	8,711,787	14,889,800	8,711,787	14,889,801
Lease liabilities	4,359,085	2,533,725	12,948,239	5,505,925
Income tax payable	37,710,514	21,669,431	37,461,019	21,355,189
Deferred tax liability	5,012,298	-	-	-
Total liabilities	**1,386,443,045**	**1,143,689,213**	**1,274,284,751**	**1,145,878,154**
Equity	**248,792,094**	**97,406,923**	**229,677,544**	**91,901,175**
Non-controlling interest	**273,711**	**-**	**-**	**-**
Total equity	**249,065,805**	**97,406,923**	**229,677,544**	**91,901,175**
Total liabilities, capital and reserves	**1,635,508,850**	**1,241,096,136**	**1,503,962,295**	**1,237,779,329**
Assets				
Cash and funds with Reserve Bank of Malawi	240,449,261	168,904,694	124,259,926	168,904,694
Placements with other banks	134,297,850	303,166,969	129,012,627	303,166,969
Malawi Government Treasury Bills	685,797,944	460,298,357	672,416,955	458,821,690
Loans and advances to customers	349,222,621	211,325,375	348,820,442	211,325,375
Other investments	146,232	146,232	31,729,104	7,066,465
Assets Held for Sale	54,830	-	-	-
Other assets	137,131,584	54,873,787	140,988,310	53,824,966
Property plant and equipment	72,885,931	35,113,031	38,993,244	24,429,279
Goodwill	6,178,381	-	-	-
Right of use assets	3,889,997	2,133,571	12,301,055	5,105,771
Current tax assets	13,588	-	-	-
Deferred tax asset	5,440,631	5,134,120	5,440,631	5,134,120
Total assets	**1,635,508,850**	**1,241,096,136**	**1,503,962,295**	**1,237,779,329**

3. SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

	Group	Group	Bank	Bank
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	audited	audited	audited	audited
	K'000	K'000	K'000	K'000
At the beginning of the period	97,406,923	58,701,948	91,901,175	53,690,630
Total comprehensive (loss)/income for the year	163,252,615	73,831,224	149,370,101	73,336,794
Dividends paid	(11,593,733)	(35,126,249)	(11,593,733)	(35,126,249)
At the end of the period	**249,065,805**	**97,406,923**	**229,677,544**	**91,901,175**

4. SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

	Group 31-Dec-25	Group 31-Dec-24	Bank 31-Dec-25	Bank 31-Dec-24
Cash generated from operations before taxation	47,795,018	556,390,635	(74,884,537)	556,831,538
Income tax paid	(83,914,597)	(36,270,912)	(83,379,261)	(36,041,250)
Cash flows generated from operating activities	(36,119,579)	520,119,723	(158,263,798)	520,790,288
Net cash used in investing activities	(81,611,897)	173,427,359)	(79,497,831)	(172,880,223)
Net cash generated from/ (used in) in financing activities	20,400,622	(19,253,236)	18,962,519	(19,517,057)
Net increase/ (decrease) in cash and cash equivalents	(97,324,552)	328,393,008	(218,799,110)	328,393,008
Cash and cash equivalents at the beginning of the period	472,071,663	143,678,655	472,071,663	143,678,655
Cash and cash equivalents at the end of the period	**374,747,111**	**472,071,663**	**253,272,553**	**472,071,663**

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

	31 Dec 2025			31 Dec 2024		
	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	23,785,924	562,672	562,672	27,559,870	755,725	755,725
2. Mining and quarying	1,586	1,484	1,484	19,429	19,429	19,429
3. Manufacturing	41,057,437	17,756	17,756	17,187,870	7,736	7,736
4. Electricity, gas, water and energy	32,460,442	14,650	14,650	41,918,067	10,662	10,662
5. Construction	3,557,085	174,253	174,253	12,226,425	128,986	128,986
6. Wholesale and retail trade	23,473,604	3,367,631	3,367,631	50,620,994	5,934,867	5,634,390
7. Restaurants and hotels	10,954,055	5,654	5,654	141,838	13,192	13,192
8. Transport, storage and communications	911,621	42,892	42,892	2,258,941	60,433	60,433
9. Financial services	22,176,212	33,210	33,210	6,738,542	84,102	84,102
10. Community, social and personal services	199,126,896	4,062,039	4,062,039	62,889,335	3,521,280	3,521,280
TOTAL	**357,504,862**	**8,282,241**	**8,282,241**	**221,561,311**	**10,536,412**	**10,235,935**

6. CREDIT CONCENTRATION

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 its core capital.

	31-Dec-25		31-Dec-24	
	K'000	% of Core Capital	K'000	% of Core Capital
Sector of Borrower				
Electricity, gas, water and energy *	73,085,611	70.8%	67,752,324	117.8%
Community, social and personal services	25,969,640	25.2%	-	-

* These are non-funded facilities which are fully cash covered

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

	31-Dec-25	31-Dec-24
	K'000	K'000
Directors		
Balance at the beginning of the year	579,223	223,669
Loans granted during the year	5,757	545,772
Repayments	(87,268)	(190,218)
Balance at the end of the year	**497,713**	**579,223**
Other related parties		
Balance at the beginning of the year	7,774,181	5,489,535
Loans granted during the year	2,600,291	8,009,020
Repayments	(1,684,358)	(5,724,374)
Balance at the end of the year	**8,690,115**	**7,774,181**
Senior Management Officials		
Balance at the beginning of the year	1,149,471	1,394,479
Loans granted during the year	1,049,524	543,476
Repayments	(602,072)	(788,484)
Balance at the end of the year	**1,596,923**	**1,149,471**

8. BASE LENDING RATES

	31-Dec-25	31-Dec-24
	K'000	K'000
Base Lending Rate	25.2%	25.3%
Maximum Applicable Range (basis points)	11.1%	11.1%
Base Lending Rate (Foreign)	N/A	N/A
RBM Bank Rate	26.0%	26.0%

9. DIRECTORS REMUNERATION, BONUSES AND MANAGEMENT FEES

	31-Dec-25	31-Dec-24
Directors' fees	733,339	591,651
Other directors' expenses	255,610	173,358
Staff Bonus Provision	8,036,806	9,493,878

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 consolidated and separate statements of financial position as at 31 December 2025, the summary consolidated and separate statements of profit or loss and other comprehensive income, summary consolidated and separate statements of changes in equity and summary consolidated and separate 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 2025.

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 the International Accounting Standards Board (IASB), IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and in compliance with 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 and the requirements of the Companies Act 2023. 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 30 March 2026. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current year.

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 the International Accounting Standards Board (IASB), IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and in compliance with 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 ON THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

EY
Shape the future with confidence

Chartered Accountants (Malawi)
Chiwemi Chihana

Registered Practicing Accountant
31st March 2026

Our Bank. Our Future. Grow With Us