



FDH Bank Plc

Growth Highlights



Performance

Profit after tax increased by 43%, driven by higher interest and non-interest income growth.



Growth Trajectory

The acquisition and ongoing full operationalisation of FDH Bank Mozambique mark a pivotal step in expanding the Group's regional footprint. This strategic move unlocks new avenues for market growth, trade finance, and foreign currency revenues.



Growth Prospects

While the operating environment remains challenging, moderating inflation alongside growth in key sectors such as agriculture, mining, and services presents steady forward momentum. The Bank will leverage these opportunities by focusing on asset protection, liquidity, and value enhancing customer solutions to ensure sustainable, longterm earnings

SUMMARY UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL RESULTS

FOR THE HALF YEAR ENDED 30 JUNE 2026

The Directors present the unaudited consolidated and separate summarized financial statements of FDH Bank Plc for the half year ended 30 June 2026.

PERFORMANCE

The Bank registered consolidated Profit after Tax (PAT) of MK86.418 billion for the half year ended 30 June 2026, representing a 43% increase from MK60.279 billion achieved in the corresponding period in 2025. On a separate basis, the Bank recorded PAT of MK93.179 billion representing a 56% increase from K59.850 billion in the corresponding period.

Net interest income increased by 56% to MK139.999 billion, supported by growth in interest-earning assets. Non-interest income increased by 52% to MK81.427 billion, reflecting continued growth in transactional banking, international trade and trade finance activities. Consequently, total income increased by 55% to MK221.426 billion.

Operating expenses increased by 56% to MK67.073 billion, compared to MK43.093 billion in the corresponding period in 2025. The increase was primarily driven by the integration costs associated with the newly acquired bank in Mozambique, continued investment in service delivery channels, people, technology and the impact of inflationary pressures. Despite these pressures, the cost-to-income ratio remained stable at 30%, demonstrating the Bank's continued focus on operational efficiency.

Total assets increased by 46% to MK1.838 trillion, from MK1.256 trillion as at 30 June 2025, mainly driven by growth in interest earning assets and cash and funds with the Reserve Bank of Malawi. Customer deposits grew by 48% to MK1.286 trillion from MK870.054 billion as at 30 June 2025, reflecting sustained customer confidence and growth in the Bank's customer base.

DIVIDEND

During the period, the Bank paid dividends amounting to MK50.032 billion in respect of prior year profits. The Board of Directors resolved not to declare an interim dividend for the half-year ended 30 June 2026. The decision reflects the Board's commitment to delivering sustainable returns to shareholders while maintaining adequate capital buffers to support business growth, regulatory requirements and the Bank's regional expansion strategy.

OUTLOOK

Looking ahead, the operating environment is expected to remain challenging, although conditions are gradually improving. Inflationary pressures are expected to be moderate compared to the prior year, but risks remain from foreign exchange constraints, fuel and utility costs, geopolitical developments, broader macroeconomic conditions and the impending El Nino conditions, which may affect food inflation.

Economic growth is, nevertheless, expected to remain positive, supported by activity in mining and services as well as continued investments under national development priorities. The Bank will continue to closely monitor market developments and implement strategies that safeguard asset quality, liquidity and capital strength while supporting sustainable earnings growth.

The Bank remains committed to delivering responsive, sustainable and value-enhancing solutions to its customers and creating lasting value for shareholders and other stakeholders to ensure their evolving needs are effectively met. Our focus will remain on growing revenue and market share, improving operational efficiency, developing our people, driving continuous innovation and actively contributing to the creation of an inclusive, diverse, and sustainable society.

APPRECIATION

We would like to thank 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 other business partners, whose continued support contributed to the Bank's strong performance for the half year ended 30 June 2026.

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

20th August 2026



1. STATEMENT OF COMPREHENSIVE INCOME

	Group	Group	Group	Bank	Bank	Bank
	30-Jun-26	30-Jun-25	31-Dec-25	30-Jun-26	30-Jun-25	31-Dec-25
	un-audited	un-audited	audited	un-audited	un-audited	audited
	K'000	K'000	K'000	K'000	K'000	K'000
Interest income	169,073,483	119,384,706	310,883,072	167,131,781	119,384,706	310,394,946
Interest expenses	(29,074,284)	(29,601,648)	(54,331,913)	(28,870,329)	(29,601,648)	(54,253,401)
Net interest income	139,999,199	89,783,058	256,551,159	138,261,453	89,783,058	256,141,545
Non-interest income	81,427,174	53,440,311	76,850,372	77,578,244	52,254,364	75,220,943
Total income	221,426,373	143,223,369	333,401,531	215,839,697	142,037,422	331,362,488
Operating expenses	(67,073,499)	(43,092,676)	(79,339,987)	(55,256,930)	(42,518,644)	(76,184,894)
Profit before provision for impaired loans and advances	154,352,874	100,130,693	254,061,544	160,582,766	99,518,778	255,177,594
Net charge on impaired loans and advances	(8,240,201)	(1,368,396)	(6,616,712)	(8,234,900)	(1,368,396)	(6,628,914)
Profit before tax	146,112,673	98,762,297	247,444,832	152,347,867	98,150,382	248,548,680
Taxation	(59,694,497)	(38,483,727)	(99,649,169)	(59,169,147)	(38,300,153)	(99,178,579)
Profit after tax	86,418,176	60,278,570	147,795,661	93,178,720	59,850,229	149,370,101
Attributable:						
Equity holders of the parent	86,500,191	-	147,798,137	93,178,720	59,850,229	149,370,101
Non-controlling interests	(82,015)	-	(2,476)	-	-	-
	86,418,176	-	147,795,661	93,178,720	59,850,229	149,370,101
Other comprehensive income						
Revaluation surplus	-	-	8,097,539	-	-	-
Deferred tax	-	-	(2,813,117)	-	-	-
Foreign Currency Translation Differences	-	-	6,301	-	-	-
Total other income net of tax	-	-	5,290,724	-	-	-
Total comprehensive (loss)/income for the year	86,418,176	60,278,570	153,086,385	93,178,720	59,850,229	149,370,101

2. STATEMENT OF FINANCIAL POSITION

Liabilities, Capital and Reserves						
Liabilities						
Long Term Loan	87,351,917	79,460,147	83,668,134	87,351,917	79,460,147	83,668,134
Liabilities to customers	1,286,137,595	870,053,556	1,125,008,424	1,181,714,351	870,070,081	1,021,977,925
Liabilities to other banks	108,074,344	84,125,227	100,587,645	97,670,255	84,125,227	91,299,825
Other liabilities	27,163,748	27,994,856	21,385,158	14,400,704	25,483,367	18,217,822
Provisions	8,284,963	14,577,934	8,711,787	8,284,963	14,577,934	8,711,787
Lease liabilities	3,385,815	712,676	4,359,085	11,395,731	1,537,539	12,948,239
Income tax payable	27,774,000	26,248,577	37,710,514	27,373,093	25,798,422	37,461,019
Deferred tax liability	3,882,171	-	5,012,298	-	-	-
Total liabilities	1,552,054,553	1,103,172,973	1,386,443,045	1,428,191,014	1,101,052,716	1,274,284,751
Equity	285,259,809	-	248,792,094	272,823,787	147,196,723	229,677,544
Non-controlling interest	191,696	-	273,711	-	-	-
Total equity	285,451,505	153,130,812	249,065,805	272,823,787	147,196,723	229,677,544
Total liabilities, capital and reserves	1,837,506,058	1,256,303,785	1,635,508,850	1,701,014,800	1,248,249,440	1,503,962,295
Assets						
Cash and funds with Reserve Bank of Malawi	202,338,298	110,307,345	240,449,261	156,054,495	110,307,345	124,259,926
Placements with other banks	174,686,701	178,392,395	134,297,850	101,004,186	178,392,395	129,012,627
Malawi Government Treasury Bills	848,405,038	578,114,926	685,797,944	832,299,269	575,995,671	672,416,955
Loans and advances to customers	394,257,171	286,799,789	349,222,621	389,683,195	286,799,789	348,820,442
Other investments	146,232	146,232	146,232	31,729,104	7,066,465	31,729,104
Assets Held for Sale	54,830	-	54,830	-	-	-
Other assets	119,176,276	50,377,951	137,131,584	133,347,872	46,929,265	140,988,310
Property plant and equipment	87,164,595	49,510,045	72,885,931	43,697,401	39,278,545	38,993,244
Goodwill	6,178,381	-	6,178,381	-	-	-
Right of use assets	3,627,583	714,540	3,889,997	11,728,327	1,539,403	12,301,055
Current tax assets	-	1,940,562	13,588	-	-	-
Deferred tax asset	1,470,951	-	5,440,631	1,470,951	1,940,562	5,440,631
Total assets	1,837,506,058	1,256,303,785	1,635,508,850	1,701,014,800	1,248,249,440	1,503,962,295

3. STATEMENT OF CHANGES IN EQUITY

	Group	Group	Group	Bank	Bank	Bank
	30-Jun-26	30-Jun-25	31-Dec-25	30-Jun-26	30-Jun-25	30-Jun-25
	un-audited	un-audited	audited	un-audited	un-audited	un-audited
	K'000	K'000	K'000	K'000	K'000	K'000
At the beginning of the period	249,065,805	97,406,923	97,406,923	229,677,544	91,901,175	91,901,175
Total comprehensive (loss)/income for the year	86,418,176	60,278,570	163,252,615	93,178,720	59,850,229	149,370,101
Dividends paid	(50,032,477)	(4,554,681)	(11,593,733)	(50,032,477)	(4,554,681)	(11,593,733)
At the end of the period	285,451,505	153,130,812	249,065,805	272,823,787	147,196,723	229,677,544

4. STATEMENT OF CASHFLOWS

Cash generated from operations before taxation	298,902,061	(98,902,763)	47,795	260,885,480	(77,218,391)	(74,884,537)
Income tax paid	(70,747,549)	(30,711,022)	(83,914,597)	(69,257,072)	(30,664,449)	(83,379,261)
Cash flows generated from operating activities	228,154,512	(129,613,785)	(36,119,579)	191,628,408	(107,882,840)	(158,263,798)
Net cash used in investing activities	(179,445,914)	(84,193,876)	(81,611,897)	(141,493,587)	(77,221,811)	(79,497,831)
Net cash generated from/ (used in) in financing activities	(46,430,709)	30,435,738	20,400,622	(46,348,693)	1,732,728	18,962,519
Net (decrease)/ increase in cash and cash equivalents	2,277,888	(183,371,923)	(97,324,552)	3,786,128	(183,371,923)	(218,799,110)
Cash and cash equivalents at the beginning of the period	374,747,111	472,071,663	472,071,663	253,272,553	472,071,663	472,071,663
Cash and cash equivalents at the end of the period	377,024,999	288,699,740	374,747,111	257,058,681	288,699,740	253,272,553

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

	30 June 2026			30 June 2025			31 Dec 2025		
	Outstanding Amount	Impaired Amount	Expected Credit Loss	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	32,888,232	177,947	1,063,511	23,275,808	637,819	368,156	23,785,924	562,672	562,672
2. Mining and quarrying	1,647	1,608	1,608	1,317	1,279	650	1,586	1,484	1,484
3. Manufacturing	69,021,700	5,130	181,251	32,535,308	6,931	3,046	41,057,437	17,756	17,756
4. Electricity, gas, water and energy	26,209,978	4,108	27,264	37,808,972	10,350	4,548	32,460,442	14,650	14,650
5. Construction	8,844,642	441,131	568,221	11,093,764	274,713	3,011,493	3,557,085	174,253	174,253
6. Wholesale and retail trade	18,739,301	5,226,791	4,247,605	23,963,259	5,250,154	3,170,926	23,473,604	3,367,631	3,367,631
7. Restaurants and hotels	4,572,819	12,835	22,202	7,075,858	11,571	5,085	10,954,055	5,654	5,654
8. Transport, storage and communications	1,589,852	36,275	180,298	1,717,445	78,659	54,778	911,621	42,892	42,892
9. Financial services	18,870,789	120,838	98,171	2,773,521	52,692	23,657	22,176,212	33,210	33,210
10. Community, social and personal services	221,426,402	4,243,443	3,664,116	155,278,410	3,654,620	2,081,534	199,126,896	4,062,039	4,062,039
TOTAL	402,165,361	10,270,108	10,054,246	295,523,662	9,978,788	8,723,873	357,504,862	8,282,241	8,282,241

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.

	30 June 2026		30 June 2025		31 Dec 2025	
	K'000	% of Core Capital	K'000	% of Core Capital	K'000	% of Core Capital
Sector of Borrower						
Electricity, gas, water and energy	46,869,995	29.6%	28,572,196 *	26.6%	73,085,611	70.8%
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

	30 June 2026	30 June 2025	30 June 2026
	K'000	K'000	K'000
Directors			
Balance at the beginning of the year	497,713	579,223	579,223
Loans granted during the year	26	296	5,757
Repayments	(67,747)	(46,276)	(87,268)
Balance at the end of half year	429,992	533,243	497,713
Other related parties			
Balance at the beginning of the year	8,690,115	7,774,181	7,774,181
Loans granted during the year	-	2,584,759	2,600,291
Repayments	(379,012)	(3,577,091)	(1,684,358)
Balance at the end of the year	8,311,103	6,781,849	8,690,115
Senior Management Officials			
Balance at the beginning of the year	1,596,923	1,149,471	1,149,471
Loans granted during the year	713,808	491,345	1,049,524
Repayments	(667,450)	(324,518)	(602,072)
Balance at the end of the year	1,643,280	1,316,298	1,596,923

8. BASE LENDING RATES

	30 June 2026	30 June 2025	31 Dec 2025
Base Lending Rate	20.5%	25.1%	25.2%
Maximum Applicable Range (basis points)	11.1%	11.1%	11.1%
Base Lending Rate (Foreign)	N/A	N/A	N/A
RBM Bank Rate	24.0%	26.0%	26.0%

9. DIRECTORS REMUNERATION, BONUSES AND MANAGEMENT FEES

Directors' fees	421,525	421,525	733,339
Other directors' expenses	114,363	114,363	255,610
Staff Bonus Provision	-	-	8,036,806

