



## FDH BANK PLC

### TRADING STATEMENT FOR THE PERIOD ENDING 31 DECEMBER 2020

In terms of the listing requirements of the Malawi Stock Exchange, a listed company is required to publish a Trading Statement as soon as there is a reasonable degree of certainty that the financial statements for the period to be reported upon will differ by at least 20% from that of the previous corresponding period.

FDH Bank PLC accordingly advises that profit after tax for the year ended 31 December 2020 is expected to be at least 88% higher than that of the immediately preceding corresponding period. This is attributed to restatement of financial statements for 2018 and 2019 in respect of a change in revenue recognition on some restructured financial instruments. From 2018, revenue was being recognized at a point in time and upon restructuring in 2020, revenue recognition was changed to recognition over the period to maturity or termination of the asset. This has resulted in shifting some revenue earned in 2018 and 2019 to 2020. However, the total revenue earned over the years remains the same before and after restructuring of the financial instruments.

As at 31 December 2020, FDH Bank PLC had no expectation that the Financial Statements of the previous years would be restated thereby impacting profits of the previous years (2018 and 2019) and the current year. This position only came to light in March 2021.

The information on which the above Trading Statement is based has been reviewed and reported on by the statutory auditors of FDH Bank PLC.

The summary consolidated and separate financial statements of the Bank for the financial year ended 31 December 2020 are expected to be published within the required period.

By Order of the Board

Dated this 26<sup>th</sup> day of March, 2021

Juliano G. Kanyongolo

**COMPANY SECRETARY**