FDH Bank Plc

SUMMARY UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL RESULTS

FOR THE HALF YEAR ENDED 30 JUNE 2025

GROWTH HIGHLIGHTS

Total Income
K143 Billion
Up by 85%

Profit after Tax
K60 Billion
Up by 116%

Basic Earnings per Share
K873
Up by 116%

Total Assets
K1.2 Trillion
Up by 54%

Customer Deposits
K870 Billion
Up by 43%

Return on Equity
79%
Up by 12%

Net Interest Income
K89 Billion
Up by 92%

Loan Book
K286 Billion
Up by 62%

The Directors present the summary unaudited consolidated and separate summarised financial statements of FDH Bank Plc for the half year ended 30 June 2025.

Performance

The Bank registered a consolidated Profit after Tax (PAT) of MK60.279 billion, 116% up from a PAT of MK27.936 billion achieved over a similar period in 2024. Net Interest Income has gone up by 92% on the back of the increase in the loan book by 62% year on year (YoY) and the increase in other interest-bearing assets, whilst interest expense has grown by 107% as a result of the increase in deposits by 43% YoY and the increase in long term loans by 588% YoY. Non-interest income increased by 75% mainly because of the growth in transactional banking business, trade finance, international trade and investment banking business.

Operating expenses grew by 43% when compared to the same period last year due to increase in continued investment in service delivery channels and high inflation. However, as of June 2025, the cost to income ratio went down to 30% as compared to 39% from the same period last year.

Total assets increased by 54% from June 2024 mainly emanating from an increase in the loan book and Government Securities. Customer deposits increased by 43% from June 2024 despite the Bank having started an exercise of shedding off term deposits to manage interest expense.

Regional Growth

FDH Bank Plc has a definitive agreement with Ecobank Transnational Incorporated (ETI) for the acquisition of a controlling stake of 98.87% in Ecobank Mozambique SA (EMZ). The remaining minority stake of 1.13% is held by Fundo Para O Fomento De Habitação (FFH), Mozambique's housing development fund. The transaction represents a significant milestone in the Bank's regional expansion strategy because it enables FDH Bank Plc to extend its footprint in Southern Africa, and is expected to deliver strategic benefits including market expansion, revenue diversification, operational synergies, and long-term value creation for stakeholders.

All regulatory approvals have been obtained. Completion of the transaction is expected within the 2025 financial year, subject to final conditions precedent.

Dividend

On 4th August 2025, the Board of Directors of FDH Bank Plc passed a resolution authorising payment of a first interim dividend of K7.039 billion (K1.02 per share) in respect of 2025 profits. This represents a 46% decrease from the first interim dividend of K13.043 billion (K1.89 per share) paid by the Bank in 2024. The lower dividend reflects the Bank's strategic decision to preserve capital in support of its regional growth and expansion strategy, as well as the need to maintain a strong capital buffer.

The dividend will be paid on Thursday, 4th September 2025, to shareholders appearing in the register of the Company as at close of business on Friday, 29th August 2025. The Bank's shares will trade ex-dividend from Wednesday, 27th August 2025, and the register will be closed from 29th August to 1st September 2025 and no transfers will be registered during that time.

Outlook

Looking ahead, inflation is expected to be lower averaging around 27% to 28% for the remaining part of the year down from 32.2% in 2024, mainly driven by the easing of food inflation. The Bank anticipates the Kwacha/US Dollar exchange rate to remain at the current rate for the remaining part of the year but might be affected by the outcome of the general elections on 16th September 2025. Malawi Gross Domestic Product (GDP) growth is projected to average around 2.8% in the year 2025 from 1.7% in 2024. This recovery is supported by a relatively favourable harvest from the 2024/25 agricultural season and ongoing investments under the Agriculture, Tourism, Mining, and Manufacturing (ATM-M) Strategy, as noted from the Monetary Policy Committee's third meeting of 2025. The Bank will however continue monitoring any volatility in the market to ensure strategies are in place to respond positively.

The Bank remains committed to engaging its customers and stakeholders to ensure their evolving needs are effectively met. We will continue to deliver solutions that are responsive, sustainable, and value-enhancing for our customers, shareholders, and other stakeholders.

Our focus remains on operational efficiency, people development, and continuous innovation while 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, who rendered their support to the Bank resulting in the good performance for the first half year ended 30 June 2025.

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 Chipezaani
Head of Finance

12 AUGUST 2025

FDH Bank Plc

SUMMARY UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL RESULTS

FOR THE HALF YEAR ENDED 30 JUNE 2025

1. STATEMENT OF COMPREHENSIVE INCOME

	Group			Bank		
	30-Jun-25	30-Jun-24	31-Dec-24	30-Jun-25	30-Jun-24	31-Dec-24
	un-audited	un-audited	audited	un-audited	un-audited	audited
	K'000	K'000	K'000	K'000	K'000	K'000
Interest income	119,384,706	61,052,653	181,628,711	119,384,706	61,052,653	181,628,711
Interest expenses	(29,601,648)	(14,297,234)	(40,285,646)	(29,601,648)	(14,297,234)	(40,285,646)
Net interest income	**89,783,058**	**46,755,419**	**141,343,065**	**89,783,058**	**46,755,419**	**141,343,065**
Non-interest income	53,440,311	30,503,998	53,855,742	52,254,364	29,748,153	53,424,938
Total income	**143,223,369**	**77,259,417**	**195,198,807**	**142,037,422**	**76,503,572**	**194,768,003**
Operating expenses	(43,092,676)	(30,201,855)	(65,428,892)	(42,518,644)	(29,929,077)	(66,035,527)
Profit before provision for impaired loans and advances	**100,130,693**	**47,057,562**	**129,769,915**	**99,518,778**	**46,574,495**	**128,732,476**
Net charge on impaired loans and advances	(1,368,396)	(1,761,270)	(7,863,181)	(1,368,396)	(1,761,270)	(7,863,181)
Profit before tax	**98,762,297**	**45,296,292**	**121,906,734**	**98,150,382**	**44,813,225**	**120,869,295**
Taxation	(38,483,727)	(17,360,210)	(47,843,732)	(38,300,153)	(17,215,290)	(47,532,501)
Profit after tax	**60,278,570**	**27,936,082**	**74,063,002**	**59,850,229**	**27,597,935**	**73,336,794**
Other comprehensive income						
Revaluation Surplus	-	-	2,191,000	-	-	-
Deferred tax on revaluation surplus	-	-	(2,422,778)	-	-	-
Total other income net of tax	-	-	-231,778	-	-	-
Total comprehensive (loss)/income for the year	**60,278,570**	**27,936,082**	**73,831,224**	**59,850,229**	**27,597,935**	**73,336,794**

2. STATEMENT OF FINANCIAL POSITION

Liabilities, Capital and Reserves						
Liabilities						
Long Term Loan	79,460,147	11,556,172	44,469,729	79,460,147	11,556,172	44,469,729
Liabilities to customers	870,053,556	609,956,735	882,518,141	870,070,081	610,006,221	882,522,407
Liabilities to other banks	84,125,227	91,846,027	157,297,966	84,125,227	91,846,027	157,297,966
Other liabilities	27,994,856	9,016,191	20,310,421	25,483,367	7,279,897	19,837,137
Provisions	14,577,934	3,488,897	14,889,800	14,577,934	3,488,897	14,889,800
Lease liabilities	712,676	1,123,652	2,533,725	1,537,539	1,948,515	5,505,925
Income tax payable	26,248,577	10,606,958	21,669,431	25,798,422	10,352,917	21,355,190
Total liabilities	**1,103,172,973**	**737,594,632**	**1,143,689,213**	**1,101,052,717**	**736,478,646**	**1,145,878,154**
Capital and Reserves	153,130,812	79,598,978	97,406,923	147,196,723	74,249,514	91,901,175
Total liabilities, capital and reserves	**1,256,303,785**	**817,193,610**	**1,241,096,136**	**1,248,249,440**	**810,728,160**	**1,237,779,329**
Assets						
Cash and funds with Reserve Bank of Malawi	110,307,345	55,330,327	168,904,694	110,307,345	55,330,327	168,904,694
Placements with other banks	178,392,395	164,641,268	303,166,969	178,392,395	152,428,290	303,166,969
Malawi Government Treasury Bills	578,114,926	330,693,076	460,298,357	575,995,671	329,332,270	458,821,690
Loans and advances to customers	286,799,789	177,388,030	211,325,375	286,799,789	177,388,030	211,325,375
Investments	146,232	146,232	146,232	7,066,465	7,066,465	7,066,465
Other assets	50,377,951	50,065,139	54,873,787	46,929,265	59,891,655	53,824,966
Property plant and equipment	49,510,045	32,353,239	35,113,031	39,278,545	24,312,739	24,429,279
Right of use assets	714,540	1,604,351	2,133,571	1,539,403	2,429,214	5,105,771
Deferred tax asset	1,940,562	4,971,948	5,134,120	1,940,562	2,549,170	5,134,120
Total assets	**1,256,303,785**	**817,193,610**	**1,241,096,136**	**1,248,249,440**	**810,728,160**	**1,237,779,329**

3. STATEMENT OF CHANGES IN EQUITY

	Group			Bank		
	30-Jun-25	30-Jun-24	31-Dec-24	30-Jun-25	30-Jun-24	31-Dec-24
	un-audited	un-audited	audited	un-audited	un-audited	audited
	K'000	K'000	K'000	K'000	K'000	K'000
At the beginning of the period	97,406,923	58,701,948	58,701,948	91,901,175	53,690,631	53,690,630
Total comprehensive (loss)/income for the year	60,278,570	27,936,082	73,831,224	59,850,229	27,597,935	73,336,794
Dividends paid	(4,554,681)	(7,039,052)	(35,126,249)	(4,554,681)	(7,039,052)	(35,126,249)
At the end of the period	**153,130,812**	**79,598,978**	**97,406,923**	**147,196,723**	**74,249,514**	**91,901,175**

4. STATEMENT OF CASHFLOWS

	Group			Bank		
	30-Jun-25	30-Jun-24	31-Dec-24	30-Jun-25	30-Jun-24	31-Dec-24
	un-audited	un-audited	audited	un-audited	un-audited	audited
	K'000	K'000	K'000	K'000	K'000	K'000
Cash generated from operations before taxation	(98,902,763)	218,255,396	556,390,635	(77,218,391)	192,552,714	556,831,538
Income tax paid	(30,711,022)	(14,264,915)	(36,270,912)	(30,664,449)	(14,141,362)	(36,041,250)
Cash flows generated from operating activities	(129,613,785)	203,990,481	520,119,723	(107,882,840)	178,411,352	520,790,288
Net cash used in investing activities	(84,193,876)	(107,304,468)	(172,473,479)	(77,221,811)	(150,790,968)	(172,880,223)
Net cash generated from/ (used in) in financing activities	30,435,738	(20,393,073)	(19,253,236)	1,732,728	(7,039,052)	(19,517,057)
Net (decrease)/ increase in cash and cash equivalents	(183,371,923)	76,292,940	328,393,008	(183,371,923)	20,581,332	328,393,008
Cash and cash equivalents at the beginning of the period	472,071,663	143,678,655	143,678,655	472,071,663	143,678,655	143,678,655
Cash and cash equivalents at the end of the period	**288,699,740**	**219,971,595**	**472,071,663**	**288,699,740**	**164,259,987**	**472,071,663**

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

	30 June 2025			30 June 2024			31 Dec 2024		
	Outstanding Amount	Impaired Amount	Expected Credit Loss	Outstanding Amount	Impaired Amount	Expected Credit Loss	Outstanding Amount	Impaired Amount	Expected Credit Loss
Sector	MK'000	MK'000	MK'000	MK'000	MK'000	MK'000	MK'000	MK'000	MK'000
1. Agriculture, forestry, fishing and hunting	23,275,808	637,819	368,156	21,042,605	797,947	383,560	27,559,870	755,725	755,725
2. Mining and quarrying	1,317	1,279	650	22,992	1,479	507	19,429	19,429	19,429
3. Manufacturing	32,535,308	6,931	3,046	29,247,968	18,845	6,454	17,187,870	7,736	7,736
4. Electricity, gas, water and energy	37,808,972	10,350	4,548	18,107,472	10,556	3,615	41,918,067	10,662	10,662
5. Construction	11,093,764	274,713	3,011,493	13,828,171	322,042	200,481	12,226,425	128,986	128,986
6. Wholesale and retail trade	23,963,259	5,250,154	3,170,926	55,730,901	5,462,650	1,870,823	50,620,994	5,934,867	5,634,390
7. Restaurants and hotels	7,075,858	11,571	5,085	470,214	12,964	18,343	141,838	13,192	13,192
8. Transport, storage and communications	1,717,445	78,659	54,778	2,506,952	53,446	4,440	2,258,941	60,433	60,433
9. Financial services	2,773,521	52,692	23,657	1,011,366	121,986	41,777	6,738,542	84,102	84,102
10. Community, social and personal services	155,278,410	3,654,620	2,081,534	38,838,278	2,332,808	888,889	62,889,334	3,521,280	3,521,280
TOTAL	**295,523,662**	**9,978,788**	**8,723,873**	**180,806,919**	**9,134,723**	**3,418,889**	**221,561,310**	**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.

	30 June 2025		30 June 2024		31 Dec 2024	
Sector of Borrower	MK'000	% of Core Capital	MK'000	% of Core Capital	MK'000	% of Core Capital
Electricity, gas, water and energy	28,572,196 *	26.6%	26,752,635 *	56.2%	67,752,324	117.8%

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

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

	30 June 2025	30 June 2024	31 Dec 2024
	MK'000	MK'000	MK'000
Directors			
Balance at the beginning of the year	579,223	223,669	223,669
Loans granted during the year	296	67,000	545,772
Repayments	(46,276)	(105,218)	(190,218)
Balance at the end of half year	**533,243**	**185,451**	**579,223**

	30 June 2025	30 June 2024	31 Dec 2024
Other related parties	MK'000	MK'000	MK'000
Balance at the beginning of the year	7,774,181	5,489,535	5,489,535
Loans granted during the year	2,584,759	2,941,232	8,009,020
Repayments	(3,577,091)	(4,862,187)	(5,724,374)
Balance at the end of half year	**6,781,849**	**3,568,580**	**7,774,181**

	30 June 2025	30 June 2024	31 Dec 2024
	MK'000	MK'000	MK'000
Senior Management Officials			
Balance at the beginning of the year	1,149,471	1,394,478	1,394,479
Loans granted during the year	491,345	261,553	543,476
Repayments	(324,518)	(330,673)	(788,484)
Balance at the end of half year	**1,316,298**	**1,325,358**	**1,149,471**

8. BASE LENDING RATES

	30 June 2025	30 June 2024	31 Dec 2024
Base Lending Rate	25.1%	25.6%	25.3%
Maximum Applicable Range (basis points)	11.1%	11.1%	11.1%
Base Lending Rate (Foreign)	N/A	N/A	N/A
RBM Bank Rate	26.0%	26.0%	26.0%

9. DIRECTORS REMUNERATION, BONUSES AND MANAGEMENT FEES

	30 June 2025	30 June 2024	31 Dec 2024
Directors' fees	421,525	297,489	591,651
Other directors' expenses	114,363	65,071	173,358
Bonuses	-	-	9,493,878

Our Bank, Our Future, Grow With Us