

Deposits protected by the Deposit Insurance Corporation



# SUMMARY OF AUDITED RESULTS FOR THE YEAR ENDED 31ST DECEMBER 2024

## KEY HIGHLIGHTS

TOTAL ASSETS  
37%

TOTAL DEPOSITS  
50%

TOTAL INCOME  
40%

PAT  
250%



Centenary  
Bank

A member of Centenary Group

### SUMMARY STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In thousands of Malawi Kwacha

#### INCOME

Interest income 25,454,195  
Interest expenses (11,944,018)  
**Net interest income 13,510,177**

Fee and commission income 9,551,165  
Fee and commission expense (1,037,375)  
Net fee and commission income 8,513,790  
Foreign exchange gains 5,764,121  
**Total operating income 27,788,088**

#### EXPENDITURE

Staff costs (9,645,032)  
Other operating expenses (11,390,794)  
Depreciation and amortization (2,016,370)  
**Total expenditure (23,052,196)**  
Profit before impairment losses 4,735,892  
Impairment on loans and advances to customers (3,279,306)  
**Profit before income tax 1,456,586**  
Income tax credit/(expense) 460,852  
**Profit for the year 1,917,438**

#### Other Comprehensive Income

Total comprehensive income for the year net of tax 1,917,438

#### Attributable to:

Equity owners of the parent entity 1,917,438  
**Earning per share 137**

### SUMMARY STATEMENTS OF FINANCIAL POSITION

In thousands of Malawi Kwacha

#### ASSETS

Cash and balances with Reserve Bank of Malawi 19,947,164  
Placements with other banks 10,894,040  
Government of Malawi treasury notes, bills 61,199,744  
Loans and advances to customers 58,443,007  
Other assets 6,732,946  
Investment in subsidiary -  
Income tax receivable -  
Property and equipment 2,690,641  
Intangible assets 2,750,684  
Right of use assets 1,054,270  
Deferred income tax asset 4,353,622  
**Total assets 168,066,118**

#### LIABILITIES AND EQUITY

##### LIABILITIES

Deposits from customers 135,199,337  
Other liabilities 3,114,889  
Medium term bond notes 3,499,703  
External borrowings 4,518,998  
Income tax payable 158,211  
Lease liability 976,366  
**Total liabilities 147,467,504**

##### EQUITY

##### Capital and Reserves

Share capital 13,986  
Share premium 17,450,146  
Capital contribution 7,582,724  
Accumulated losses (4,448,242)  
Total equity 20,598,614  
**Total equity and liabilities 168,066,118**

### SUMMARY STATEMENTS OF CHANGES IN EQUITY

In thousands of Malawi Kwacha

Opening equity at period beginning 11,098,452  
New Capital 2,847,422  
Profit for the year 1,917,438  
Closing equity at period end 20,598,614

### SUMMARY STATEMENTS OF CASHFLOWS

In thousands of Malawi Kwacha

#### OPERATING ACTIVITIES

**Profit before income tax 1,456,586**  
Adjustments for:  
Depreciation and amortization: 2,016,370  
Interest on lease liability 235,851  
Changes in loans and advances (4,239,326)  
Changes in other assets 368,474  
Changes in customer deposits 44,781,537

| CONSOLIDATED                |                             | SEPARATE                    |                             |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Year ended 31 December 2024 | Year ended 31 December 2023 | Year ended 31 December 2024 | Year ended 31 December 2023 |

|                   |                   |                   |                   |
|-------------------|-------------------|-------------------|-------------------|
| 25,454,195        | 18,136,152        | 25,454,195        | 18,136,152        |
| (11,944,018)      | (7,640,792)       | (11,955,086)      | (7,634,161)       |
| <b>13,510,177</b> | <b>10,495,360</b> | <b>13,499,109</b> | <b>10,501,991</b> |

|                   |                   |                   |                   |
|-------------------|-------------------|-------------------|-------------------|
| 9,551,165         | 6,956,781         | 9,081,291         | 6,956,781         |
| (1,037,375)       | (1,520,166)       | (1,037,375)       | (1,520,166)       |
| 8,513,790         | 5,436,615         | 8,043,916         | 5,436,615         |
| 5,764,121         | 4,564,961         | 5,764,121         | 4,206,425         |
| <b>27,788,088</b> | <b>20,496,936</b> | <b>27,307,146</b> | <b>20,145,031</b> |

|                     |                     |                     |                     |
|---------------------|---------------------|---------------------|---------------------|
| (9,645,032)         | (8,343,262)         | (9,540,439)         | (8,228,369)         |
| (11,390,794)        | (7,596,462)         | (11,216,953)        | (7,523,164)         |
| (2,016,370)         | (1,860,379)         | (1,966,039)         | (1,814,587)         |
| <b>(23,052,196)</b> | <b>(17,800,103)</b> | <b>(22,723,431)</b> | <b>(17,566,120)</b> |
| 4,735,892           | 2,696,833           | 4,583,715           | 2,578,911           |
| (3,279,306)         | (1,791,541)         | (3,279,306)         | (1,791,541)         |
| <b>1,456,586</b>    | <b>905,292</b>      | <b>1,304,409</b>    | <b>787,370</b>      |
| 460,852             | (356,292)           | 510,418             | (318,324)           |
| <b>1,917,438</b>    | <b>549,000</b>      | <b>1,814,827</b>    | <b>469,046</b>      |

|            |           |            |           |
|------------|-----------|------------|-----------|
| 1,917,438  | 549,000   | 1,814,827  | 469,046   |
| <b>137</b> | <b>39</b> | <b>130</b> | <b>34</b> |

| As at 31 December 2024 | As at 31 December 2023 | As at 31 December 2024 | As at 31 December 2023 |
|------------------------|------------------------|------------------------|------------------------|
|------------------------|------------------------|------------------------|------------------------|

|                    |                    |                    |                    |
|--------------------|--------------------|--------------------|--------------------|
| 19,947,164         | 12,710,618         | 18,224,022         | 11,391,501         |
| 10,894,040         | 8,983,879          | 10,894,040         | 8,983,879          |
| 61,199,744         | 29,583,023         | 61,199,744         | 29,583,023         |
| 58,443,007         | 54,203,681         | 58,443,007         | 54,203,681         |
| 6,732,946          | 7,101,420          | 8,107,430          | 8,284,361          |
| -                  | -                  | 207,800            | 207,800            |
| -                  | 243,388            | -                  | 238,447            |
| 2,690,641          | 2,311,301          | 2,646,104          | 2,261,258          |
| 2,750,684          | 2,493,723          | 2,749,353          | 2,489,656          |
| 1,054,270          | 1,714,308          | 1,040,062          | 1,662,772          |
| 4,353,622          | 3,457,075          | 4,348,213          | 3,450,705          |
| <b>168,066,118</b> | <b>122,802,416</b> | <b>167,859,775</b> | <b>122,757,083</b> |

|                    |                    |                    |                    |
|--------------------|--------------------|--------------------|--------------------|
| 135,199,337        | 90,417,800         | 135,199,337        | 90,417,800         |
| 3,114,889          | 2,370,950          | 3,061,249          | 2,367,400          |
| 3,499,703          | 3,509,695          | 3,499,703          | 3,509,695          |
| 4,518,998          | 13,627,598         | 4,518,998          | 13,627,598         |
| 158,211            | -                  | 148,143            | -                  |
| 976,366            | 1,777,921          | 922,505            | 1,722,301          |
| <b>147,467,504</b> | <b>111,703,964</b> | <b>147,349,935</b> | <b>111,644,794</b> |

|                    |                    |                    |                    |
|--------------------|--------------------|--------------------|--------------------|
| 13,986             | 13,986             | 13,986             | 13,986             |
| 17,450,146         | 17,450,146         | 17,450,146         | 17,450,146         |
| 7,582,724          | -                  | 7,582,724          | -                  |
| (4,448,242)        | (6,365,680)        | (4,537,016)        | (6,351,843)        |
| 20,598,614         | 11,098,452         | 20,509,840         | 11,112,289         |
| <b>168,066,118</b> | <b>122,802,416</b> | <b>167,859,775</b> | <b>122,757,083</b> |

| CONSOLIDATED                |                             | SEPARATE                    |                             |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Year ended 31 December 2024 | Year ended 31 December 2023 | Year ended 31 December 2024 | Year ended 31 December 2023 |
| 11,098,452                  | 2,847,422                   | 11,112,289                  | 2,941,213                   |
| 7,582,724                   | 7,702,030                   | 7,582,724                   | 7,702,030                   |
| 1,917,438                   | 549,000                     | 1,814,827                   | 469,046                     |
| <b>20,598,614</b>           | <b>11,098,452</b>           | <b>20,509,840</b>           | <b>11,112,289</b>           |

|             |             |             |             |
|-------------|-------------|-------------|-------------|
| 1,456,586   | 905,292     | 1,304,409   | 787,370     |
| 2,016,370   | 1,860,379   | 1,966,039   | 1,814,587   |
| 235,851     | 157,811     | 228,000     | 151,180     |
| (4,239,326) | (8,481,638) | (4,239,326) | (8,481,638) |
| 368,474     | (4,792,461) | 176,931     | (5,114,449) |
| 44,781,537  | 33,317,565  | 44,781,537  | 33,317,565  |

### SUMMARY STATEMENTS OF CASHFLOWS (Continued))

In thousands of Malawi Kwacha

Changes in other liabilities  
**Net cash generated from operating activities**

Tax paid

#### INVESTING ACTIVITIES

Investments with maturity over three months  
Purchase of Property, Plant and Equipment and intangible assets  
**Net cash used in investing activities**

#### FINANCING ACTIVITIES

Lease payments (1,028,335)  
Capital injection 7,582,724  
Changes in external borrowings (9,118,592)  
**Net cash (used in)/from financing activities (2,564,203)**

**Net change in cash equivalents 16,219,249**

Cash and cash equivalents at the beginning of the year 21,694,497  
**Cash and cash equivalents at the end of the year 30,841,204**

| IMPAIRMENT LOSS/ NON-PERFORMING FACILITIES AND PROVISIONS FOR LOSSES BY INDUSTRY SECTOR |                   |                   |                        |                   |
|---|-------------------|-------------------|------------------------|-------------------|
| In thousands of Malawi Kwacha   | Exposure          | Impaired Amount   | Expected Credit Losses | Exposure          |
| Agriculture   | 1,232,726         | 498,089           | (295,257)              | 937,469           |
| Manufacturing   | 293,825           | 293,825           | (4,467)                | 289,358           |
| Electricity, gas, water and energy  | 4,343,695         | 121,480           | (34,830)               | 4,308,865         |
| Construction  | 4,454,369         | 2,459,242         | (1,142,048)            | 3,312,321         |
| Wholesale and retail trade  | 13,200,725        | 7,303,411         | (1,481,322)            | 11,719,403        |
| Restaurants and hotels  | 503,127           | 222,165           | (20,617)               | 482,510           |
| Real Estate   | 1,625,737         | 343,555           | (192,662)              | 1,433,075         |
| Transport and communications  | 3,304,758         | 6,446,965         | (354,161)              | 2,950,597         |
| Financial services  | 178,047           | 121,858           | (1,995)                | 176,052           |
| Personal  | 34,450,272        | 969,503           | (1,616,915)            | 32,833,357        |
| <b>TOTAL</b>  | <b>63,587,281</b> | <b>18,780,092</b> | <b>(5,144,274)</b>     | <b>58,443,007</b> |

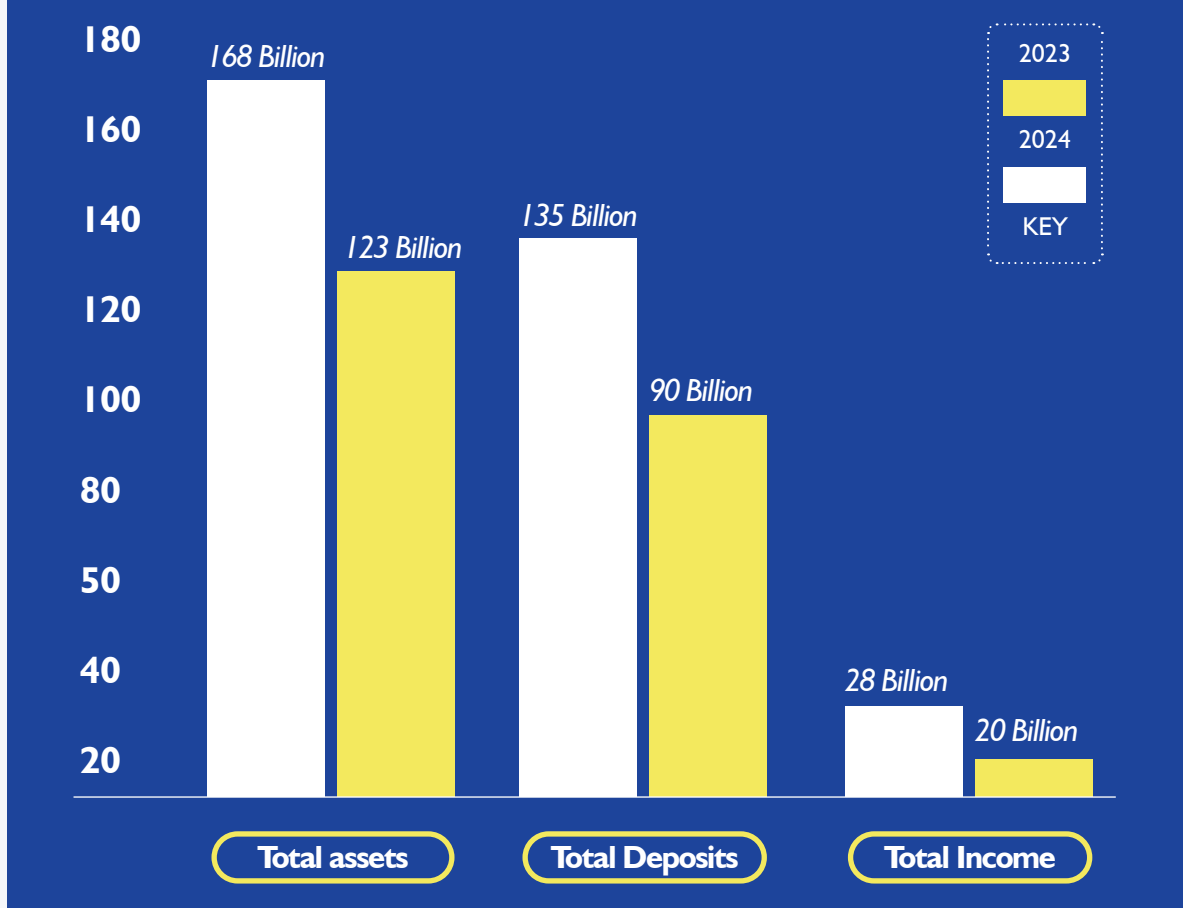
| LOANS TO DIRECTORS, SENIOR MANAGEMENT AND OTHER RELATED PARTIES |                     |                     |
|---|---------------------|---------------------|
| In thousands of Malawi Kwacha                                   | 31-Dec-24 Net Loans | 31-Dec-23 Net Loans |
| <b>DIRECTORS</b>  |                     |                     |
| Balance at beginning of year                                    | 123                 | 0                   |
| Loans granted during the year                                   | 5,500               | 5,060               |
| Repayments  | (1,524)             | (4,937)             |
| <b>Balance at period end</b>                                    | <b>4,099</b>        | <b>123</b>          |
| <b>SENIOR AND EXECUTIVE MANAGEMENT</b>                          |                     |                     |
| Balance at beginning of year                                    | 453,906             | 368,394             |
| Loans granted during the year                                   | 202,000             | 230,085             |
| Repayments  | (312,826)           | (144,573)           |
| <b>Balance at period end</b>                                    | <b>343,080</b>      | <b>453,906</b>      |
| <b>OTHER RELATED PARTIES</b>                                    |                     |                     |
| Balance at beginning of year                                    | 289,485             | -                   |
| Loans granted during the year                                   | 516,324             | 297,224             |
| Repayments  | (378,103)           | (7,739)             |
| <b>Balance at period end</b>                                    | <b>427,705</b>      | <b>289,485</b>      |

| INVESTMENTS IN SUBSDIARY           |                       |                       |
|------------------------------------|-----------------------|-----------------------|
| Name of Subsidiary                 | 31-Dec-24 Sharholding | 31-Dec-23 Sharholding |
| Centenary Bureau De Charge Limited | 100%                  | 100%                  |
| Share Capital in Malawi Kwacha     | 207,800,000           | 207,800,000           |

| LENDING RATES                                |           |           |
|--|-----------|-----------|
| Reference Rate                               | 31-Dec-24 | 31-Dec-23 |
| Base Lending Rate (local currency)           | 25.30%    | 23.60%    |
| Maximum Applicable Range (percentage points) | 11.60%    | 11.60%    |
| Base Lending Rate (foreign currency)         | 7.50%     | 8.10%     |
| Reserve Bank of Malawi Bank Rate             | 26.20%    | 24.00%    |

| CONSOLIDATED                |                             | SEPARATE                    |                             |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Year ended 31 December 2024 | Year ended 31 December 2023 | Year ended 31 December 2024 | Year ended 31 December 2023 |
| 743,939                     | 175,269                     | 693,849                     | 171,719                     |
| <b>45,363,431</b>           | <b>23,142,217</b>           | <b>44,911,439</b>           | <b>22,646,334</b>           |
| (42,127)                    | -                           | (500)                       | 0                           |
| <b>45,321,304</b>           | <b>23,142,217</b>           | <b>44,910,939</b>           | <b>22,646,334</b>           |
| (31,616,721)                | (15,417,008)                | (31,616,721)                | (15,417,008)                |
| (1,993,673)                 | (1,506,435)                 | (1,987,872)                 | (1,475,767)                 |
| <b>(33,610,394)</b>         | <b>(16,923,443)</b>         | <b>(33,604,593)</b>         | <b>(16,892,775)</b>         |
| (1,028,335)                 | (672,299)                   | (1,027,796)                 | (627,614)                   |
| 7,582,724                   | 7,702,030                   | 7,582,724                   | 7,702,030                   |
| (9,118,592)                 | 2,970,744                   | (9,118,592)                 | 2,970,744                   |
| <b>(2,564,203)</b>          | <b>10,000,475</b>           | <b>(2,563,664)</b>          | <b>10,045,160</b>           |
| <b>9,146,707</b>            | <b>16,219,249</b>           | <b>8,742,682</b>            | <b>15,798,719</b>           |
| 21,694,497                  | 5,475,248                   | 20,375,380                  | 4,576,661                   |
| <b>30,841,204</b>           | <b>21,694,497</b>           | <b>29,118,062</b>           | <b>20,375,380</b>           |

## KEY GROWTH AREAS



#### FINANCIAL REVIEW

We hereby present the summarised and consolidated audited financial results for Centenary Group-Malawi (the Bank) for the year ended 31st December 2024.

#### ECONOMIC OVERVIEW

Headline inflation averaged 28.1% in December 2024, down from 34.5% in December 2023, reflecting a slight easing of price pressures. However, inflation remained elevated due to the lingering effects of currency devaluation and persistent food inflation. The Reserve Bank of Malawi (RB\*) continued to make use of a flexible pricing mechanism through foreign exchange auctions, aimed at improving market transparency, enhancing price discovery, and managing liquidity in the forex market. Consequently, the Malawian Kwacha experienced a gradual depreciation of 3.21% in its TT rates between December 2023 and December 2024. Despite these efforts, the gap between the official TT rates and the parallel market rates continued to widen, with an estimated differential of 39% by December 2024. Additionally, the reference rate increased to 25.3% in December 2024, compared to 23.6% in December 2023.

#### PERFORMANCE

The year 2024 was earmarked as a recovery year for the Bank following adverse performance for the previous years. The Bank achieved significant progress specifically business growth, customer confidence, improvement in liquidity and improved customer experience. We have attained business volume growth

and reduced the cost of doing business despite increasing economic pressures. The Group continues to face downside risk in terms of increased impairments from existing facilities arising from economic conditions which have negatively affected its performance. In terms of profitability, the Bank(consolidated) closed the year with a profit after tax of MK1.92 billion compared to profit after tax of MK\$49 million in December 2023, which represented 250% increase in profitability.

The Bank earned MK25.5 billion in interest income compared to prior year interest income of MK18.1 billion representing 41% income growth due to increase on lending and new investments in liquid assets.

Interest expense for the year was MK11.9 billion against prior year expense of MK7.6 billion, representing 57% increase due to rising costs of funds and increased business volume.

Total non-interest revenue increased by 33% to MK15.3 billion from MK11.5 billion earned in year 2023 due to increase in foreign exchange gains and increased commissions earned from lending and transaction fees. Operating expenditure rose by 29% to MK23.0 billion from MK17.8 billion reported in 2023 mainly due to inflationary pressures

The Bank experienced high impairment allowances in the year which rose up to MK3.3 billion from MK1.8 billion recorded in the 2023 representing 83% increase. The impairment allowances rose because of the tough economic environment our customers are experiencing more especially from the inherited portfolio.

Total assets for the Group increased by 37% to close at MK168 billion in 2024 from MK123 billion in 2023. The growth is mainly driven by increased customer deposits following improved confidence arising from the change in shareholding. The customer deposits grew by 50% to MK135.2 billion from MK 90.4 billion reported in 2023.

#### OUTLOOK

The Group expects macroeconomic stability in 2025, although pressure on the Kwacha will continue and inflation is expected to decline during the year. We are however optimistic about continuing with business growth as we continue to implement the various business growth strategies we have embarked on since the start of the year.

We will continue to focus on improving customer satisfaction and improving efficiencies, upgrading our systems and driving the digitization agenda to grow the business as well as enhancing customer experience.

We will also continue to focus on cost rationalization, prudent management of risk and liquidity, diversification of balance sheet funding, whilst maintaining a healthy capital position

#### By order of the Board

F.Z. Pelekamoyo  
Chairman

John Biziwick  
Director

G. Byekwaso  
Managing Director

H.E.Y. Nampota  
Chief Finance Officer

#### BASIS OF PREPARATION

The Directors have prepared the summary consolidated and separate financial statements to meet the requirements of the Financial Services Act, 2010. The Directors have considered the requirements of the Financial Services Act, 2010 and believe that the summary statements of financial position, profit or loss and other 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 as issued by the International Accounting Standards Board and IAS 29 Financial Reporting in Hyperinflationary Economies -2024 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and the requirements of the Companies Act 2013, of Malawi. The summary consolidated and separate financial statements have been derived from the annual consolidated and separate financial statements which were approved by the board of directors on 28th March 2025 and are available at Company's registered office.

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