

2024

SUMMARY OF UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE



INCOME STATEMENT Consolidated

			As at 30 Jur	ne 2024		As at June 2023			As at 31 December 2023		
SEC	TOR	Exposure	Impaired Amounts	Expected Credit Loss	Net Exposure	Exposure	Impaired Amounts	Expected Credit Loss	Exposure	Impaired Amounts	Expected Credit Loss
1.	Agriculture	1,269,004	478,912	18,414	1,250,590	886,937	212,315	209,670	1,150,906	152,330	42
2.	Manufacturing	286,784	286,260	397	286,386	1,367,363	266	11	1,209,251	862,635	7,348
3.	Construction	5,500,851	698,093	284,612	5,216,239	4,513,963	5,549	29	5,588,593	9,514	-
4.	Wholesale and retail trade	15,009,915	7,995,914	1,366,426	13,643,489	20,403,270	2,021,764	380,691	19,054,075	15,205,563	4,776,770
5.	Tourism	731,697	225,085	11,947	719,750	390,480	3,627	-	733,186	-	-
6.	Transport and communications	3,426,962	871,983	348,293	3,078,669	1,144,861	166,793	3	2,407,383	94,948	402
7.	Financial services	279,983	103,140	518	279,466	209,210	20,865		170,971	11,737	-
8.	Community, social and personal services	30,224,950	6,589,357	1,287,246	28,937,705	28,142,843	964,368	307,314	27,996,895	508,487	216,969
9.	Other	5,273,564	485,332	123,200	5,150,363	94,602			2,055,484	_	-
тот	TAL	62,003,710	17,734,076	3,441,053	58,562,657	57,153,529	3,395,548	897,718	60,366,744	16,845,214	5,001,532

In thousands of Malawi K	(wacha			30 June	e 2023		30 June 2023		31 Decembe	er 2023
Total credit facilities inclues exceed 25% of our core		, acceptances	and other sim	ilar commitm	ents extended	to any one cu	istomer or gro	oup of related cu	ustomers where	e amounts
		CRE	EDIT CONC	ENTRATION	l					
TOTAL	62,003,710	17,734,076	3,441,053	58,562,657	57,153,529	3,395,548	897,718	60,366,744	16,845,214	5,001,532
9. Other	5,273,564	485,332	123,200	5,150,363	94,602			2,055,484	-	-
personal services	30,224,950	6,589,357	1,287,246	28,937,705	28,142,843	964,368	307,314	27,996,895	508,487	216,969

% of Core

Capital

Directors' remuneration

Bonuses paid to staff

Management fees

Type of Deposit

2. Fixed Deposits

a) I Month

c) 3 Months

d) 6 Months

e) 9 Months

f) 12 Months

b) 14 day Notice

c) 21 day Notice

d) 30 day Notice

a) Ordianary Savings

4. Savings Account

b) Linga Savings

d) SME Savings

289,485

180,137

c) Student Savings

3. Call Accounts a) 7 day Notice

I. Current Account (on credit

balances of K10,000,000) and above



FINANCIAL REVIEW

We hereby present the summarised and consolidated unaudited financial results for Centenary Group-Malawi (the Bank) for the six months ended 30th June 2024.

ECONOMIC HIGHLIGHTS

Headline inflation closed at 33.3% in June 2024 down from 34.5% in December 2023 and 27.3% in June 2023. The increase was predominantly on account of currency depreciation and rising food prices. However, the Kwacha is expected to remain overvalued in 2024 owing to low foreign-currency reserves and a wide trade deficit. The reference rate closed at 25.1% up from 23.6% in December 2023 and 21.0% in June 2023

PERFORMANCE

% of Core

30 JUNE 2023 31 DEC 2023

30 JUNE 2023 31 DEC 2023

90,623

Rate

0.05%

3.5%

4.0%

5.0%

2.0%

2.0%

2.0%

3.0%

2.0%

5.0%

2.0%

2.0%

Negotiable

Negotiable

Negotiable

The performance of the Bank continues to improve marginally due to high cost of funds amidst high impairment allowances arising from high non performing loans.

The Bank has registered total assets worth MWK139.8 billion in the first half of year representing 14% and 31% growth when compared to December 2023 (MWK122.8 billion) and June 2023 (MWK107.1 billion) respectively. The net loan portfolio has grown by 11% and 8% when compared to June 2023 and December 2023 respectively. The total net loan portfolio stood at **MWK58.6 billion** as at 30th June 2024.

Client deposits grew from MWK90.4 billion reported in December 2023 to MWK108 **billion** by June 2024 representing 20% growth. This performance also represents 28% growth when compared to June 2023 (MWK84 billion).

The Bank has registered a profit after tax of MWK292.5 million for the six months to June 2024 compared to **MWK549 million** registered in the year ended 31 December 2023.

Total income grew by 20% with the Bank recording MWK12.4 billion by June 2024 against MWK10.3 billion reported in June 2023. Interest income grew from MWK7.8 **billion** reported in June 2023 to **MWK11.8 billion** by June 2024 representing 51% growth. The Bank earned MWK5.7 billion in net interest incomes compared to prior year's net interest incomes of MK5.3 billion representing 8% growth. Net interest income was affected by high cost of funding.

Total non-interest revenue increased by 166% to MWK6.6 billion from MK2.5 billion earned in prior year period. Overall the Bank registered improved transactional volumes in the first half of the year that has helped it grow its customer base and revenues.

Operating costs before impairment allowances rose by 29% to MWK10.8 billion from MWK8.4 billion in the prior year due to inflationary pressures. We focused strongly on cost containment to ensure below inflation costs growth. However high Impairment allowances arising from deteriorated quality of the loan portfolio negatively affected the performance in the period under review when MWK1.2 billion was provided for against **MWK431 million** reported last year same period.

OUTLOOK

3.5%

Negotiable

5.0%

2.0%

2.0%

The Group expects macroeconomic pressures to persist in the second half of 2024 with sustained pressure on the kwacha and rising inflation. We expect the economic pressures, including the aftermath of El Niño, to affect various businesses and customers' disposable incomes and ability to meet their contractual obligations. However, we are optimistic about continuing with the growth trajectory 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 operational efficiencies, upgrading our systems and driving the digitalization agenda to grow the business and enhance 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



G. Byekwaso



H.E.Y. Nampota **Acting Chief Finance Officer**

BASIS OF PREPARATION

Acting Managing Director

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, 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. 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.

	As at
	December 2023
LOANS 7	
	11,391,501
la tha canada a f Malacci Koo	8,983,879
In thousands of Malawi Kw	29,583,023
	54,203,681
	8,284,361
DIRECTORS	207,800
Balance at beginning of h	238,447
year	2,261,258
) Cui	2,489,656
Loans granted during the	1,662,772
year	3,450,705

Balance at period end

None

Sector of Borrower

In thousands of Malawi Kwacha	30 JUNE 2024	30 JUNE 2023	31 DEC 2023
	Net Loans	Net Loans	Net Loans
DIRECTORS			
Balance at beginning of half year	123	-	
Loans granted during the half year	5,500		5060
Repayments	(911)	-	(4,937)
Balance at period end	4,712	-	123
SENIOR AND EXECUTIVE	MANAGEMENT		
Balance at beginning of half year	453,906	368,394	368,394
Loans granted during the year	60,713	177,800	230,085
Repayments	(247,774)	(154,181)	(144,573)
Balance at period end	266,845	392,013	453,906
OTHER RELATED PARTIES			
Balance at beginning of half year	289,485	-	0
Loans granted during the half year	106,839	180,137	297,224
Repayments	(16,900)		(7,739)

TO DIRECTORS, SENIOR MANAGEMENT

AND OTHER RELATED PARTIES

SUBSDIARY		
30-Jun-24	31-Dec-23	
Sharhold	ling	
100%	100%	
Share Capital		
207,800,000	207,800,000	
ATES		
30-Jun-24 30-	-Jun-23 31-Dec-23	
	Sharhold 100% Share Ca 207,800,000	

379,424

LENDING RATES							
Reference Rate	30-Jun-24	30-Jun-23	31-Dec-23				
Base Lending Rate (local currency)	25.10%	21.00%	23.60%				
Maximum Applicable Range (percentage points)	11.60%	14.90%	11.60%				
Base Lending Rate (foreign currency)	8.10%	8.10%	8.10%				
Reserve Bank of Malawi Bank Rate	26.00%	22.00%	24.00%				

KEY GF	ROWTH	AREAS
139.8		2024
107	108	
	84	2023
		KEY
		12
		12 10
Total Assets	Total Deposits	Total Income
31% 🔼	28% 🔼	20% 🔼

% of Core

DIRECTORS REMUNERATION, BONUSES AND MANAGEMENT FEES

30 JUNE 2024

DEPOSIT RATES

30 JUNE 2024

302,583

0.05%

3.5%

5.0%

2.0%

2.0%

2.0%

3.0%

2.0%

5.0%

2.0%

2.0%

Negotiable

Negotiable

Negotiable

Capital

					Year ended
30 June 2024	30 June 2023	31 December 2023	30 June 2024	30 June 2023	31 December 2023
11,799,726	7,823,552	18,136,152	11,799,726	7,823,552	18,136,152
(6,059,307)	(2,527,042)	(7,640,792)	(6,055,250)	(2,524,887)	(7,634,161)
5,740,419	5,296,510	10,495,361	5,744,475	5,298,665	10,501,991
4,207,988	3,177,071	6,956,781	4,201,528	3,177,071	6,956,781
(748,801)	(686,536)	(1,520,166)	(748,801)	(686,536)	(1,520,166)
3,459,187	2,490,534	5,436,615	3,452,726	2,490,534	5,436,615
-	-	-	-	-	-
3,158,350	2,532,026	4,564,961	2,948,399	2,341,001	4,206,425
12,357,956	10,319,070	20,496,937	12,145,601	10,130,200	20,145,031
					
(4,968,631)	(3,918,161)	(8,343,262)	(4,912,799)	(3,847,620)	(8,228,369)
(4,864,389)	(3,554,481)	(7,596,462)	(4,802,097)	(3,545,752)	(7,523,164)
(997,380)	(928,550)	(1,860,379)	(971,612)	(882,757)	(1,814,587)
(10,830,400)	(8,401,192)	(17,800,103)	(10,686,508)	(8,276,129)	(17,566,119)
1,527,556	1,917,878	2,696,834	1,459,093	1,854,072	2,578,912
(1,218,251)	(430,829)	(1,791,541)	(1,218,251)	(430,829)	(1,791,541)
309,305	1,487,050	905,293	240,842	1,423,243	787,371
(17,000)	(516,637)	(356,292)	0	(498,565)	(318,324)
292,305	970,412	549,000	240,842	924,678.25	469,047
	.				
292,305	970,412	549,000	240,842	924,678	469,047
292,305	970,412	549,000	240,842	924,678	469,047
21	69	39	17	66	34
As at	As at	As at	As at	As at	As at
30 June 2024	30 June 2023	31 December 2023	30 June 2024	30 June 2023	31 December 2023
	11,799,726 (6,059,307) 5,740,419 4,207,988 (748,801) 3,459,187 - 3,158,350 12,357,956 (4,968,631) (4,864,389) (997,380) (10,830,400) 1,527,556 (1,218,251) 309,305 (17,000) 292,305 292,305 292,305	11,799,726 (6,059,307) (2,527,042) 5,740,419 5,296,510 4,207,988 3,177,071 (748,801) (686,536) 3,459,187 2,490,534 3,158,350 2,532,026 12,357,956 10,319,070 (4,968,631) (4,864,389) (997,380) (998,550) (10,830,400) (8,401,192) 1,527,556 1,917,878 (1,218,251) (430,829) 309,305 1,487,050 (17,000) (516,637) 292,305 970,412 292,305 970,412 292,305 As at As at	11,799,726	11,799,726	11,799,726

In thousands of Kwacha	As at	As at	As at	As at	As at	As a
	30 June 2024	30 June 2023	31 December 2023	30 June 2024	30 June 2023	31 December 2023
ASSETS						
Cash and funds with Reserve Bank of Malawi	24,789,398	7,828,665	12,710,618	23,266,548	6,670,700	11,391,50
Placements with other banks	6,646,753	5,973,361	8,983,879	6,646,753	5,973,361	8,983,879
Government of Malawi treasury bills and notes	31,713,868	26,720,520	29,583,023	31,713,868	26,720,520	29,583,02
Loans and advances	58,562,907	52,681,500	54,203,681	58,562,657	52,681,500	54,203,68
Other assets	8,293,583	6,172,132	7,101,420	10,196,653	5,964,332	8,284,36
Investments in subsidiary	0	0	0	207,800	207,800	207,80
Tax receivable	5,436	248,839	243,388	500	243,903	238,44
Plant and equipment	3,278,877	1,921,592	2,311,301	3,233,802	1,896,931	2,261,258
Intangible assets	1,385,755	3,001,938	2,493,723	1,383,096	2,996,464	2,489,65
Right of use asset	1,384,568	521,776	1,714,308	1,352,395	500,033	1,662,772
Deferred tax asset	3,711,852	2,033,383	3,457,075	3,711,850	2,011,317	3,450,70
Total assets	139,772,996	107,103,706	122,802,416	140,275,921	105,866,862	122,757,083
LIABILITIES AND EQUITY						
LIABILITIES						
Customer deposits	108,072,699	84,256,478	90,417,800	108,072,699	84,256,478	90,417,80
Other liabilities	2,640,777	2,761,114	2,370,950	3,199,144	1,724,352	2,367,40
Lease liability	1,364,701	548,213	1,777,921	1,346,886	503,673	1,722,30
Medium term bond note	3,496,516	3,500,000	3,509,695	3,496,516	3,500,000	3,509,69
External borrowings	5,224,821	4,314,438	13,627,598	5,224,821	4,314,438	13,627,59
Total liabilities	120,799,514	95,380,243	111,703,964	121,340,066	94,298,941	111,644,79
EQUITY						
Capital and reserves						
Share capital	13,986	13,986	13,986	13,986	13,986	13,98
Share premium	17,450,146	17,450,146	17,450,146	17,450,146	17,450,146	17,450,14
Capital contribution	7,582,724	-		7,582,724	-	
Accumulated losses	(6,073,375)	(5,740,668)	(6,365,680)	(6,111,001)	(5,896,211)	(6,351,843
Total equity	18,973,481	11,723,464	11,098,452	18,935,855	11,567,922	11,112,28
Total equity and liabilities	139,772,996	107,103,706	122,802,416	140,275,921	105,866,862	122,757,083
STATEMENT OF CHANGES IN EQUITY						
	11,098,452	3,051,021	2,847,422	11,112,289	2,941,213	2,941,21
Opening equity at period beginning New Capital	7,582,724	7,702,030	7,702,030	7,582,724	7,702,030	7,702,030
	292,305	970,412	7,702,030 549,000	240,842	924,678	7,702,030 469,04
Profit/(Loss) for the year						
Closing equity at period end	18,973,481	11,723,464	11,098,452	18,935,855	11,567,922	11,112,289

STATEMENT OF CASHFLOWS						
	30 June 2024	30 June 2023	31 December 2023	30 June 2024	30 June 2023	31 December 2023
Cash flows from operating activities						
Profit/(loss) before tax	309,305	1,487,049	905,293	240,842	1,423,243	787,370
Adjustments for:						
Depreciation/amortisation	997,380	928,550	1,860,379	971,612	882,757	1,814,587
Interest on lease liability	127,284	63,863	157,810	123,229	128,316	
Customer deposits	17,654,898	27,156,243	33,409,510	17,654,898	27,156,243	33,317,565
Other liabilities and provisions	928,024	230,123	332,456	1,374,005	(471,329)	171,719
Loans and advances	(4,358,975)	(6,959,457)	(8,481,638)	(4,358,975)	(6,959,457)	(8,481,638)
Other assets	(1,877,394)	(1,558,516)	(5,041,598)	(2,477,682)	(1,050,935)	(5,114,449)
Income tax	(7,000)	(516,637)			(498,565)	
Net cash (used in)/generated from operating activities	13,773,521	(20,831,218)	(23,142,211)	13,527,929	20,610,273	22,495,153
Cash flows from investing activities						
Investments with maturity over three months	(10,546,800)	(12,554,505)	(12,490,944)	(10,546,800)	(12,554,505)	(15,417,008)
Purchase of plant and equipment	(527,289)	(932,750)	(1,506,434)	(527,289)	(904,750)	(1,475,767)
Net cash generated from/(used in) investing activities	(11,074,089)	(13,487,256)	(13,997,378)	(11,074,089)	(13,459,256)	(16,892,775)
Cash flows from financing activities						
Lease payments	(540,504)	(366,928)	(627,614)	(498,643)	(433,536)	(627,614)
Capital	7,582,724	7,702,030	7,702,030	7,582,724	7,702,030	7,702,030
Change in borrowings		(6,352,286)		-	(6,352,111)	2,970,744
Net cash inflows (used in) financing activities	7,042,220	982,816	7,074,416	7,084,081	916,383	10,045,160
Net (decrease)/increase in cash and cash equivalents	9,741,653	8,326,778	16,219,249	9,537,921	8,067,400	15,798,719
Cash and cash equivalents at beginning of the year	21,694,498	5,475,248	5,475,248	20,375,380	4,576,661	4,576,661
Cash and cash equivalents at end of the period ended	31,436,151	13,802,026	21,694,497	29,913,301	12,644,061	20,375,380