

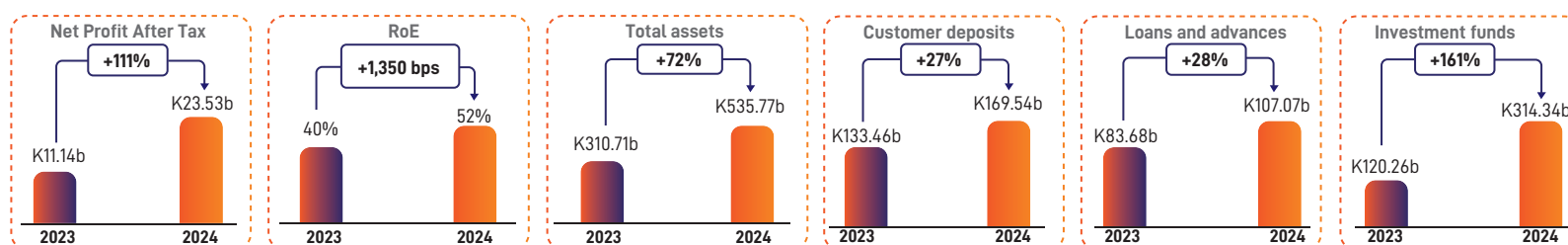


# Summary of audited results for the year ended 31st December 2024

(Published pursuant to the Financial Services Act and Banking Act of the Laws of Malawi)

INVESTMENT BANK

## Performance highlights



### Summary of financial statements for the year ended 31 December 2024

The Board is pleased to publish the summary statements of profit or loss and other comprehensive income, financial position, changes in equity, and cash flows of CDH Investment Bank for the year ended 31 December 2024 together with the independent auditor's report.

### Performance

The bank registered a profit after tax of K23.534 billion in 2024 against the prior year performance of K11.141 billion representing an increase of 111%. The performance was backed by a strong growth in operating income of 76%. Net interest income grew by 100% from K18.510 billion to K37.077 billion, and non-interest income grew from K11.615 billion to K15.827 billion, representing a growth of 36%. Operating expenses grew by 40% year on year. Notwithstanding the increase in expenses, the cost to income ratio decreased to 39% from 43% in the previous year.

Total assets grew by 72% from K311 billion to K536 billion, backed by a 27% growth in customer deposits and 161% growth in investment funds. Loans and advances grew by 28%. The bank continues to leverage on investment banking services to grow its commercial banking activities.

### Operating environment

Malawi faced a fragile domestic operating environment in 2024, dominated by prolonged foreign exchange shortages and persistent high inflation pressures, which averaged 32.2% for the year (up from 28.8% in 2023). Market interest rates went up as the Policy rate was increased from 24.0% to 26.0% and the Liquidity Reserve Requirement (LRR) ratio on domestic currency deposits was increased from 7.75% at the start of the year to 10.0% by year-end. Real GDP growth remained subdued, estimated at 1.8% for the year, slightly down from 1.9% in 2023, driven primarily by the El Niño weather conditions which severely affected agriculture production resulting into food insecurity, high inflation and elevated public debt levels.

The Kwacha depreciated by 3% against the US Dollar in March 2024. The foreign exchange shortages resulted in a wide gap between the official and parallel foreign exchange rates, with the latter trading well over USD/MwK: K3,000 by the end of the year. Officials reacted by tightening the foreign exchange regulations with regulatory authorities issuing new Exchange Control Regulations requiring public entities and Non Governmental Organisations (NGOs) to transfer their foreign exchange denominated accounts from commercial banks to Reserve Bank of Malawi and mandated these entities to convert 80% and 70% of their foreign exchange immediately on receipt.

### Outlook

The Government projects the economy to grow by 4% in 2025, mainly buoyed by improved food security, better export earnings, and investments mainly in agriculture, mining, and tourism. Inflation and interest rates are expected to stabilise at the current levels. However, these prospects could be blurred in the event of fiscal slippages as a result of increased Government spending and adverse weather-related shocks among other things. The outlook could also be dependent on the prospects of renewal of the IMF-supported ECF programme which could determine the rate of foreign currency flows to Malawi, affecting the importation of critical raw materials. In addition, increasing uncertainties in the global economy, which could have some repercussions for Malawi, mainly stemming from potential intensification of protectionist policies in the form of tariffs, which could worsen trade tensions and lower investment; geopolitical tensions in Europe and Africa; and scaling down of US aid to Malawi.

### Appreciation

We thank all our stakeholders, including our valued clients, the shareholders, the Government of Malawi, the Reserve Bank of Malawi, the media, banks and other business partners, who supported the bank resulting in a good performance for the year ended 31 December 2024.

### Basis of preparation

The Board has prepared the bank's summary financial statements to meet the requirements of the Financial Services Act, 2010. The Board has considered the Financial Services Act, 2010 requirements and believes that the summary statements of financial position, profit or loss and other comprehensive income, and cash flows are sufficient to meet the requirements of the users of the bank's summary financial statements. The amounts in the summary financial statements are

prepared in accordance with the framework, concepts, and the measurement and recognition requirements of International Financial Reporting Standards.

Franklin Kennedy  
Chairperson

Sydney Chikoti  
Director

Thoko Mkavea  
Chief Executive  
Officer/Managing  
Director

Kelvin Mkulichi  
Chief Finance Officer

21 March 2025

### Independent Auditor's report on the bank's summary financial statements to the shareholders of CDH Investment Bank Limited as at 31st December 2024

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2024, the summary statement of profit or loss and other comprehensive income, summary statement of changes in equity and summary cash flow statement for the year then ended and related notes, are derived from the complete audited financial statements of CDH Investment Bank Limited for the year ended 31 December 2024.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and the requirements of the Companies Act, 2013.

### Summary financial statements

The summary financial statements do not contain all the disclosures required by IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and the requirements of the Companies Act, 2013. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

### The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 28 March 2025. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year.

### Directors' responsibility for the summary financial statements

Directors are responsible for the preparation of the summary financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and the requirements of the Companies Act, 2013; and for such internal control as the directors determine is necessary to enable the preparation of the summary financial statements that are free from material misstatements, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Chartered Accountants (Malawi)  
Monica Lungu - Partner  
Registered Practicing Accountant  
28 March 2025

