INVESTMENT BANK

Summary of audited results for the year ended 31st December 2025

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

Summary statement of profit or loss and other comprehensive income

	31-Dec-25 Audited K'000	31-Dec-24 Audited K'000
Interest income	63,241,511	39,585,302
Interest expense	(37,817,262)	(22,031,675)
Net interest income	25,424,249	17,553,627
Non-interest income	64,139,280	35,350,103
Operating income before impairment losses on loans and advances to customers	**89,563,529**	**52,903,730**
Net impairment (losses) on loans and advances to customers	(831,637)	(4,442,710)
Income after impairment (losses) on loans and advances to customers	**88,731,892**	**48,461,020**
Operating expenses	(24,951,490)	(16,193,445)
Profit before income tax expense	63,780,402	32,267,575
Income tax expense	(20,559,673)	(8,733,451)
Profit and comprehensive income for the year	**43,220,729**	**23,534,124**

Summary statement of financial position

	31-Dec-25 Audited K'000	31-Dec-24 Audited K'000
Assets		
Cash and cash equivalents	51,035,672	11,135,180
Financial assets at fair value through profit or loss	651,790,341	350,666,373
Investment securities at amortised cost	86,783,711	40,368,931
Interbank placements	8,764,418	11,624,477
Loans and advances to customers	159,692,205	107,065,124
Other assets	2,597,806	4,190,869
Current tax asset	288,520	559,772
Other investments at cost	838,250	838,250
Property, equipment and right of use assets	12,404,067	9,317,381
Intangible assets	39,105	1
Total assets	**974,234,095**	**535,766,358**
Capital, reserves and liabilities		
Equity	67,294,757	46,045,090
Customer deposits	311,766,895	169,542,228
Investment funds	575,246,654	314,344,540
Other liabilities and accruals	10,017,923	5,566,293
Deferred tax liability	1,407,866	268,207
Dividend payable	8,500,000	-
Total equity and liabilities	**974,234,095**	**535,766,358**

Summary statement of changes in equity

	31-Dec-25 Audited K'000	31-Dec-24 Audited K'000
As at the beginning of the year	46,045,090	28,627,289
Dividends declared but not paid	(8,500,000)	-
Dividends paid	(13,471,062)	(6,116,323)
Total comprehensive income for the year	43,220,729	23,534,124
As at the end of the year	**67,294,757**	**46,045,090**

Summary statement of cash flows

	31-Dec-25 Audited K'000	31-Dec-24 Audited K'000
Net cash generated from operating activities	**56,203,246**	**476,205**
Net cash used in investing activities	**(1,847,714)**	**(2,280,946)**
Net cash used in financing activities	**(14,676,042)**	**(7,147,545)**
Net increase/(decrease) in cash and cash equivalents	**39,679,490**	**(8,952,286)**
Cash and cash equivalents at the beginning of the year	11,135,180	19,863,871
Effects of exchange rate fluctuations	221,002	223,595
Cash and cash equivalents at the end of the year	**51,035,672**	**11,135,180**

Impairment losses, non performing credit facilities and provisions for losses

Sector	As at 31 Dec-25 Outstanding amount	As at 31 Dec-25 Impaired loans outstanding balances	As at 31 Dec-25 Expected credit loss	As at 31 Dec-24 Outstanding amount	As at 31 Dec-24 Impaired loans outstanding balances	As at 31 Dec-24 Expected credit loss
	K'000	K'000	K'000	K'000	K'000	K'000
Agriculture	22,262,231	-	-	16,478,205	55	9,392
Construction	1,050,046	2,512	-	1,882,909	170	1,565
Manufacturing	40,070,088	11,467,145	-	14,691,177	11,055,505	20,349
Real estate	22,259	-	-	159,192	-	-
Tourism and leisure	5,700,252	5,473,434	5,473,368	5,793,604	5,793,604	5,793,364
Transport/storage	111,206	23	-	164,092	49	1,610
Wholesale and retail	49,488,853	29,969,556	-	38,524,848	701	209
Financial services	17,262,718	445	8,368	5,922,244	5,546	193,230
Community, social and personal services	4,832,408	62,738	64,828	9,752,157	44,406	231,428
Electricity, gas, water and energy	24,443,433	-	4,725	19,947,973	-	130
	165,243,494	**46,975,853**	**5,551,289**	**113,316,401**	16,900,036	6,251,277

Credit concentration

Total credit facilities including guarantees, acceptances and other similar commitments extended by the bank to any one or group of related customers where individual facility amounts were above 25% of core capital.

Economic sector	31-Dec-25 Outstanding K'000	31-Dec-25 % of core capital	31-Dec-24 Outstanding K'000	31-Dec-24 % of core capital
Agriculture	21,780,838	33%	16,433,973	45%
Wholesale and retail	55,885,273	84%	44,826,893	124%
Electricity, gas, water and energy	24,322,336	37%	19,311,066	53%
Manufacturing	11,467,115	17%	11,045,710	31%
Tourism and leisure	-	-	5,793,262	16%

Loans to directors, senior management and other related parties

	31-Dec-25 Opening balance	31-Dec-25 Loans granted during the period	31-Dec-25 Repayments	31-Dec-25 Balance at period end	31-Dec-24 Opening balance	31-Dec-24 Loans granted during the period	31-Dec-24 Repayments	31-Dec-24 Balance at period end
	K'000	K'000	K'000	K'000	K'000	K'000	K'000	K'000
Other related parties	930,961	5,000,000	(1,506,364)	4,424,597	10,000	2,000,000	(1,079,039)	930,961
Senior management	921,408	1,238,000	(413,653)	1,745,755	790,391	415,705	(284,688)	921,408

Directors remuneration and bonuses

	31-Dec-25	31-Dec-24
	K'000	K'000
Directors expenses	229,211	132,723
Directors remuneration	487,428	220,686
Staff bonuses	6,378,040	3,226,758

Capital management

	Required	31-Dec-25	31-Dec-24
Tier I ratio	10.00%	27.90%	45.09%
Total capital ratio	15.00%	27.90%	45.09%

Other investments

	31-Dec-25	31-Dec-24
	K'000	K'000
Associates		
National Switch Limited	111,000	111,000
Malawi Agricultural and Industrial Investment Corporation Plc	727,250	727,250

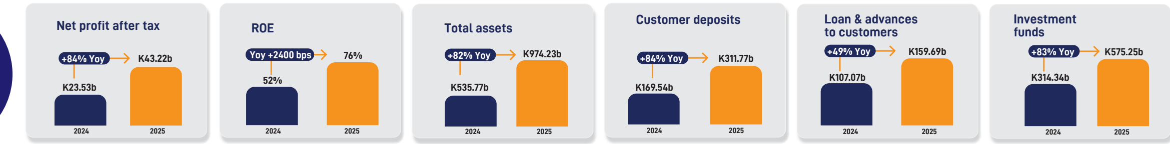
Deposit rates

	31-Dec-25	31-Dec-24
Current account	0.25%	0.25%
CDHIB prime investors account	9.50%	9.50%
Smart savers account	8.00%	8.00%
7 day call account	6.00%	6.00%
30 day call account	7.00%	7.00%
1 month fixed deposit	8.00%	8.00%
2 months fixed deposit	8.50%	8.50%
3 months fixed deposit	9.00%	9.00%
6 months fixed deposit	Negotiable	Negotiable
9 months fixed deposit	Negotiable	Negotiable
12 months fixed deposit	Negotiable	Negotiable

Lending rates

	31-Dec-25	31-Dec-24
Base lending rate (local currency)	25.3%	25.3%
Base lending rate (foreign currency)	10%	10%
Maximum applicable range (basis points)	1,090	1,090
RBM bank rate	26.0%	26.0%

Performance highlights 2025



The Board has the pleasure to publish 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 2025 together with the independent auditor's report.

Performance

The bank delivered a strong performance in 2025, recording a profit after tax of K43.221 billion, up from K23.534 billion in the prior year. This represents an impressive 84% year-on-year increase. The robust growth was primarily driven by a 69% rise in operating income. Net interest income rose by 45% from K17.554 billion to K25.424 billion, while non-interest income grew from K35.350 billion to K64.139 billion representing a growth of 81%. Despite operating expenses rising by 54% during the year, the cost to income ratio improved significantly from 39% to 28.8%.

Total assets grew by 82% from K535.766 billion to K974.234 billion. This growth was supported by an 84% increase in customer deposits and an 83% growth in investment funds. Loans and advances also grew by 49% from K107.065 billion to K159.692 billion.

Operating environment

The Malawi economy recorded an estimated 2.8% growth in 2025, compared to approximately 1.8% in 2024. The modest recovery was supported by improved performance in agriculture, tourism, mining and infrastructure development. However, the growth was constrained by foreign exchange shortages, high inflation and rising public debt.

Annual average inflation moderated to 28.4% in 2025, down from 32.3% in 2024 largely on account of easing food prices despite rising utility costs. The Reserve Bank of Malawi maintained a cautious approach to monetary policy stance, holding the Policy rate at 26.0% throughout the year which contributed to relative stability in market interest rates.

The official exchange rate against the US dollar remained unchanged at USD/MwK1751 despite the persistent shortage of foreign currency.

Outlook

The Government projects economic growth of 3.8% in 2026, driven by increased investments in agriculture, mining, tourism and manufacturing. Efforts to contain public sector spending, improved infrastructure, and reprofile public debt are expected to support lower inflation and interest rates, while encouraging private sector activity.

Key risks to the outlook include persistent foreign exchange shortages, high fuel and other key import costs, elevated taxes, and the weakening effect domestic demand. Global geopolitical tensions and conflicts could further exacerbate commodity price volatility and supply chain disruptions. Inflation is forecast to moderate to around 15% in 2026, supported by improved food supply conditions and tighter fiscal and monetary policies.

Appreciation

We extend sincere gratitude to all stakeholders, including our board, our valued clients, the shareholders, staff, the Government of Malawi, the Reserve Bank of Malawi, the media, fellow banks and other business partners for their continued support, which contributed significantly to the bank's strong financial performance in 2025

Basis of preparation

These summary financial statements have been prepaired in accordance with the requirements of the Financial Services Act, 2010. The Directors believe that the summary statements of financial position, profit or loss and other comprehensive income, changes in equity, and cash flows are consistent with the complete audited financial statements and meet the needs of users. The amounts are derived from the full audited financial statements prepared in accordance with the framework, concepts and the measurement and recognition requirements of IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and the requirements of the Companies Act 2013.

Franklin Kennedy Chairman	**Sydney Chikoti** Director	**Thoko Mkavea** Chief Executive Officer/Managing Director	**Kelvin Mkulichi** Chief Finance Officer

20 March, 2026

Report of the independent Auditor on the summary financial statements to the shareholders of CDH Investment Bank Limited for the year ended 31 December 2025

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2025, the summary statement of profit or loss and other comprehensive income, summary statement of changes in equity and summary statement of cash flow 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 2025.

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) and 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) 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 **31 March 2026**. 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 (IASB) and 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.

EY
Shape the future with confidence

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

21 April 2026