CDH
INVESTMENT BANK

Summary of results for the six months ended 30th June 2026

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

Summary of financial statements for six months ended 30 June 2026

We hereby publish the summary statements of profit or loss and other comprehensive income, financial position, changes in equity and cash flows of CDH Investment Bank Limited as at 30 June 2026**.**

Overall performance

The bank's profit after tax increased by 124% to K41.0 billion compared to K18.3 billion in the corresponding period in 2025. This strong growth was primarily driven by a robust expansion in operating income before impairments on loans and advances, which rose from K38.3 billion to K77.6 billion. The increase was supported by healthy growth in both interest and non interest income.

Total assets increased by 37% from K764.0 billion to K1.1 trillion mainly due to increases in Financial assets at fair value through profit or loss, investment in government securities at amortised cost and loans and advances to customers. The bank continued to leverage on the integrated investment banking solutions and traditional commercial banking services.

Throughout the period, the bank maintained full compliance with all regulatory guidelines issued by the relevant authorities.

The operating economic environment

The Malawian economy exhibited modest improvement during the first half of 2026, supported by declining inflation, easing interest rates, and relative stability in the official exchange rate. However, the recovery remained fragile amid persistent foreign exchange shortages, elevated import costs, and fiscal pressures.

Headline inflation eased to 21.1% in June 2026, with the first-half average declining to 23.6% from 28.4% in the prior year. This moderation was largely attributable to reduced food price pressures, although utility and non-food costs remained elevated. The Reserve Bank of Malawi reduced the policy rate from 26.0% to 24.0% in March 2026, while increasing the Liquidity Reserve Requirement from 10.0% to 12.0% in April to manage excess liquidity.

Yields on government securities declined as domestic debt issuance moderated. The average Treasury Bill yield fell from 20.67% in 2025 to 16.07% in the first half of 2026 (ending June at 14.50%), while the 2-year Treasury Note yield decreased from 28.75% in December 2025 to 18.00% by end-June 2026. The Market Reference Rate eased from an annual average of 25.23% in 2025 to 20.40% by June 2026.

The official exchange rate remained broadly stable at approximately K1,751 per US dollar, although foreign exchange shortages continued to constrain access to fuel, raw materials, and other imported inputs.

Outlook for the remainder of 2026

The Government projects real GDP growth of 2.8% for the full year 2026, up from 2.5% in 2025, supported by anticipated gains in agriculture, construction, mining, and manufacturing. Fiscal consolidation, debt reprofiling, and infrastructure investments are expected to contribute to further moderation in inflation and interest rates.

Significant risks remain, including chronic foreign exchange shortages, high fuel and import costs, fiscal pressures, unreliable electricity supply, subdued domestic demand, adverse weather events, and potential geopolitical spillovers. Inflation is projected to remain elevated in the near term but moderate gradually, depending on developments in food prices, exchange rate stability, fuel costs, electricity availability, and fiscal discipline.

Overall, the operating environment is expected to improve progressively in the second half of 2026 - particularly if meaningful progress is achieved on IMF engagement and external financing. CDH Investment Bank remains exceptionally well positioned to capitalise on emerging opportunities while supporting our clients through continued innovation and service excellence.

We extend our sincere appreciation to our valued clients, shareholders, regulators, business partners, and dedicated staff for their ongoing trust and collaboration. Together, we are setting new benchmarks for excellence in Malawi and the region.

FH Kennedy
Board Chairperson

S Chikoti
Chairperson, Audit Committee

Thoko Mkavea
Chief Executive Officer/Managing Director

Kelvin Mkulichi
Chief Finance Officer

27 July 2026

Summary statement of profit or loss and other comprehensive income

In millions of Kwacha	Unaudited Six months to 30-Jun-26	Unaudited Six months to 30-Jun-25	Audited Twelve months to 31-Dec-25
Interest income	35,001	27,494	63,242
Interest expense	(14,363)	(18,149)	(37 817)
Net interest income	**20,638**	**9,345**	**25,425**
Fair value adjustment on financial assets at fair value through profit or loss	(2,232)	2,313	3 286
Non-interest income	59 461	26,667	60,853
Operating income before impairment losses on loans and advances to customers	**77,867**	**38,325**	**89,564**
Net impairment losses on loans and advances to customers and securities	(282)	12	(832)
Income after impairment losses on loans and advances to customers	**77,585**	**38,337**	**88,732**
Operating expenses	(18,733)	(11,249)	(24,951)
Profit before income tax	**58 852**	**27,088**	**63,781**
Income tax expense	(17,828)	(8,780)	(20,560)
Profit for the period	**41,024**	**18,308**	**43,221**

Summary statement of financial position

In millions of Kwacha	Unaudited 30-Jun-26	Unaudited 30-Jun-25	Audited 31-Dec-25
Assets			
Cash and cash equivalents	91,608	36,268	51,036
Financial assets at fair value through profit or loss	687,072	512,150	651,790
Investment securities at amortised cost	95,741	69,292	86,784
Interbank placements	-	-	8,764
Loans and advances to customers	158,317	131,321	159,692
Other assets	3,787	4,741	2,598
Current tax asset	-	-	289
Other investments at cost	838	838	838
Property Equipment and right of use assets	10,141	9,391	12,404
Intangible assets	35	44	39
Deferred tax asset	988	-	-
Total assets	**1,048,527**	**764 045**	**974,234**
Capital, reserves and liabilities			
Equity	99,309	53,882	67,295
Customer deposits	355,280	259,431	311,767
Investment funds	567,413	440 135	575,247
Other liabilities and accruals	16,361	6,280	18,517
Income tax payable	10,164	4,161	1,408
Deffered Tax liability	-	155	-
Total capital, reserves and liabilities	**1,048,527**	**764,044**	**974,234**

Summary statement of changes in equity

In millions of Kwacha	Unaudited 30-Jun-26	Unaudited 30-Jun-25	Audited 31-Dec-25
As at the beginning of the period	67,295	46,045	46,045
Dividends paid	(9,010)	(10,471)	(13,471)
Dividends declared but not paid	-	-	(8,500)
Total comprehensive income for the period	41,024	18,308	43,221
As at the end of the period	**99,309**	**53,882**	**67,295**

Summary statement of cashflows

In millions of Kwacha	Unaudited 30-Jun-26	Unaudited 30-Jun-25	Audited 31-Dec-25
Net cash generated from operating activities	**48,547**	**36,488**	**56,203**
Net cash generated from investing activities	**1,035**	**(884)**	**(1,848)**
Net cash used in financing activities	**(9,010)**	**(10,471)**	**(14,676)**
Net decrease in cash and cash equivalents	40,572	25,133	39,679
Effects of exchange rate fluctuations	-	-	222
Cash and cash equivalents at the beginning of the period	51,036	11 135	11,135
Cash and cash equivalents at the end of the period	**91,608**	**36,268**	**51,036**

Impairment losses/ non performing credit facilities and provisions for losses

Sector In millions of Kwacha	30-Jun-26 Outstanding amount	30-Jun-26 Impaired loans outstanding balances	30-Jun-26 Expected credit losses	30-Jun-25 Outstanding amount	30-Jun-25 Impaired loans outstanding balances	30-Jun-25 Expected credit losses
Agriculture	16,340	-	70	16,357	-	6
Construction	1,256	-	-	2,302	-	-
Manufacturing	44,702	-	-	25,895	-	101
Real estate	-	-	-	85	-	-
Electricity, gas, water and energy	7,748	-	-	22,085	-	-
Tourism and leisure	183	-	-	5,682	5,681	5,681
Transport/storage	189	-	12	282	-	2
Wholesale and retail	38,354	-	-	48,930	-	-
Community, social, personal services	6,498	1	133	7,514	36	234
	158,711	**1**	**393**	**137,561**	**5,717**	**6,241**

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 amounts exceeded 25% of core capital.

Economic sector In millions of Kwacha	30-Jun-26 Outstanding	30-Jun-26 % of core capital	30-Jun-25 Outstanding	30-Jun-25 % of core capital
Agriculture	11,442	14%	15,152	33%
Manufacturing	83,015	102%	31,158	68%
Wholesale and retail	34,225	42%	41,966	92%
Restaurants and hotels	-	0%	5,681	12%
Electricity, gas, water, and energy	26,795	33%	21,796	48%

Loans to directors, senior management and other related parties

In millions of Kwacha	30-Jun-26 Opening balance	30-Jun-26 Loans granted during the period	30-Jun-26 Balance at period end	30-Jun-26 Repayments	30-Jun-25 Opening balance	30-Jun-25 Loans granted during the period	30-Jun-25 Repayments	30-Jun-25 Balance at period end
Directors	-	-	-	-	-	-	-	-
Senior management	879	167	(183)	863	802	101	(24)	879

Directors remuneration

	30-Jun-26	30-Jun-25
Directors remuneration	589	367

Capital management

Capital management	Required	Jun-25	Jun-25
Tier 1 ratio	10.00%	26.42%	24.22%
Total capital ratio	15.00%	26.42%	24.22%

Lending rates

Lending rates	Jun-26	Jun-25
Base lending rate (local currency)	20.4%	25.1%
Base lending rate (foreign currency)	10.0%	10.0%
Maximum applicable range (basis points)	10.9%	10.9%
Malawi reference rate	20.4%	25.1%

Other investments at fair value through other comprehensive income

In millions of Kwacha	30-Jun-26	30-Jun-25
Associate		
Malawi Agricultural and Industrial Investment Corporation Plc	727	727
National Switch Limited	111	111

Current account	0.25%	0.25%
CDHIB prime investors account	9.50%	9.50%
Smart savings 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