

SUMMARY OF AUDITED RESULTS FOR THE YEAR ENDED 31ST DECEMBER 2025

KEY GROWTH HIGHLIGHTS

Values in MWK Billion	2025	2024
Total Assets	245	168
Total deposits	210	135
Total Income	51	28

Total Assets **46%↑**

Total Deposits **55%↑**

Total Income **84%↑**

PBT **383%↑**



SUMMARY OF CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In thousands of Malawi Kwacha

	CONSOLIDATED		SEPARATE	
	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2025	Year ended 31 December 2024
INCOME				
Interest income	38,510,726	25,454,195	38,510,726	25,454,195
Interest expenses	(12,112,013)	(11,944,018)	(12,265,169)	(11,955,086)
Net interest income	26,398,713	13,510,177	26,245,557	13,499,109
Fee and commission income	17,230,845	9,551,165	17,230,845	9,081,291
Fee and commission expense	(1,279,244)	(1,037,375)	(1,279,244)	(1,037,375)
Net fee and commission income	15,951,601	8,513,790	15,951,601	8,043,916
Foreign exchange gains	8,864,679	5,764,121	8,143,900	5,764,121
Total operating income	51,214,993	27,788,088	50,341,058	27,307,146
EXPENDITURE				
Staff costs	(11,804,666)	(9,645,032)	(11,669,976)	(9,540,439)
Other operating expenses	(15,588,818)	(11,390,794)	(15,406,267)	(11,216,953)
Depreciation and amortization	(2,010,115)	(2,016,370)	(1,985,878)	(1,966,039)
Total expenditure	(29,403,599)	(23,052,196)	(29,062,121)	(22,723,431)
Profit before impairment losses	21,811,394	4,735,892	21,278,937	4,583,715
Impairment on loans and advances to customers	(14,776,709)	(3,279,306)	(14,776,709)	(3,279,306)
Profit before income tax	7,034,685	1,456,586	6,502,228	1,304,409
Income tax credit/(expense)	(1,897,685)	460,852	(1,734,308)	510,418
Profit for the year	5,137,000	1,917,438	4,767,920	1,814,827
OTHER COMPREHENSIVE INCOME				
Items that may not be reclassified to profit or loss				
Total comprehensive income/(loss) for the year net of tax	5,137,000	1,917,438	4,767,920	1,814,827
Attributable to:				
Equity owners of the parent entity	5,137,000	1,917,438	4,767,920	1,814,827
Earnings per share (MWK)	218	137	203	130

SUMMARY OF CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

In thousands of Malawi Kwacha

	CONSOLIDATED		SEPARATE	
	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2025	Year ended 31 December 2024
ASSETS				
Cash and balances with Reserve Bank of Malawi	20,598,477	19,947,164	19,746,759	18,224,022
Placements with other banks	12,195,447	10,894,040	11,195,447	10,894,040
Government of Malawi treasury notes, bills	141,167,142	61,199,744	141,167,142	61,199,744
Loans and advances to customers	56,777,054	58,443,007	56,777,054	58,443,007
Other assets	5,292,039	6,732,946	6,554,602	8,107,430
Investment in subsidiary	-	-	207,800	207,800
Property and equipment	2,535,414	2,690,641	2,495,234	2,646,104
Intangible assets	2,139,634	2,750,684	2,139,591	2,749,353
Right of use assets	1,029,283	1,054,270	1,029,283	1,040,062
Deferred income tax asset	3,750,780	4,353,622	3,741,070	4,348,213
Total assets	245,485,270	168,066,118	245,053,982	167,859,775
LIABILITIES AND EQUITY				
LIABILITIES				
Deposits from customers	209,688,558	135,199,337	209,688,558	135,199,337
Other liabilities	4,665,753	3,114,889	4,665,753	3,061,249
Medium term bond notes	-	3,499,703	-	3,499,703
External borrowings	3,099,449	4,518,998	3,099,449	4,518,998
Income tax payable	1,243,553	158,211	1,275,311	148,143
Lease liability	1,052,343	976,366	1,047,151	922,505
Total liabilities	219,749,656	147,467,504	219,776,222	147,349,935
EQUITY				
Share capital	23,542	13,986	23,542	13,986
Share premium	25,023,314	17,450,146	25,023,314	17,450,146
Capital contribution	-	7,582,724	-	7,582,724
Accumulated losses	688,758	(4,448,242)	230,904	(4,537,016)
Total equity	25,735,614	20,598,614	25,277,760	20,509,840
Total liabilities and equity	245,485,270	168,066,118	245,053,982	167,859,775

SUMMARY OF CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

In thousands of Malawi Kwacha

	CONSOLIDATED		SEPARATE	
	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2025	Year ended 31 December 2024
Opening equity at period beginning	20,598,614	11,098,452	20,509,840	11,112,289
New capital	-	7,582,724	-	7,582,724
Profit for the year	5,137,000	1,917,438	4,767,920	1,814,827
Closing equity at period end	25,735,614	20,598,614	25,277,760	20,509,840

SUMMARY OF CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

In thousands of Malawi Kwacha

	CONSOLIDATED		SEPARATE	
	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 Dec 2025	Year ended 31 December 2024
OPERATING ACTIVITIES				
Profit before income tax	7,034,685	1,456,586	6,502,228	1,304,409
Adjustments for:				
Depreciation and amortization:	2,010,114	2,016,370	1,985,878	1,966,039
Interest on borrowings and medium term loans	-	69,287	-	69,287
Interest on lease liability	612,092	235,851	599,960	228,000
Changes in loans and advances	1,665,953	(4,239,326)	1,665,953	(4,239,326)
Changes in other assets	1,440,908	368,474	1,552,828	176,931
Changes in customer deposits	74,489,221	44,781,537	74,489,221	44,781,537
Changes in other liabilities	1,550,865	743,939	1,604,505	693,849
Net cash generated from operating activities	88,803,838	45,432,718	88,400,573	44,980,726
Tax paid	(209,503)	(42,127)	(500)	(500)
	88,594,335	45,390,591	88,400,573	44,980,226
INVESTING ACTIVITIES				
Investments with maturity over three months	(79,967,398)	(31,616,721)	(79,967,398)	(31,616,721)
Purchase of Property, Plant and Equipment and intangible assets	(1,218,852)	(1,993,673)	(1,214,468)	(1,987,872)
Net cash used in investing activities	(81,186,250)	(33,610,394)	(81,181,866)	(33,604,593)
FINANCING ACTIVITIES				
Lease payments	(536,113)	(1,028,335)	(475,311)	(1,027,796)
Capital injection	-	7,582,724	-	7,582,724
Changes in external borrowings	(4,919,252)	(9,187,879)	(4,919,252)	(9,187,879)
Net cash (used in)/generated from financing activities	(5,455,365)	(2,633,490)	(5,394,563)	(2,632,951)
Net change in cash equivalents	1,952,720	9,146,707	1,824,144	8,742,682
Cash and cash equivalents at the beginning of the year	30,841,204	21,694,497	29,118,062	20,375,380
Cash and cash equivalents at the end of the year	32,793,924	30,841,204	30,942,206	29,118,062

IMPAIRMENT LOSS/ NON-PERFORMING FACILITIES AND PROVISIONS FOR LOSSES BY INDUSTRY SECTOR

In thousands of Malawi Kwacha

	AS AT 31 DECEMBER 2025			
	Exposure	Impaired Amounts	Expected Credit Loss	Net exposure
Agriculture	1,262,931	350,017	(121,530)	1,141,401
Manufacturing	722	-	(6)	716
Construction	3,426,694	1,219,837	(501,776)	2,924,918
Wholesale and retail trade	9,632,294	1,562,807	(375,704)	9,256,590
Tourism	185,461	255	(591)	184,870
Transport and communications	2,092,350	90,551	(632)	2,091,718
Financial services	2,044,464	-	-	2,044,464
Personal	40,438,676	7,136,748	(6,891,794)	33,546,882
Other	5,585,495	26,771	-	5,585,495
TOTAL	64,669,087	10,386,986	(7,892,033)	56,777,054

LOANS TO DIRECTORS, SENIOR MANAGEMENT AND OTHER RELATED PARTIES

In thousands of Malawi Kwacha

	Year ended 31 December 2025	Year ended 31 December 2024
DIRECTORS		
Balance at beginning of year	3,980	123
Loans granted during the year	5,500	5,500
Repayments	(2,114)	(1,643)
Balance at period end	7,366	3,980

SENIOR AND EXECUTIVE MANAGEMENT

Balance at beginning of year	317,859	453,907
Loans granted during the year	433,822	202,000
Repayments	(240,587)	(338,048)
Balance at period end	511,094	317,859

OTHER RELATED PARTIES

Balance at beginning of year	434,031	289,485
Loans granted during the year	220,000	516,324
Repayments	(419,164)	(371,778)
Balance at period end	234,867	434,031

INVESTMENTS IN SUBSIDIARY

Name of Subsidiary	Year ended 31 December 2025	Year ended 31 December 2024
	Shareholding	100%
Centenary Bureau De Charge Limited	207,800,000	207,800,000
Share Capital in Malawi Kwacha		

LENDING RATES

REFERENCE RATE	Year ended 31 December 2025	Year ended 31 December 2024
	Base Lending Rate (local currency)	25.30%
Maximum Applicable Range (percentage points)	11.60%	11.60%
Base Lending Rate (foreign currency)	7.50%	7.50%
Monetary Policy Rate	26.00%	26.00%

FINANCIAL REVIEW

We hereby present the summarised, audited financial results for the year ended 31st December 2025.

ECONOMIC OVERVIEW

In 2025, Malawi's economy recorded a modest but uneven recovery, with real GDP growth estimated at approximately 2.4%. The improvement reflected partial recovery in mining, wholesale and retail trade, tourism, and selected service sectors, following weather-related disruptions in the prior year. Despite this rebound, the economy remained constrained by elevated inflation, persistent foreign exchange shortages, tight domestic liquidity, and mounting fiscal pressures.

Inflation moderated during the year but remained structurally high, averaging to 28.4%, largely driven by food prices, currency pass-through effects, and continued fiscal dominance. Monetary policy remained tight, with the Reserve Bank of Malawi maintaining the policy rate at 26% throughout the year, anchoring inflation expectations but constraining private sector credit growth.

PERFORMANCE

In terms of profitability, the Group closed the year with a profit after tax of MWK5.1 billion compared to profit after tax of MWK1.9 billion in December 2024, which represented 168% increase in profitability. The Group earned MWK38.5 billion in interest income compared to prior year interest income of MWK25.5 billion representing 51% income growth due to increase on new investments in liquid assets.

Interest expense for the year was MWK12.1 billion against prior year interest expense of MWK11.9 billion, representing 2% increase due to increased business volume amidst reduced cost of funds rates. Total non-interest revenue increased by 70% to MWK 26.1 billion from MK15.4 billion earned in year 2024 due to increase in business volume. Impairment charges through the profit and loss increased by 351% to MK14.8 billion in 2025 compared to MK3.3 billion reported in 2024 mainly due to increased deterioration of the legacy loan portfolio influenced by tough economic environment and impairment allowance on Government Securities.

Operating expenditure was within average inflation at 28% to MWK29.4 billion from MWK23.1 billion reported in 2024 mainly due to inflationary pressure.

Total assets for the Group increased by 46% to close at MWK245.5 billion in 2025 from MWK168.1 billion in 2024. The growth is mainly driven by continued increased customer deposits following improved confidence after the change in shareholding in 2023. Increased customer deposits had an effect on investments as surplus funds were invested on the money market. The customer deposits grew by 55% in the year 2025 to MWK209.7 billion from MWK135.2 billion reported in the year 2024.

OUTLOOK

The Group expects macroeconomic stability in the year 2026 though pressure on the Kwacha will continue and inflation is expected to continue declining in the year. We are however optimistic about continued 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 risks and diversification of the balance sheet funding, whilst maintaining a healthy capital position.

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 consolidated and separate 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 IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and IAS 29 Financial Reporting in Hyperinflationary Economies -2025 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and the requirements of the Companies Act 2013. 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.

Francis Z. Pelekamoyo
Chairman

John Bizizwick
Director

Godfrey Byekwaso
Managing Director

Hilarious.E.Y. Nampota
Chief Finance Officer

